

January 23, 2002

RESOLUTION AUTHORIZING THE BOARD OF EDUCATION OF THE CITY OF CHICAGO TO ENTER INTO SUPPLEMENTAL INDENTURES RELATIVE TO CERTAIN OUTSTANDING BOND ISSUES FOR THE PURPOSE OF FACILITATING CERTAIN REFUNDING PLANS

WHEREAS, the Board of Education of the City of Chicago (the "Board") has heretofore entered into a Trust Indenture dated as of November 1, 1997 (the "1997A Indenture"), with Amalgamated Bank of Chicago, as trustee (the "Trustee"), pursuant to which the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1997A (the "1997A Bonds");

WHEREAS, the Board has heretofore entered into a Trust Indenture dated as of September 1, 1998 (the "1998B Indenture"), with the Trustee pursuant to which the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1998B-1 (the "1998B Bonds");

WHEREAS, the Board has heretofore entered into a Trust Indenture dated as of February 1, 1999 (the "1999A Indenture" and together with the 1997 Indenture and the 1998B Indenture, the "Subordinate Indentures"), with the Trustee pursuant to which the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1999A (the "1999A Bonds");

WHEREAS, the Board has hereto adopted a Resolution dated August 26, 1998 (the "1998 QZAB Resolution" and together with the Subordinate Indentures, the "Applicable Bond Documents") by which it authorized the sale of its Qualified Zone Academy General Obligation (Alternate) Bonds, Series 1998 (the "1998 QZAB Bonds" and together with the 1997A Bonds, the 1998B Bonds and the 1999A Bonds, the "Subordinate Bonds");

WHEREAS, the Board has adopted or will adopt, on the same day that it adopts this Resolution, an amendment to the 1998 QZAB Resolution (the "QZAB Amendment");

WHEREAS, the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1996 and its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1997 (collectively, the "Prior Bonds");

WHEREAS, the Prior Bonds are secured by a pledge of and lien on Personal Property Replacement Tax Revenues (as defined in each of the Applicable Bond Documents) that is superior to and prior to the pledge of and lien on Personal Property Replacement Tax Revenues provided as security for the payment of the Subordinate Bonds;

WHEREAS, each respective Applicable Bond Document prohibits the issuance of additional bonds secured by a pledge of and lien on Personal Property Replacement Tax Revenues that is superior to or prior to the pledge of and lien on Personal Property Replacement Tax Revenues provided as security for the payment of the Subordinate Bonds;

WHEREAS, the Board desires to issue refunding bonds for the purpose of refunding one or more of the Prior Bonds for debt service savings;

WHEREAS, the Board finds and determines that an effective plan for refunding the Prior Bonds for debt service savings is to permit the refunding bonds to be secured by a pledge of and lien on Personal Property Replacement Tax Revenues that is (a) on parity with the pledge of and lien on Personal Property Tax Revenues in favor of the Prior Bonds and (b) superior to and prior to the pledge of and lien on Personal Property Replacement Tax Revenues in favor of the Subordinate Bonds, provided that such refunding will not increase the annual debt service to be paid by the Board in any year;

WHEREAS, to accomplish the proposed refunding plan it is necessary (i) for the Board and the Trustee to enter into supplemental trust indentures for each of the Subordinate Indentures, and (ii) for the Board to adopt and the Owner(s) of a majority in principal amount of the 1998 QZAB Bonds to consent to the QZAB Amendment;

WHEREAS, the Board finds and determines that the issuance of refunding bonds in accordance with the proposed refunding plan will not materially adversely affect the rights of the Trustee or the Owners (as that term is defined in each of the Applicable Bond Documents);

WHEREAS, each Subordinate Indenture authorizes the Board and the Trustee to enter into a supplemental indenture providing for any amendment thereto as shall not be inconsistent with the terms and provisions of such Subordinate Indenture to be amended to make any change which, in the judgment of the Trustee, does not materially adversely affect the rights of the Trustee or the Owners;

WHEREAS, each respective Subordinate Indenture permits any such supplemental indenture to be entered into and to take effect without the consent of the Owners; however, the 1997A Indenture and the 1999A Indenture require the written consent of the applicable Bond Insurer (as respectively defined therein) before any such supplemental indenture may take effect;

WHEREAS, the 1998 QZAB Resolution requires the consent of the Owner(s) (as defined therein) of a majority in principal amount of all 1998 QZAB Bonds before an amendment, such as the one contemplated herein, to the 1998 QZAB Resolution may take effect.

NOW, THEREFORE, BE IT RESOLVED by the Board of Education of the City of Chicago as follows:

Section 1. Incorporation of Preambles. The recitals set forth above are hereby incorporated into this text as if set out herein in full.

Section 2. Authority to Enter Into Supplemental Indentures. The Board hereby authorizes the Chief Fiscal Officer and the General Counsel to negotiate and secure the execution of a supplemental indenture to the 1997A Indenture, the 1998B Indenture and the 1999A Indenture, in substantially the form as the supplemental indentures attached hereto as Exhibit A, with such changes and modifications as they may deem necessary and in the best interest of the Board.

Section 3. Authority to Secure Consent to the 1998 QZAB Resolution Amendment. The Board hereby authorizes the Chief Fiscal Officer and the General Counsel to negotiate and secure the consent of the Owner(s) of a majority in principal amount of the 1998 QZAB Bonds to the amendment that the Board has approved or will approve to the 1998 QZAB Resolution.

Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption by the Board.

FIRST SUPPLEMENTAL TRUST INDENTURE

between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

AMALGAMATED BANK OF CHICAGO, as trustee

Dated as of January 1, 2002

Supplementing and amending a Trust Indenture dated as of November 1, 1997 between the Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois and Amalgamated Bank of Chicago, as Trustee Securing \$499,995,204.25 Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1997A.

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FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE, dated as of January 1, 2002 (the "First Supplemental Trust Indenture"), is between the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a school district organized and existing under the laws of the State of Illinois (the "Board"), as successor to the Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, and AMALGAMATED BANK OF CHICAGO, a state banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the State of Illinois, with its principal corporate trust office in Chicago, Illinois, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Board has heretofore entered into a Trust Indenture dated as of November 1, 1997 (the "1997A Indenture"), with the Trustee pursuant to which the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1997A (the "1997A Bonds");

WHEREAS, the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1996 and its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1997 (collectively, the "Prior Bonds");

WHEREAS, the Prior Bonds are secured by a pledge of and lien on Personal Property Replacement Tax Revenues (as defined in the 1997A Indenture) that is superior to and prior to the pledge of and lien on Personal Property Replacement Tax Revenues provided as security for the payment of the 1997A Bonds;

WHEREAS, the 1997A Indenture does not permit the issuance of additional bonds secured by a pledge of and lien on Personal Property Replacement Tax Revenues that is superior to or prior to the pledge of and lien on Personal Property Replacement Tax Revenues provided as security for the payment of the 1997A Bonds;

WHEREAS, the Board intends to issue refunding bonds for the purpose of refunding one or more of the Prior Bonds for debt service savings;

WHEREAS, the Board has determined that an effective plan for refunding the Prior Bonds for debt service savings is to permit the refunding bonds to be secured by a pledge of and lien on Personal Property Replacement Tax Revenues that is (a) on parity with the pledge of and lien on Personal Property Tax Revenues in favor of the Prior Bonds and (b) superior to and prior to the pledge of and lien on Personal Property Replacement Tax Revenues in favor of the 1997A Bonds, provided that such refunding will not increase the annual debt service to be paid by the Board in any year;

WHEREAS, to accomplish the proposed refunding plan it is necessary for the Board and the Trustee to enter into this First Supplemental Trust Indenture for the purpose of amending the 1997A Indenture;

WHEREAS, the Board has determined that the issuance of refunding bonds in accordance with the proposed refunding plan will not materially adversely affect the rights of the Trustee or the Owners (as that term is defined in the 1997A Indenture);

WHEREAS, Section 1001 of the 1997A Indenture authorizes the Board and the Trustee to enter into a supplemental indenture providing for any amendment of the 1997A Indenture as shall not be inconsistent with the terms and provisions of the 1997A Indenture to make any change which, in the judgment of the Trustee, does not materially adversely affect the rights of the Trustee or the Owners;

WHEREAS, any supplemental indenture entered into pursuant to Section 1001 of the 1997A Indenture may take effect without the consent of the Owners but with the written consent of Ambac Assurance Corporation, the Bond Insurer (as that term is defined in the 1997A Indenture) of the 1997A Bonds; and

WHEREAS, the amendment to the 1997A Indenture provided by this First Supplemental Trust Indenture has been authorized by a resolution duly adopted by the Board.

NOW, THEREFORE, in consideration of the premises and agreements herein set forth, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I Definitions

Words and terms that are defined in the 1997A Indenture shall have, when used herein, the same meanings therein ascribed to them unless the context or use indicates a different meaning or intent.

ARTICLE II Amendment of Indenture

Section 2.01. Amendment of Article VII of the 1997A Indenture. Article VII of the 1997A Indenture is amended by adding thereto a new Section 710 to read as follows:

Section 710. First Lien Refunding Bonds. (A) Notwithstanding the provisions of Section 703 and Section 704, the Board reserves the right to issue bonds (herein called "First Lien Refunding Bonds") pursuant to the Act. Each First Lien Refunding Bond shall be secured by a pledge of and lien on the Personal Property Replacement Tax Revenues on a parity with the prior pledge of and lien on the Personal Property Replacement Tax Revenues heretofore provided as security for the payment of the Prior Bonds. Subject to the conditions of issuance set forth in paragraph (B) of this Section 710, First Lien Refunding Bonds may be issued by the Board only to refund outstanding Prior Bonds or outstanding First Lien Refunding Bonds.

(B) The term of the First Lien Refunding Bonds to be issued shall not be longer than the term of the Prior Bonds and First Lien Refunding Bonds to be refunded and the debt service payable in any year on the First Lien Refunding Bonds to be issued shall not exceed the debt service payable in such year on the Prior Bonds and First Lien Refunding Bonds to be refunded.

Section 2.02. Trustee's Consent. The amendment of the 1997A Indenture as provided by Section 2.01 of this First Supplemental Trust Indenture is not inconsistent with the terms of the 1997A Indenture and, in the judgment of the Trustee, the change to the 1997A Indenture provided by such amendment does not materially adversely affect the rights of the Trustee or the Owners of the Bonds. The Trustee hereby consents to the amendment of the 1997A Indenture provided by Section 2.01 of this First Supplemental Trust Indenture.

Section 2.03. Notice to Bond Insurer. Pursuant to Section 1001 of the 1997A Indenture, the Trustee shall give notice of the execution and delivery of this First Supplemental Trust Indenture to Ambac Assurance Corporation, the Bond Insurer of the 1997A Bonds. Such notice shall include a copy of this First Supplemental Trust Indenture together with a request to Ambac Assurance Corporation for its consent thereto.

Section 2.04. Effective Date. This First Supplemental Indenture shall take effect from and after the date that there shall have been filed with the Trustee:

- (a) an executed counterpart of this First Supplemental Indenture;
- (b) the consent of Ambac Assurance Corporation to the execution and delivery of this First Supplemental Indenture; and
- (c) the Counsel's Opinion with respect to this First Supplemental Indenture required by Section 1003 of the 1997A Indenture.

ARTICLE III Miscellaneous Provisions

Section 3.01. Ratification. In all respects not inconsistent with the terms and provisions of this First Supplemental Trust Indenture, the 1997A Indenture is hereby ratified, approved and confirmed. In executing and delivering this First Supplemental Trust Indenture, the Trustee shall be entitled to all of the privileges and immunities afforded to the Trustee under the terms and provisions of the 1997A Indenture.

Section 3.02. Counterparts. This First Supplemental Trust Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 3.03. Applicable Law. This First Supplemental Trust Indenture shall be governed exclusively by the applicable laws of the State of Illinois.

Section 3.04. Severability. If any provision of this First Supplemental Trust Indenture shall be held or deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 3.05. Captions. The captions or headings of this First Supplemental Trust Indenture are for convenience of reference only, and in no way define, limit or describe the scope or intent or any provisions or sections of this First Supplemental Trust Indenture.

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IN WITNESS WHEREOF, the Board has caused this First Supplemental Trust Indenture to be executed on its behalf by its Chief Financial Officer and attested by its Secretary and its seal to be hereon impressed, and the Trustee, to evidence its acceptance of the powers and duties created hereunder, has caused this First Supplemental Trust Indenture to be executed in its name by its duly authorized officers and its corporate seal to be hereon impressed and duly attested, all as of the day and year first above written.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

[SEAL]

Attest:

By _____
Chief Financial Officer

By _____
Secretary

Approved as to legal form:

General Counsel

AMALGAMATED BANK OF CHICAGO,
as Trustee

[SEAL]

Attest:

By _____
Authorized Signatory

By _____
Authorized Signatory

AMBAC ASSURANCE COMPANY, as
Bond Insurer

Consent to by _____
Authorized Signatory

FIRST SUPPLEMENTAL TRUST INDENTURE

between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

AMALGAMATED BANK OF CHICAGO, as trustee

Dated as of January 1, 2002

Supplementing and amending a Trust Indenture dated as of September 1, 1998 between the Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois and Amalgamated Bank of Chicago, as Trustee Securing \$328,714,364.25 Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1998B-1.

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FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE, dated as of January 1, 2002 (the "First Supplemental Trust Indenture"), is between the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a school district organized and existing under the laws of the State of Illinois (the "Board"), as successor to the Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, and AMALGAMATED BANK OF CHICAGO, a state banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the State of Illinois, with its principal corporate trust office in Chicago, Illinois, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Board has heretofore entered into a Trust Indenture dated as of September 1, 1998 (the "1998B Indenture"), with the Trustee pursuant to which the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1998B-1 (the "1998B Bonds");

WHEREAS, the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1996 (the "Series 1996 Bonds") and its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1997 (the "Series 1997 Bonds" and collectively with the Series 1996 Bonds, the "Prior Bonds");

WHEREAS, the Prior Bonds are secured by a pledge of and lien on Personal Property Replacement Tax Revenues (as defined in the 1998B Indenture) that is superior to and prior to the pledge of and lien on Personal Property Replacement Tax Revenues provided as security for the payment of the 1998B Bonds;

WHEREAS, the 1998B Indenture does not permit the issuance of additional bonds secured by a pledge of and lien on Personal Property Replacement Tax Revenues that is superior to or prior to the pledge of and lien on Personal Property Replacement Tax Revenues provided as security for the payment of the 1998B Bonds;

WHEREAS, the Board intends to issue refunding bonds for the purpose of refunding one or more of the Prior Bonds for debt service savings;

WHEREAS, the Board has determined that an effective plan for refunding the Prior Bonds for debt service savings is to permit the refunding bonds to be secured by a pledge of and lien on Personal Property Replacement Tax Revenues that is (a) on parity with the pledge of and lien on Personal Property Tax Revenues in favor of the Prior Bonds and (b) superior to and prior to the pledge of and lien on Personal Property Replacement Tax Revenues in favor of the 1998B Bonds, provided that such refunding will not increase the annual debt service to be paid by the Board in any year;

WHEREAS, to accomplish the proposed refunding plan it is necessary for the Board and the Trustee to enter into this First Supplemental Trust Indenture for the purpose of amending the 1998B Indenture;

WHEREAS, the Board has determined that the issuance of refunding bonds in accordance with the proposed refunding plan will not materially adversely affect the rights of the Trustee or the Owners (as that term is defined in the 1998B Indenture);

WHEREAS, Section 1001 of the 1998B Indenture authorizes the Board and the Trustee to enter into a supplemental indenture providing for any amendment of the 1998B Indenture as shall not be inconsistent with the terms and provisions of the 1998B Indenture to make any change which, in the judgment of the Trustee, does not materially adversely affect the rights of the Trustee or the Owners;

WHEREAS, any supplemental indenture entered into pursuant to Section 1001 of the 1998B Indenture may take effect without the consent of the Owners or the consent of Financial Guaranty Insurance Company, the Bond Insurer (as that term is defined in the 1998B Indenture) of the 1998B Bonds; and

WHEREAS, the amendment to the 1998B Indenture provided by this First Supplemental Trust Indenture has been authorized by a resolution duly adopted by the Board;

NOW, THEREFORE, in consideration of the premises and agreements herein set forth, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I Definitions

Words and terms that are defined in the 1998B Indenture shall have, when used herein, the same meanings therein ascribed to them unless the context or use indicates a different meaning or intent.

ARTICLE II Amendment of Indenture

Section 2.01. Amendment of Article VII of the 1998B Indenture. Article VII of the 1998B Indenture is amended by adding thereto a new Section 709 to read as follows:

Section 709. First Lien Refunding Bonds. (A) Notwithstanding the provisions of Section 703 and Section 704, the Board reserves the right to issue bonds (herein called "First Lien Refunding Bonds") pursuant to the Act. Each First Lien Refunding Bond shall be secured by a pledge of and lien on the Personal Property Replacement Tax Revenues on a parity with the prior pledge of and lien on the Personal Property Replacement Tax Revenues heretofore provided as security for the payment of the Series 1996 Bonds and the Series 1997 Bonds. Subject to the conditions of issuance set forth in paragraph (B) of this Section 709, First Lien Refunding Bonds may be issued by the Board only to refund

outstanding Series 1996 Bonds, outstanding Series 1997 Bonds or outstanding First Lien Refunding Bonds.

(B) The term of the First Lien Refunding Bonds to be issued shall not be longer than the term of the Series 1996 Bonds, Series 1997 Bonds and First Lien Refunding Bonds to be refunded and the debt service payable in any year on the First Lien Refunding Bonds to be issued shall not exceed the debt service payable in such year on the Series 1996 Bonds, Series 1997 Bonds and First Lien Refunding Bonds to be refunded.

Section 2.02. Trustee's Consent. The amendment of the 1998B Indenture as provided by Section 2.01 of this First Supplemental Trust Indenture is not inconsistent with the terms of the 1998B Indenture and, in the judgment of the Trustee, the change to the 1998B Indenture provided by such amendment does not materially adversely affect the rights of the Trustee or the Owners of the Bonds. The Trustee hereby consents to the amendment of the 1998B Indenture provided by Section 2.01 of this First Supplemental Trust Indenture.

Section 2.03. Effective Date. This First Supplemental Indenture shall take effect from and after the date that there shall have been filed with the Trustee:

- (a) an executed counterpart of this First Supplemental Indenture; and
- (b) the Counsel's Opinion with respect to this First Supplemental Indenture required by Section 1003 of the 1998B Indenture.

ARTICLE III Miscellaneous Provisions

Section 3.01. Ratification. In all respects not inconsistent with the terms and provisions of this First Supplemental Trust Indenture, the 1998B Indenture is hereby ratified, approved and confirmed. In executing and delivering this First Supplemental Trust Indenture, the Trustee shall be entitled to all of the privileges and immunities afforded to the Trustee under the terms and provisions of the 1998B Indenture.

Section 3.02. Counterparts. This First Supplemental Trust Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 3.03. Applicable Law. This First Supplemental Trust Indenture shall be governed exclusively by the applicable laws of the State of Illinois.

Section 3.04. Severability. If any provision of this First Supplemental Trust Indenture shall be held or deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 3.05. Captions. The captions or headings of this First Supplemental Trust Indenture are for convenience of reference only, and in no way define, limit or describe the scope or intent or any provisions or sections of this First Supplemental Trust Indenture.

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IN WITNESS WHEREOF, the Board has caused this First Supplemental Trust Indenture to be executed on its behalf by its Chief Financial Officer and attested by its Secretary and its seal to be hereon impressed, and the Trustee, to evidence its acceptance of the powers and duties created hereunder, has caused this First Supplemental Trust Indenture to be executed in its name by its duly authorized officers and its corporate seal to be hereon impressed and duly attested, all as of the day and year first above written.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

[SEAL]

Attest:

By _____
Chief Financial Officer

By _____
Secretary

Approved as to legal form:

General Counsel

AMALGAMATED BANK OF CHICAGO,
as Trustee

[SEAL]

Attest:

By _____
Authorized Signatory

By _____
Authorized Signatory

FIRST SUPPLEMENTAL TRUST INDENTURE

between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

AMALGAMATED BANK OF CHICAGO, as trustee

Dated as of January 1, 2002

Supplementing and amending a Trust Indenture dated as of February 1, 1999 between the Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois and Amalgamated Bank of Chicago, as Trustee Securing \$532,553,135.50 Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1999A.

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FIRST SUPPLEMENTAL TRUST INDENTURE

THIS FIRST SUPPLEMENTAL TRUST INDENTURE, dated as of January 1, 2002 (the "First Supplemental Trust Indenture"), is between the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a school district organized and existing under the laws of the State of Illinois (the "Board"), as successor to the Chicago School Reform Board of Trustees of the Board of Education of the City of Chicago, Illinois, and AMALGAMATED BANK OF CHICAGO, a state banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the State of Illinois, with its principal corporate trust office in Chicago, Illinois, as trustee (the "Trustee").

WITNESSETH:

WHEREAS, the Board has heretofore entered into a Trust Indenture dated as of February 1, 1999 (the "1999A Indenture"), with the Trustee pursuant to which the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1999A (the "1999A Bonds");

WHEREAS, the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1996 (the "Series 1996 Bonds") and its Unlimited Tax General Obligation Bonds (Dedicated Tax Revenues), Series 1997 (the "Series 1997 Bonds" and collectively with the Series 1996 Bonds, the "Prior Bonds");

WHEREAS, the Prior Bonds are secured by a pledge of and lien on Personal Property Replacement Tax Revenues (as defined in the 1999A Indenture) that is superior to and prior to the pledge of and lien on Personal Property Replacement Tax Revenues provided as security for the payment of the 1999A Bonds;

WHEREAS, the 1999A Indenture does not permit the issuance of additional bonds secured by a pledge of and lien on Personal Property Replacement Tax Revenues that is superior to or prior to the pledge of and lien on Personal Property Replacement Tax Revenues provided as security for the payment of the 1999A Bonds;

WHEREAS, the Board intends to issue refunding bonds for the purpose of refunding one or more of the Prior Bonds for debt service savings;

WHEREAS, the Board has determined that an effective plan for refunding the Prior Bonds for debt service savings is to permit the refunding bonds to be secured by a pledge of and lien on Personal Property Replacement Tax Revenues that is (a) on parity with the pledge of and lien on Personal Property Tax Revenues in favor of the Prior Bonds and (b) superior to and prior to the pledge of and lien on Personal Property Replacement Tax Revenues in favor of the 1999A Bonds, provided that such refunding will not increase the annual debt service to be paid by the Board in any year;

WHEREAS, to accomplish the proposed refunding plan it is necessary for the Board and the Trustee to enter into this First Supplemental Trust Indenture for the purpose of amending the 1999A Indenture;

WHEREAS, the Board has determined that the issuance of refunding bonds in accordance with the proposed refunding plan will not materially adversely affect the rights of the Trustee or the Owners (as that term is defined in the 1999A Indenture);

WHEREAS, Section 10.1 of the 1999A Indenture authorizes the Board and the Trustee to enter into a supplemental indenture providing for any amendment of the 1999A Indenture as shall not be inconsistent with the terms and provisions of the 1999A Indenture to make any change which, in the judgment of the Trustee, does not materially adversely affect the rights of the Trustee or the Owners;

WHEREAS, any supplemental indenture entered into pursuant to Section 10.1 of the 1999A Indenture may take effect without the consent of the Owners but with the written consent of Financial Guaranty Insurance Company, the Bond Insurer (as that term is defined in the 1999A Indenture) of the 1999A Bonds; and

WHEREAS, the amendment to the 1999A Indenture provided by this First Supplemental Trust Indenture has been authorized by a resolution duly adopted by the Board.

NOW, THEREFORE, in consideration of the premises and agreements herein set forth, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I Definitions

Words and terms that are defined in the 1999A Indenture shall have, when used herein, the same meanings therein ascribed to them unless the context or use indicates a different meaning or intent.

ARTICLE II Amendment of Indenture

Section 2.01. Amendment of Article VII of the 1999A Indenture. Article VII of the 1999A Indenture is amended by adding thereto a new Section 7.9 to read as follows:

Section 7.9. First Lien Refunding Bonds. (A) Notwithstanding the provisions of Section 7.3 and Section 7.4, the Board reserves the right to issue bonds (herein called "First Lien Refunding Bonds") pursuant to the Act. Each First Lien Refunding Bond shall be secured by a pledge of and lien on the Personal Property Replacement Tax Revenues on a parity with the prior pledge of and lien on the Personal Property Replacement Tax Revenues heretofore provided as security for the payment of the Series 1996 Bonds and the Series 1997 Bonds. Subject to the conditions of issuance set forth in paragraph (B) of this Section 7.9, First Lien Refunding Bonds may be issued by the Board only to refund

outstanding Series 1996 Bonds, outstanding Series 1997 Bonds or outstanding First Lien Refunding Bonds.

(B) The term of the First Lien Refunding Bonds to be issued shall not be longer than the term of the Series 1996 Bonds, Series 1997 Bonds and First Lien Refunding Bonds to be refunded and the debt service payable in any year on the First Lien Refunding Bonds to be issued shall not exceed the debt service payable in such year on the Series 1996 Bonds, Series 1997 Bonds and First Lien Refunding Bonds to be refunded.

Section 2.02. Trustee's Consent. The amendment of the 1999A Indenture as provided by Section 2.01 of this First Supplemental Trust Indenture is not inconsistent with the terms of the 1999A Indenture and, in the judgment of the Trustee, the change to the 1999A Indenture provided by such amendment does not materially adversely affect the rights of the Trustee or the Owners of the Bonds. The Trustee hereby consents to the amendment of the 1999A Indenture provided by Section 2.01 of this First Supplemental Trust Indenture.

Section 2.03. Notice to Bond Insurer. Pursuant to Section 10.1 and Section 12.10 of the 1999A Indenture, the Trustee shall give notice of the execution and delivery of this First Supplemental Trust Indenture to Financial Guaranty Insurance Company, the Bond Insurer of the 1999A Bonds. Such notice shall include a copy of this First Supplemental Trust Indenture together with a request to Financial Guaranty Insurance Company for its consent thereto.

Section 2.04. Effective Date. This First Supplemental Indenture shall take effect from and after the date that there shall have been filed with the Trustee:

- (a) an executed counterpart of this First Supplemental Indenture;
- (b) the consent of Financial Guaranty Insurance Company to the execution and delivery of this First Supplemental Indenture; and
- (c) the Counsel's Opinion with respect to this First Supplemental Indenture required by Section 10.3 of the 1999A Indenture.

ARTICLE III Miscellaneous Provisions

Section 3.01. Ratification. In all respects not inconsistent with the terms and provisions of this First Supplemental Trust Indenture, the 1999A Indenture is hereby ratified, approved and confirmed. In executing and delivering this First Supplemental Trust Indenture, the Trustee shall be entitled to all of the privileges and immunities afforded to the Trustee under the terms and provisions of the 1999A Indenture.

Section 3.02. Counterparts. This First Supplemental Trust Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 3.03. Applicable Law. This First Supplemental Trust Indenture shall be governed exclusively by the applicable laws of the State of Illinois.

Section 3.04. Severability. If any provision of this First Supplemental Trust Indenture shall be held or deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 3.05. Captions. The captions or headings of this First Supplemental Trust Indenture are for convenience of reference only, and in no way define, limit or describe the scope or intent or any provisions or sections of this First Supplemental Trust Indenture.

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IN WITNESS WHEREOF, the Board has caused this First Supplemental Trust Indenture to be executed on its behalf by its Chief Financial Officer and attested by its Secretary and its seal to be hereon impressed, and the Trustee, to evidence its acceptance of the powers and duties created hereunder, has caused this First Supplemental Trust Indenture to be executed in its name by its duly authorized officers and its corporate seal to be hereon impressed and duly attested, all as of the day and year first above written.

BOARD OF EDUCATION OF THE
CITY OF CHICAGO

[SEAL]

Attest:

By _____
Chief Financial Officer

By _____
Secretary

Approved as to legal form:

General Counsel

AMALGAMATED BANK OF CHICAGO,
as Trustee

[SEAL]

Attest:

By _____
Authorized Signatory

By _____
Authorized Signatory

FINANCIAL GUARANTY INSURANCE CO.,
as Bond Insurer

Consent to by _____
Authorized Signatory