

**RESOLUTION AFFIRMING THE ADOPTION OF, AND RESTATING AND SUPPLEMENTING  
RESOLUTION 16-1026-RS1,  
RESOLUTION PROVIDING FOR THE ISSUE OF ONE OR MORE  
SERIES OF CAPITAL IMPROVEMENT BONDS OF  
THE BOARD OF EDUCATION OF THE CITY OF CHICAGO IN AN  
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$840,000,000**

WHEREAS, pursuant to the provisions of Article 34 of the School Code, 105 Illinois Compiled Statutes 5 (the “**School Code**”), the City of Chicago (the “**City**”), having a population exceeding 500,000, constitutes one school district (the “**School District**”), which is a body politic and corporate by the name of the “Board of Education of the City of Chicago” (the “**Board**”); and

WHEREAS, on October 26, 2016, the Board adopted Resolution 16-1026-RS1 (the “**Original Resolution**”) which, among other matters, authorized the issuance, sale and delivery of certain Bonds (as defined in the Original Resolution) for the purposes described therein; and

WHEREAS, the Board has determined and does hereby determine that it is in the best interest of the School District and the Board to affirm the adoption of the Original Resolution, restate the terms of the Original Resolution and supplement the Original Resolution as set forth herein.

NOW, THEREFORE, Be It Hereby Resolved by the Chicago Board of Education of the Board of Education of the City of Chicago, as follows:

*Section 1. Incorporation of Preambles.* The Board hereby finds that all of the recitals contained in the preambles of this Supplemental Resolution (the “**Supplemental Resolution**”) are full, true and correct and does hereby incorporate them into this Supplemental Resolution as if set out herein in full. Capitalized terms used herein without otherwise being defined have the same meaning ascribed thereto in the Original Resolution.

*Section 2. Adoption of the Original Resolution.* The Board hereby affirms the adoption of the Original Resolution, the form of which is attached hereto as *Exhibit A*, all provisions of which are considered adopted as of the date hereof, as may be supplemented by this Supplemental Resolution.

*Section 3. Approval of Master Trust Indenture and Supplemental Trust Indenture.* In addition to the form of Indenture authorized to be executed and delivered pursuant to the Original Resolution, each Designated Official is hereby authorized to execute and deliver, and the Secretary of the Board is hereby authorized to attest to (i) a Master Trust Indenture (the “**Master Trust Indenture**”) on behalf of the Board, by and between the Board and a Trustee (as defined in the Master Trust Indenture), such Master Trust Indenture to be in substantially the form attached hereto as *Exhibit B*, but with such changes therein as shall be within the authorizations granted by the Original Resolution as supplemented by this Supplemental Resolution (collectively, the “**Resolution**”) as shall be approved by the Designated Official executing the same, with such execution to constitute conclusive evidence of such Designated Official’s approval and this Board’s approval of any changes or revisions therein from the form

of Master Trust Indenture authorized hereby; and (ii) one or more Supplemental Trust Indentures (each, a “**Supplemental Trust Indenture**”) on behalf of the Board, each by and between the Board and a Trustee, each such Supplemental Trust Indenture to be in substantially the form attached hereto as Exhibit C, but with such changes therein as shall be within the authorizations granted by the Resolution as shall be approved by the Designated Official executing the same, with such execution to constitute conclusive evidence of such Designated Official’s approval and this Board’s approval of any changes or revisions therein from the form of Supplemental Trust Indenture authorized hereby.

*Section 4. Creation of Consolidated Debt Service Reserve Fund and Debt Service Reserve Accounts.* In addition to any additional Funds or Accounts set forth in the Master Trust Indenture or any Supplemental Trust Indenture, the Board may establish one or more Consolidated Debt Service Reserve Funds and Debt Service Reserve Accounts for the purposes set forth in the Master Trust Indenture. Such Funds and Accounts may be funded with monies lawfully available and as directed by the Board. Monies on deposit in a Consolidated Debt Service Reserve Fund or Debt Service Reserve Account may be used in the manner set forth in the Master Trust Indenture or in any Supplemental Trust Indenture.

*Section 5. Affirmation of Levy and Letters of Direction to County Collectors.* Pursuant to Section 4(a) of the Original Resolution, the Board has levied the Pledged Capital Improvement Taxes. Pursuant to the authority granted in Section 13 of the Act, the Board hereby binds itself irrevocably for the term of the Dedicated Tax Bonds to impose the Pledged Capital Improvement Taxes to the fullest extent permitted by law and hereby further confirms and covenants that any such levy of the Pledged Capital Improvement Taxes shall be irrevocable during such time as any series of Dedicated Tax Bonds remains outstanding under the Resolution. At or prior to the issuance of any series of Dedicated Tax Bonds, the Board shall (i) deliver to each County Clerk an irrevocable letter of direction to levy and extend for collection the Pledged Capital Improvement Taxes as set forth in the Resolution and (ii) deliver to each County Collector an irrevocable letter of direction to deposit all collections of the Pledged Capital Improvement Taxes in each year directly with the Trustee. The provisions of the Resolution shall be considered part of the contract with all owners of the Dedicated Tax Bonds for so long as any Dedicated Tax Bonds remain outstanding.

*Section 6. Approval of Project List.* The proceeds of the Bonds will be used for capital Projects in accordance with the provisions of the Resolution and 105 ILCS 5/34-53.5. A list of Projects to be financed with the proceeds of the Bonds is attached hereto as Exhibit D and the list of Projects contained in Exhibit D is hereby approved.

*Section 7. Further Acts.* All actions of the officials or officers of the Board that are in conformity with the purposes and intent of the Resolution are hereby in all respects ratified, approved, and confirmed.

*Section 8. Severability.* The provisions of the Resolution are hereby declared to be severable; and if any section, phrase, or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, or provisions.

*Section 9. Repealer and Effective Date.* All resolutions or parts of resolutions in conflict herewith are, to the extent of such conflict, hereby repealed. The Resolution is effective immediately upon its adoption.

Exhibit A

FINAL

16-1026-RS1

October 26, 2016

**RESOLUTION PROVIDING FOR THE ISSUE OF ONE OR MORE  
SERIES OF CAPITAL IMPROVEMENT BONDS OF  
THE BOARD OF EDUCATION OF THE CITY OF CHICAGO IN AN  
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$840,000,000**

WHEREAS, pursuant to the provisions of Article 34 of the School Code, 105 Illinois Compiled Statutes 5 (the “**School Code**”), the City of Chicago (the “**City**”), having a population exceeding 500,000, constitutes one school district (the “**School District**”), which is a body politic and corporate by the name of the “Board of Education of the City of Chicago” (the “**Board**”); and

WHEREAS, the Board is governed by the seven-member Chicago Board of Education, as successor to the Chicago School Reform Board of Trustees (the “**School Board**”); and

WHEREAS, the School Board has heretofore determined that it is advisable, necessary and in the best interests of the Board and the residents of the School District to construct, acquire and equip school and administrative buildings, site improvements and other real and personal property in and for the School District (the “**Project**”), all in accordance with the estimates of cost, including the Board’s Capital Improvement Program, as heretofore approved and from time to time amended by the Board; and

WHEREAS, for the purpose, among others, of providing funds to pay a portion of the cost of the Project, including legal, financial, bond discount, capitalized interest, printing and publication costs, reserves and other expenses, and in accordance with the provisions of the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350 (the “**Act**”), the School Board, on August 24, 2016, adopted a resolution (the “**2016 Authorization**”) authorizing the issuance of alternate bonds, being general obligation bonds (the “**Alternate Bonds**”) in an aggregate principal amount not to exceed \$945,000,000 (the “**2016 Authorization Bonds**”); and

WHEREAS, the Alternate Bonds to be issued pursuant to the 2016 Authorization may be payable from various revenue sources including proceeds of all or any portion of a capital improvement tax levied and extended, and to be levied and extended, by the Board pursuant to Section 34-53.5 of the School Code (the “**Capital Improvement Tax**”); and

WHEREAS, pursuant to and in accordance with the Act and the 2016 Authorization, the Board caused to be published on August 26, 2016 in *The Chicago Sun-Times*, a newspaper of general circulation within the School District (the “**Sun-Times**”), a copy of the 2016 Authorization and a notice that the Alternate Bonds are subject to a “*back-door referendum*” under the Act; and

WHEREAS, no petition asking that the issuance of the 2016 Authorization Bonds be submitted to referendum has ever been filed with the Secretary of the Board (the “**Secretary**”) and the 2016 Authorization Bonds have been authorized to be issued; and

WHEREAS; pursuant to and in accordance with the provisions of the Bond Issue Notification Act, 30 Illinois Compiled Statutes 352, the Board called a public hearing (the "**Hearing**") for August 24, 2016, concerning the intent of the Board to sell up to \$945,000,000 of the 2016 Authorization Bonds from time to time in one or more series; and

WHEREAS, notice of the Hearing was given by publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in the *Sun-Times* and by posting a copy of the notice at least forty-eight (48) hours before the Hearing at the principal office of the Board; and

WHEREAS, the Hearing was held on August 24, 2016 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 August 24, 2016; and

WHEREAS, pursuant to the 2016 Authorization, the Board may issue Alternate Bonds (the "**2016 Authorization Bonds**"); and

WHEREAS, the Alternate Bonds to be issued pursuant to this Resolution in accordance with the 2016 Authorization are herein referred to as the "**Alternate Bonds**"; and

WHEREAS, pursuant to Section 34-53.5 of the School Code, the Board is authorized to levy, and for the tax levy years 2015 and 2016 has levied, the Capital Improvement Tax for the funding of certain capital improvements, including capital improvements that are costs of the Project; and

WHEREAS, pursuant to paragraph (f) of Section 34-53.5, the Board may issue bonds, for financing the capital improvement purposes authorized by Section 34-53.5 and such bonds may be issued as "Alternate Bonds" pursuant to Section 15 of the Act or as bonds ("**Dedicated Tax Bonds**") issued pursuant to the Act and payable from any revenues to be collected from the Capital Improvement Tax; and

WHEREAS, the Board desires at this time, pursuant to the School Code and the Act and the 2016 Authorization, to adopt this Resolution providing for the issuance of "Alternate Bonds" for the purpose of paying (i) capital improvements that are costs of the Project, (ii) capitalized interest on such "Alternate Bonds", and (iii) costs of issuance of such "Alternate Bonds", including the cost of bond insurance or other credit enhancement, all on the terms and conditions set forth in this Resolution; and

WHEREAS, the Alternate Bonds and any additional 2016 Authorization Bonds, shall not exceed \$945,000,000 in aggregate principal amount; and

WHEREAS, the Alternate Bonds will be payable from (i) the revenues derived and to be derived by the Board from the imposition of the Capital Improvement Tax in accordance with Section 34-53.5 of the School Code to the extent determined by a Designated Official (as hereinafter defined) at the time of sale of such Alternate Bonds (the "**Pledged Capital Improvement Taxes**") and (ii) the ad valorem taxes levied or to be levied against all of the

taxable property in the School District without limitation as to rate or amount pursuant to Section 3 of this Resolution (the “**Pledged Debt Service Taxes**”), for the purpose of providing funds in addition to the Pledged Capital Improvement Taxes to pay the principal of and interest on the Alternate Bonds; and

WHEREAS, the Board also desires at this time, pursuant to Section 34-53.5 of the School Code and the Act, to adopt this Resolution providing for the issuance of Dedicated Tax Bonds, payable from the Pledged Capital Improvement Taxes to the extent determined by a Designated Official, for the purpose of paying (i) capital improvements that are costs of the Project, (ii) capitalized interest on such Dedicated Tax Bonds and (iii) costs of issuance of such Dedicated Tax Bonds, including the costs of bond insurance or other credit enhancement, all on the terms and conditions set forth in the Resolution; and

WHEREAS, the maximum aggregate principal amount of Alternate Bonds and Dedicated Tax Bonds authorized to be issued under this Resolution is \$840,000,000; and

WHEREAS, the Alternate Bonds and the Dedicated Tax Bonds (herein collectively called the “**Bonds**”) may be issued from time to time in one or more series (each a “**Series**”); and

WHEREAS, the Bonds of each Series will be issued under and secured by a Trust Indenture (each, an “**Indenture**”) between the Board and such bank, trust company or national banking association appointed to serve as trustee under the Indenture as provided in Section 2(a) hereof (the “**Trustee**”); and

WHEREAS, the Bonds will be further secured by the Funds, Accounts and Sub-Accounts established and pledged pursuant to the applicable Indenture; and

WHEREAS, the Pledged Capital Improvement Taxes constitute a “revenue source” pursuant to the Act; and

WHEREAS, the Board has determined that the Pledged Capital Improvement Taxes, will provide in each year an amount not less than 1.25 times annual debt service on the Alternate Bonds, which determination will be supported by the audit of the School District for the year ended June 30, 2016 (the “**Audit**”), or will be supported by the report of a feasibility analyst with a national reputation for expertise applicable to such revenue source (the “**Feasibility Report**”) demonstrating the projected sufficiency of the Pledged Capital Improvement Taxes to provide the School District with tax revenues, in an amount not less than 1.25 times annual debt service on the Alternate Bonds to be paid from Pledged Capital Improvement Taxes (i) which Audit, when accepted and approved by the Board or (ii) which Feasibility Report, when accepted and approved on behalf of the Board by either the Senior Vice President of Finance (including any interim Senior Vice President of Finance) of the Board (the “**Senior Vice President of Finance**”) or the Chief Financial Officer of the Board (the “**Chief Financial Officer**”) prior to the issuance of any Alternate Bonds; and

WHEREAS, the Bonds of a Series may be sold (i) to an underwriter or a group of underwriters (the “**Underwriters**”) to be designated by the Senior Vice President of Finance with respect to one or more Series of the Bonds pursuant to a separate Contract of Purchase

(each, a “**Bond Purchase Agreement**”) between the Underwriters and the Board, (ii) in a private placement with an individual investor or group of investors to be designated by the Senior Vice President of Finance (the “**Placement Purchasers**”) with respect to one or more Series of the Bonds pursuant to a separate Placement Agreement between the Placement Purchasers and the Board or other similar agreement for the sale and purchase of the Bonds (each, a “**Placement Agreement**”) or (iii) following distribution of a Notice of Sale and a competitive bidding process, to a bidder or syndicate submitting an offer to purchase one or more Series of the Bonds determined by the Senior Vice President of Finance to be in the best financial interest of the Board (the “**Competitive Purchasers**” and, together with the Underwriters and the Placement Purchasers being referred to herein as the “**Purchasers**”) pursuant to an agreement between the Competitive Purchasers and the Board (each, a “**Competitive Sale Agreement**” and, together with the Bond Purchase Agreement and the Placement Agreement, a “**Purchase and Sale Agreement**”); and

WHEREAS, it is necessary for the Board to authorize the sale and issuance of the Bonds and to approve and to authorize and direct the sale of the Bonds pursuant to one or more of the methods described above, together with the execution of the Indentures, the Purchase and Sale Agreements and certain other agreements and the performance of acts necessary or convenient in connection with the implementation of this Resolution and the issuance of the Bonds:

NOW, THEREFORE, Be It Hereby Resolved by the Chicago Board of Education of the Board of Education of the City of Chicago, as follows:

*Section 1. Incorporation of Preambles.* The preambles of this Resolution are hereby incorporated into this text as if set out herein in full.

*Section 2. Issuance of Bonds.* (a) There shall be authorized the borrowing for and on behalf of the Board of the aggregate principal amount of not to exceed \$840,000,000 for the purpose of paying (i) costs of the Project that are “**Capital Expenditures**” and “**Permitted Expenditures**” each as defined in the applicable Indenture, (ii) capitalized interest on the Bonds, and (iii) costs of issuance of the Bonds, including the cost of bond insurance or other credit enhancement. The Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$840,000,000. The Bonds may be issued from time to time, as Alternate Bonds, as Dedicated Tax Bonds or as a combination of Alternate Bonds and Dedicated Tax Bonds, in one or more Series, in said aggregate principal amount, or such lesser aggregate principal amounts, as may be determined by either (i) the President of the School Board (the “**President**”), or (ii) the Vice President of the School Board (the “**Vice President**”) or any Member of the Board who is authorized to execute documents or take action in lieu of the President, (iii) the Chief Executive Officer, (iv) the Senior Vice President of Finance or (v) the Chief Financial Officer (each, a “**Designated Official**”). The Bonds of each Series shall be distinguished from each other Series by a designation or title, with such Series designation and with such additions, modifications or revisions as shall be determined to be necessary by any Designated Official at the time of the sale of such Bonds to reflect the order of sale of such Bonds, whether such Bonds are Capital Appreciation Bonds, Current Interest Bonds or Convertible Bonds (each as defined herein) and any other authorized features of such Bonds determined by any Designated Official as desirable to be reflected in the title of the Bonds being issued and sold as part of such Series. The Designated Officials are each hereby authorized to appoint a Trustee for each Series of the

Bonds so issued; *provided*, that such Trustee shall be a bank, trust company or national banking association doing business and having a corporate trust office in the State of Illinois and having capital and undivided surplus aggregating at least \$15,000,000 or shall be a wholly-owned subsidiary of such an entity. The Bonds of each Series shall be issued and secured pursuant to the terms of an Indenture authorizing Capital Appreciation Bonds, Current Interest Bonds or Convertible Bonds, as appropriate. Each of the Designated Officials is hereby authorized to execute and deliver, and the Secretary is hereby authorized to attest to an Indenture on behalf of the Board, such Indenture to be in substantially the form attached hereto as Exhibit A, but with such changes therein as shall be within the authorizations granted by this Resolution as shall be approved by the Designated Official executing the same, with such execution to constitute conclusive evidence of such Designated Official's approval and this Board's approval of any changes or revisions therein from the form of Indenture authorized hereby.

The details of the sale of the Bonds as described in the notification of sale of such Bonds delivered by a Designated Official pursuant to Section 5(e) hereof and all provisions relating to the authorized denomination, registration, transfer and redemption of such Bonds, within the limitations set forth herein, shall be set forth in each Indenture executed and delivered by a Designated Official as described herein.

(b) In order to secure the payment of the principal of, redemption price of, interest on and the Compound Accreted Value (as hereinafter defined) of each Series of the Alternate Bonds, the Board hereby authorizes the inclusion in each Indenture securing Alternate Bonds of a pledge of all or a portion of the Pledged Capital Improvement Taxes to the payment of such Series. In accordance with Section 15 of the Act, the Board covenants and agrees to provide for, collect and apply such Pledged Capital Improvement Taxes, to the payment of the Alternate Bonds of such Series and the provision of an additional .25 times annual debt service. The determination of the sufficiency of the Pledged Capital Improvement Taxes pledged pursuant to this paragraph (b) is supported by the Audit or the Feasibility Report, as applicable, and acceptance of the Audit by the Board or of the Feasibility Report by the Senior Vice President of Finance or the Chief Financial Officer, on behalf of the Board, if applicable, shall constitute conclusive evidence that the conditions of Section 15 of the Act have been met. Each of the Designated Officials is authorized to allocate all or a portion of the Pledged Capital Improvement Taxes to the payment of the principal of, redemption price of, interest on and the Compound Accreted Value of each Series of the Alternate Bonds and the Indenture pursuant to which such Series of Alternate Bonds is issued and the notification of sale of such Series of the Alternate Bonds delivered by the Designated Officials pursuant to Section 5(e) hereof shall identify the specific Pledged Capital Improvement Taxes allocated to such Series. Once issued, the Alternate Bonds shall be and forever remain until paid or defeased the general obligation of the Board, for the payment of which its full faith and credit are pledged, and shall be payable, in addition to the Pledged Capital Improvement Taxes, from the levy of the Pledged Debt Service Taxes as provided in the Act and as set forth in Section 3 hereof.

(c) In order to secure the payment of the principal of, redemption price of, interest on and the Compound Accreted Value (as hereinafter defined) of each Series of the Dedicated Tax Bonds, the Board hereby authorizes the inclusion in each Indenture securing Dedicated Tax Bonds of a pledge of all or a portion of the Pledged Capital Improvement Taxes to the payment of such Series. The Board covenants and agrees to provide for, collect and apply such Pledged



Capital Improvement Taxes, to the payment of the Dedicated Tax Bonds of such Series. Each of the Designated Officials is authorized to allocate all or a portion of the Pledged Capital Improvement Taxes to the payment of the principal of, redemption price of, interest on and the Compound Accreted Value of each Series of the Dedicated Tax Bonds and the Indenture pursuant to which such Series of Dedicated Tax Bonds is issued and the notification of sale of such Series of the Alternate Bonds delivered by the Designated Officials pursuant to Section 4(e) hereof shall identify the specific Pledged Capital Improvement Taxes allocated to such Series. Each Dedicated Tax Bond shall be a limited obligation of the Board payable from the Pledged Capital Improvement Taxes as provided in the Indenture pursuant to which such Series is issued. Neither the full faith and credit of the Board nor the general taxing power of the Board (other than the Capital Improvement Tax) shall be pledged or otherwise available for the payment of Dedicated Tax Bonds. The payment of Dedicated Tax Bonds shall be secured by a pledge of and security interest in Capital Improvement Taxes pursuant to Section 34-53.5 and Section 13 of the Act. In connection with the issuance of a Series of Dedicated Tax Bonds, the form of the Indenture attached hereto as Exhibit A shall be modified to reflect the fact that the Dedicated Tax Bonds are limited obligations of the Board and are not "Alternate Bonds" issued pursuant to Section 15 of the Act.

(d) All or any portion of the Bonds may be issued as bonds payable in one payment on a fixed date (the "**Capital Appreciation Bonds**"). Any Bonds issued as Capital Appreciation Bonds shall be dated the date of issuance thereof and shall also bear the date of authentication, shall be in fully registered form, shall be numbered as determined by the Trustee and shall be in denominations equal to the original principal amounts of such Capital Appreciation Bonds or any integral multiple thereof, each such original principal amount representing Compound Accreted Value (as hereinafter defined) at maturity (the "**Maturity Amount**"). As used herein, the "**Compound Accreted Value**" of a Capital Appreciation Bond on any date of determination shall be an amount equal to the original principal amount plus an investment return accrued to the date of such determination at a semiannual compounding rate which is necessary to produce the yield to maturity borne by such Capital Appreciation Bond.

All or any portion of the Bonds may be issued as Bonds bearing interest at fixed rates and paying Interest semiannually (the "**Current Interest Bonds**"). The Current Interest Bonds shall be dated such date as shall be agreed upon by a Designated Official and the purchasers of the Current Interest Bonds, shall be in fully registered form, and shall be numbered as determined by the Trustee.

The Bonds may be initially issued as Capital Appreciation Bonds containing provisions for the conversion of the Compound Accreted Value of such Bonds into Current Interest Bonds (the "**Convertible Bonds**") at such time following the initial issuance as shall be approved by a Designated Official. While in the form of Capital Appreciation Bonds, such Convertible Bonds shall be subject to all of the provisions and limitations of this Resolution relating to Capital Appreciation Bonds and while in the form of Current Interest Bonds, such Convertible Bonds shall be subject to all of the provisions and limitations of this Resolution relating to Current Interest Bonds. In connection with the issuance and sale of any Convertible Bonds, the terms and provisions relating to the conversion of the Compound Accreted Value of such Convertible Bonds into Current Interest Bonds shall be contained in the Indenture executed and delivered by a Designated Official at the time of sale of such Convertible Bonds.

The Bonds shall be dated as of a date not earlier than October 1, 2016, as determined by a Designated Official at the time of sale thereof. The principal of the Bonds shall become due and payable on any date not earlier than December 1, 2016 and not later than December 1, 2055. The Bonds shall be issued in such denominations as permitted under the applicable Indenture securing such Bonds.

Any Bonds issued as Current Interest Bonds, Capital Appreciation Bonds or Convertible Bonds shall bear interest (computed upon the basis of a 360-day year of twelve 30-day months) payable at a rate or rates not to exceed 9 percent per annum for any Bonds issued as tax-exempt Bonds or 13.5 percent per annum for any Bonds issued as taxable Bonds, all as shall be determined by a Designated Official at the time of sale of such Bonds. The interest on such Bonds shall be payable on such dates as determined in the applicable Indenture.

(e) The Bonds of each Series may be redeemable prior to maturity at the option of the Board, in whole or in part on any date, at such times and at such redemption prices as shall be determined by a Designated Official at the time of the sale thereof. The Bonds of each Series may be made subject to extraordinary redemption prior to maturity, in whole or in part on any date, at such times and at such redemption prices and upon the occurrence of such conditions, all as shall be determined by a Designated Official at the time of the sale thereof. The Bonds of each Series may also be made subject to sinking fund redemption, at par and accrued interest to the date fixed for redemption, as determined by a Designated Official at the time of the sale thereof; *provided*, that such Bonds shall reach final maturity not later than the date set forth in Section 2(d) hereof.

(f) The Bonds of each Series may initially be issued in book-entry only form as provided in the applicable Indenture. The Bonds shall be executed by the manual or duly authorized facsimile signature of the President or Vice President and attested by the manual or duly authorized facsimile signature of the Secretary or her designee and prepared in the respective forms as provided in the applicable Indenture. The applicable Indenture may also require or permit the additional manual or duly authorized facsimile signature of the Chief Executive Officer or the Senior Vice President of Finance.

(g) All or any portion of the Bonds may be issued as bonds bearing interest at variable rates ("**Variable Rate Bonds**") adjustable and payable at any time. The interest on Variable Rate Bonds shall be payable on such dates as determined in the applicable Indenture. The maximum rate on any Variable Rate Bond shall not exceed the maximum rate permitted by law for obligations of the Board, but in no event more than 15 percent per annum. The method of determining the interest rate to be borne from time to time by Variable Rate Bonds shall be determined by a Designated Official at the time of the sale of the Variable Rate Bonds and specified in the applicable Indenture if Variable Rate Bonds are to be issued, the form of Indenture attached hereto as Exhibit A shall be modified to incorporate terms and provisions previously included in indentures securing variable rate bonds of the Board.

*Section 3. Tax Levy For Alternate Bonds; Pledged Debt Service Taxes.* (a) For the purpose of providing funds in addition to the Pledged Capital Improvement Taxes to pay the principal of and interest on the Alternate Bonds, there is hereby levied upon all of the taxable property within the School District, in the years for which any of the Alternate Bonds are

outstanding, a direct annual tax for each of the years while the Alternate Bonds or any of them are outstanding, in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the School District the following direct annual taxes:

## FOR THE LEVY YEAR

## A TAX SUFFICIENT TO PRODUCE THE SUM OF:

2016	\$ 35,996,400
2017	38,318,400
2018	38,318,400
2019	38,318,400
2020	38,318,400
2021	38,318,400
2022	38,318,400
2023	38,318,400
2024	38,318,400
2025	38,318,400
2026	38,318,400
2027	38,318,400
2028	38,318,400
2029	38,318,400
2030	38,318,400
2031	38,318,400
2032	104,938,272
2033	104,938,272
2034	104,938,272
2035	104,938,272
2036	104,938,272
2037	104,938,272
2038	104,938,272
2039	104,938,272
2040	104,938,272
2041	104,938,272
2042	104,938,272
2043	104,938,272
2044	104,938,272
2045	104,938,272
2046	104,938,272
2047	104,938,272
2048	104,938,272
2049	104,938,272
2050	104,938,272
2051	104,938,272
2052	104,938,272
2053	104,938,272
2054	104,938,272

(the taxes levied pursuant to this Section 3(a), being the “**Pledged Debt Service Taxes**”).

(b) After this Resolution becomes effective and a Series of Alternate Bonds is sold, a copy of this Resolution, certified by the Secretary, shall be filed with each of the County Clerks of The Counties of Cook and DuPage, Illinois (the “**County Clerks**”); and the County Clerks shall in and for each of the years required, ascertain the rate percent required to produce the aggregate Pledged Debt Service Taxes hereinbefore provided to be levied in each of said years; and the County Clerks shall extend the same for collection on the tax books in connection with other taxes levied in said year in and by the Board for general corporate purposes of the Board; and in said year the Pledged Debt Service Taxes shall be levied and collected by and for and on behalf of the Board in like manner as taxes for general corporate purposes of the Board for said years are levied and collected, and in addition to and in excess of all other taxes, and when collected, if required pursuant to any escrow or similar agreement executed and delivered pursuant to Section 6 hereof, the taxes hereby levied shall be deposited with the designated bank, trust company or national banking association.

(c) At the time and in the manner set forth in each Indenture securing Alternate Bonds, the Board shall direct the abatement of the Pledged Debt Service Taxes in whole or in part.

(d) The notification of sale of any Series of the Alternate Bonds delivered by the Designated Officials pursuant to Section 5(e) hereof may provide for the allocation of all or a portion of the Pledged Debt Service Taxes levied for any year pursuant to this Resolution to the payment of the principal and redemption price of and interest on such Series of the Alternate Bonds.

*Section 4. Tax Levy For Dedicated Tax Bonds and Alternate Bonds; Pledged Capital Improvement Taxes.* (a) For the purpose of providing funds to pay the principal of and interest on the Dedicated Tax Bonds and the Alternate Bonds, and to provide for the debt service coverage required for the Alternate Bonds by Section 15 of the Act, there is hereby levied upon all of the taxable property within the School District, in the years for which any of the Dedicated Tax Bonds or Alternate Bonds are outstanding, a direct annual tax for each of the years while the Dedicated Tax Bonds or Alternate Bonds or any of them are outstanding, in amounts sufficient for those purposes, and there be and there hereby is levied upon all of the taxable property in the School District the following direct annual taxes:

FOR THE LEVY YEAR	A TAX IN THE SUM OF:
2017	\$ 47,898,000
2018	47,898,000
2019	47,898,000
2020	47,898,000
2021	47,898,000
2022	47,898,000
2023	47,898,000
2024	47,898,000
2025	47,898,000
2026	47,898,000
2027	47,898,000
2028	47,898,000
2029	47,898,000
2030	47,898,000
2031	131,172,840
2032	131,172,840
2033	131,172,840
2034	131,172,840
2035	131,172,840
2036	131,172,840
2037	131,172,840
2038	131,172,840
2039	131,172,840
2040	131,172,840
2041	131,172,840
2042	131,172,840
2043	131,172,840
2044	131,172,840
2045	131,172,840
2046	131,172,840
2047	131,172,840
2048	131,172,840
2049	131,172,840
2050	131,172,840
2051	131,172,840
2052	131,172,840
2053	131,172,840

(the taxes levied pursuant to this Section 4(a), being the “**Pledged Capital Improvement Taxes**”). In no event may the annual levy for the Pledged Capital Improvement Taxes exceed the maximum annual amount of the Capital Improvement Tax authorized by Section 34-53.5 of the School Code (or any successor act authorizing the Capital Improvement Tax).

(b) After this Resolution becomes effective and a Series of Dedicated Tax Bonds or Alternate Bonds is sold, a copy of this Resolution, certified by the Secretary, shall be filed with each of the County Clerks; and the County Clerks shall in and for each of the years required, ascertain the rate percent required to produce the aggregate Pledged Capital Improvement Taxes hereinbefore provided to be levied in each of said years; and the County Clerks shall extend the same for collection on the tax books in connection with other taxes levied in said year in and by the Board for general corporate purposes of the Board; and in said year the Pledged Capital Improvement Taxes shall be levied and collected by and for and on behalf of the Board in like manner as taxes for general corporate purposes of the Board for said years are levied and collected, and in addition to and in excess of all other taxes, and when collected, if required pursuant to any escrow or similar agreement executed and delivered pursuant to Section 6 hereof, the taxes hereby levied shall be deposited with the designated bank, trust company or national banking association.

(c) To the extent and in the manner permitted in each Indenture securing Dedicated Tax Bonds or Alternate Bonds, the Board may direct the abatement of the Pledged Capital Improvement Taxes in whole or in part.

(d) The notification of sale of any Series of Dedicated Tax Bonds or Alternate Bonds delivered by the Designated Officials pursuant to Section 5(e) hereof may provide for the allocation of all or a portion of the Pledged Capital Improvement Taxes levied for any year pursuant to this Resolution to the payment of the principal and redemption price of and interest on such Series of the Dedicated Tax Bonds or Alternate Bonds and, with respect to any Series of Alternate Bonds, to the provision of debt service coverage.

(e) As provided in Section 15(e) of the Act, the imposition of the Pledged Capital Improvement Taxes in the annual amounts levied pursuant to Section 4(a) hereof shall constitute a continuing obligation of the Board with respect to such imposition and a continuing appropriation of the receipts derived from the Pledged Capital Improvement Taxes for the punctual payment of the principal of and interest on the Alternate Bonds and the provision of an additional .25 times annual debt service.

*Section 5. Sale of the Bonds, Purchase and Sale Agreements.* (a) Each Series of the Bonds shall be sold and delivered to the Purchasers thereof, subject to the terms and conditions of the applicable Purchase and Sale Agreement; *provided*, (i) that the aggregate purchase price of any Current Interest Bonds paid by the Purchaser shall be not less than 97 percent of the principal amount thereof to be issued (less any original issue discount used in the marketing thereof) plus accrued interest from their date to the date of delivery thereof, (ii) that the aggregate purchase price of any Capital Appreciation Bonds or Convertible Bonds paid by the Purchaser shall not be less than 97 percent of the aggregate original principal amount thereof and (iii) that the compensation paid to the Purchasers in connection with the sale of any Variable Rate Bonds shall not exceed 3 percent of the principal amount thereof. Each of the Senior Vice President of Finance and the Chief Financial Officer are hereby authorized to execute and deliver on behalf of the Board a Purchase and Sale Agreement with respect to the sale of the Bonds of each Series, which (i) in the case of a Bond Purchase Agreement shall be in substantially the form used in previous financings of the Board and (ii) in the case of a Placement Agreement or a Competitive Sale Agreement shall contain terms and provisions no less favorable to the Board as

those contained in a Bond Purchase Agreement. Any such Purchase and Sale Agreement shall contain such final terms as shall be approved by the Senior Vice President of Finance or the Chief Financial Officer, such approval to be evidenced by such Senior Vice President of Finance's or Chief Financial Officer's execution thereof, and the Senior Vice President of Finance or the Chief Financial Officer is also authorized to do all things necessary and essential to effectuate the provisions of such Purchase and Sale Agreement, as executed, including the execution of any documents and certificates incidental thereto or necessary to carry out the provisions thereof. The Senior Vice President of Finance shall make a finding in connection with the execution of each Purchase and Sale Agreement that (i) the Bonds sold thereunder have been sold at such price and bear interest at such rate that neither the true interest cost (yield) nor the net interest rate received upon the sale of such Bonds exceeds the maximum rate otherwise authorized by applicable law, and (ii) that no person holding any office of the Board, either by election or appointment is in any manner interested, either directly or indirectly, in his or her own name, in the name of any other person, association, trust or corporation, in the Indenture, any escrow or similar agreement executed and delivered pursuant to Section 6 hereof, the applicable Purchase and Sale Agreement or any agreement with a Bond Insurer, Debt Reserve Credit Facility Provider or Credit Provider authorized by paragraphs (b), (c) and (d) of this Section, or in the issuance and sale of such Bonds, in accordance with the laws of the State of Illinois and the Code of Ethics of the Board (Board Rule No. 11-0525-P02, as amended).

(b) In connection with any sale of the Bonds of each Series, each of the Designated Officials is hereby authorized to obtain a bond insurance policy from such recognized bond insurer as such Designated Official shall determine (the "**Bond Insurer**") if said Designated Official determines such bond insurance policy to be desirable in connection with the sale of such Series of Bonds, or with respect to specified or designated maturities of such Series of Bonds. Each Designated Official is also authorized to enter into such agreements and make such covenants with any Bond Insurer that such Designated Official deems necessary and that are not inconsistent with the terms and provisions of this Resolution and to pay upfront or annual fees to the Bond Insurer in connection therewith.

(c) In lieu of, or in addition to, the deposit of proceeds of the Bonds of any Series or other funds into a debt service reserve fund as authorized in paragraph (g) of this Section, each of the Designated Officials is hereby authorized to obtain a debt reserve credit facility from such recognized provider as such Designated Official shall determine (the "**Debt Reserve Credit Facility Provider**") if such Designated Official determines such debt reserve credit facility to be desirable in providing for the funding of any required debt service reserve fund. Each Designated Official is also authorized to enter into such agreements and make such covenants with any Debt Reserve Credit Facility Provider that such Designated Official deems necessary and that are not inconsistent with the terms and provisions of this Resolution, including the payment of reasonable fees to any Debt Reserve Credit Facility Provider.

(d) In connection with the sale of the Bonds of any Series, to provide additional security and liquidity for such Bonds, each of the Designated Officials is hereby authorized to obtain a letter of credit, line of credit or other credit or liquidity facility, including similar agreements with or facilities issued by a Bond Insurer (a "**Credit Facility**"), if determined by such Designated Official to be desirable in connection with such sale of Bonds. Each of the Designated Officials is hereby further authorized to appoint one or more banks, Bond Insurers or

other financial institutions to issue such Credit Facility (the “**Credit Provider**”) and to execute and deliver on behalf of the Board a credit, reimbursement or similar agreement (the “**Credit Agreement**”) providing for the issuance of the Credit Facility and the obligation of the Board to repay funds borrowed under the Credit Facility or advances made by the Credit Provider under the Credit Facility with respect to such Bonds. The Credit Facility may be in a form that provides for the purchase of such Bonds by the Credit Provider (any such Bond so purchased being referred to as a “**Bank Bond**”) and the Indenture as executed and delivered shall reflect the terms and provisions of such Bank Bonds. Any Bonds outstanding as Bank Bonds shall be secured as provided in the applicable Indenture. The annual fee paid to any Credit Provider for the provision of a Credit Facility shall not exceed 3 percent of the amount available to be drawn or advanced under such Credit Facility.

The Credit Agreement may provide that alternative interest rates or provisions will apply during such times as the Bonds constitute Bank Bonds or the Board has outstanding repayment obligations to the Credit Provider (the “**Credit Provider Rate**”), which Credit Provider Rate shall not exceed the maximum permitted by law, but in no event more than 15 percent per annum (the “**Maximum Credit Provider Rate**”). The Credit Agreement may further provide that to the extent the Credit Provider Rate determined at any time pursuant to the Credit Agreement exceeds the Maximum Credit Provider Rate, such excess may accrue at the then-applicable Credit Provider Rate (but in no event may such excess accrue at a rate in excess of 25 percent per annum) and be added to the Credit Provider Rate at such time or times thereafter as the Credit Provider Rate shall be less than the Maximum Credit Provider Rate; *provided*, that at no time shall the Credit Provider Rate per annum exceed the Maximum Credit Provider Rate.

Any Credit Facility obtained as provided herein shall cause the Bonds secured thereby to bear an investment grade rating from at least two nationally recognized rating services.

(e) Subsequent to the sale of the Bonds of any Series, any one or more of the Designated Officials shall file in the office of the Secretary a notification of sale directed to the Board setting forth (i) whether such Series is a Series of Alternate Bonds or a Series of Dedicated Tax Bonds, (ii) the aggregate original principal amount of, maturity schedule, redemption provisions and interest rates for the Bonds sold, (iii) a description of the specific Pledged Capital Improvement Taxes pledged to the payment of the principal of, redemption price of, interest on and the Compound Accreted Value of the Bonds of such Series, (iv) the principal amounts of the Bonds sold as Current Interest Bonds, Capital Appreciation Bonds and Convertible Bonds, respectively, (v) in the case of Bonds sold as Capital Appreciation Bonds and Convertible Bonds, (A) the Original Principal Amounts of and Yields to Maturity on the Capital Appreciation Bonds and Convertible Bonds being sold, and (B) a table of Compound Accreted Value per \$5,000 Maturity Amount for any Capital Appreciation Bonds and Convertible Bonds being sold, setting forth the Compound Accreted Value of each such Capital Appreciation Bond and Convertible Bonds on each semiannual compounding date, (vi) the interest rates on the Current Interest Bonds sold, (vii) debt service schedules for the Bonds, demonstrating (A) in the case of Alternate Bonds, that the Pledged Capital Improvement Taxes are expected to be in an amount sufficient to provide the debt service coverage described in Section 2(b) hereof and (B) in the case of Dedicated Tax Bonds, that the Pledged Capital Improvement Taxes are expected to be sufficient to provide for the punctual payment of the debt service on the Series of Dedicated Tax Bonds, (viii) the terms and provisions for the conversion of the Compound



Accrued Value of any Convertible Bonds issued hereunder into Current Interest Bonds, (ix) the application of the proceeds of such Bonds for the purposes and within the limitations set forth in paragraph (g) of this Section, (x) if a bond insurance policy is obtained as authorized herein, the identity of the Bond Insurer issuing the bond insurance policy and the premium and any fees required to be paid thereto, (xi) if a debt reserve credit facility is obtained as authorized herein, the identity of the Debt Reserve Credit Facility Provider issuing the debt reserve credit facility, (xii) if a Credit Facility is obtained as authorized herein, the identity of the Credit Provider issuing the Credit Facility, and a copy of the Credit Agreement between the Board and such Credit Provider shall be attached to said notification of sale, (xiii) the identity of the Trustee designated pursuant to Section 2 hereof with respect to the Bonds, (xiv) if an escrow or other similar agreement is to be executed and delivered as authorized in Section 6 hereof, the identity of any bank, trust company or national banking association selected by a Designated Official to serve as escrow agent thereunder pursuant to the authorization granted in said Section 6, and a copy of such agreement shall be attached to said notification of sale and (xv) the identity of and the compensation paid to the Purchasers in connection with such sale.

In the event that the Designated Official executing such notification of sale with respect to Alternate Bonds determines that the Alternate Bonds have been sold in such principal amount or maturing or bearing interest so as to require the levy of Pledged Debt Service Taxes in any year less than the amount specified therefor in Section 3(a) hereof, then such Designated Official shall include, in the notification of sale described in this Section, the amount of reduction in the amount levied in Section 3(a) hereof for each year resulting from such sale, and in addition, either or both of the Designated Officials shall file in the respective offices of the County Clerks certificates of tax abatement for such years. No such reduction in the amounts levied in Section 3(a) hereof need be made nor must any certificate of tax abatement be filed as described in the preceding sentence until any one or more of the Designated Officials have determined that any amount so levied in Section 3(a) hereof will not be needed to secure the Alternate Bonds being sold at that time or any Series of Alternate Bonds to be sold in the future. Any certificate of abatement delivered pursuant to this paragraph shall refer to the amount of Pledged Debt Service Taxes levied pursuant to Section 3(a) hereof, shall indicate the amount of reduction in the amount of Pledged Debt Service Taxes levied by the Board resulting from the sale of such Alternate Bonds, which reduced amount is to be abated from such Pledged Debt Service Taxes, and shall further indicate the remainder of such Pledged Debt Service Taxes which is to be extended for collection by the County Clerks. Each of the Designated Officials is also authorized to file in the respective offices of the County Clerks certificates of tax abatement that reflect the refunding of any obligations of the Board.

In the event that the Designated Official executing such notification of sale with respect to Alternate Bonds or Dedicated Tax Bonds determines that the Alternate Bonds or Dedicated Tax Bonds have been sold in such principal amount or maturing or bearing interest so as to require the levy of Pledged Capital Improvement Taxes in any year less than the amount specified therefor in Section 4(a) hereof, then such Designated Official shall include, in the notification of sale described in this Section, the amount of reduction in the amount levied in Section 4(a) hereof for each year resulting from such sale, and in addition, either or both of the Designated Officials shall file in the respective offices of the County Clerks certificates of tax abatement for such years. No such reduction in the amounts levied in Section 4(a) hereof need

be made nor must any certificate of tax abatement be filed as described in the preceding sentence until any one or more of the Designated Officials have determined that any amount so levied in Section 4(a) hereof will not be needed to secure the Alternate Bonds or Dedicated Tax Bonds being sold at that time or any Series of Alternate Bonds or Dedicated Tax Bonds to be sold in the future. Any certificate of abatement delivered pursuant to this paragraph shall refer to the amount of Pledged Capital Improvement Taxes levied pursuant to Section 4(a) hereof, shall indicate the amount of reduction in the amount of Pledged Capital Improvement Taxes levied by the Board resulting from the sale of such Alternate Bonds or Dedicated Tax Bonds, which reduced amount is to be abated from such Pledged Capital Improvement Taxes, and shall further indicate the remainder of such Pledged Capital Improvement Taxes which is to be extended for collection by the County Clerks. Each of the Designated Officials is also authorized to file in the respective offices of the County Clerks certificates of tax abatement that reflect the refunding of any obligations of the Board. Any abatement or reduction of Pledged Capital Improvement Taxes shall not constitute a reduction in the annual amount of Capital Improvement Tax that the Board is authorized to levy pursuant to Section 34-53.5 of the School Code

(f) The distribution of a Preliminary Official Statement, Private Placement Memorandum, Limited Offering Memorandum or Notice of Public Sale relating to each Series of the Bonds (the "**Disclosure Document**") in substantially the respective forms delivered in connection with previous issues of Bonds, but with such changes as shall be approved by a Designated Official to reflect the terms of the Bonds proposed to be sold and the method of sale of such Bonds, is hereby in all respects, ratified, authorized and approved and shall be "deemed final" for purposes of Rule 15c2-12, adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 ("**Rule 15c2-12**"), and the proposed use by the Underwriters or the Competitive Purchasers of a final Official Statement (in substantially the form (i) of the Preliminary Official Statement but with appropriate variations, omissions and insertions to reflect the final terms of the Bonds being sold or (ii) authorized herein for a Preliminary Official Statement if none is used in the marketing of the Bonds being sold) is hereby approved. Each Designated Official is hereby authorized and directed to execute the final Official Statement or other Disclosure Document on behalf of the Board. A Designated Official may also cause the preparation and circulation of a Disclosure Document with respect to short-term borrowings of the Board for secondary market purposes that have been previously authorized by the Board.

If determined to be necessary by a Designated Official in connection with the initial sale or subsequent reoffering of any obligations previously authorized by this Board, the preparation, use and distribution of a Disclosure Document relating to such obligations is hereby authorized and approved. The Designated Officials are each hereby authorized to execute and deliver such Disclosure Document on behalf of the Board. The Disclosure Document herein authorized shall contain a description of the terms and provisions of, and security for, such obligations, the use of proceeds of such obligations, financial information relating to the Board, and such other information as any Designated Officer determines to be advisable under the circumstances.

In connection with the sale of a Series of the Bonds, the Designated Officials are hereby authorized to provide to prospective Placement Purchasers such information regarding the Board's operations and finances as would typically be included in a Disclosure Document and to enter into such discussions and negotiations with such prospective Placement Purchasers as such

Designated Officials shall deem appropriate. In addition, the Designated Officials are hereby authorized to prepare a Notice of Sale for distribution to potential bidders in connection with a public, competitive sale of a Series of the Bonds and to take all actions necessary to conduct any such sale.

(g) The proceeds from the sale of each Series of the Bonds shall be applied to the payment of (i) costs of the Project that are "Permitted Expenditures" and "Capital Expenditures" as defined in the Indenture securing such Series, (ii) such interest to become due on such Bonds for such period not to exceed the greater of 2 years or a period ending 6 months after the estimated date of completion of the acquisition and construction of the Project as shall be determined by the Senior Vice President of Finance or the Chief Financial Officer, and (iii) the payment of the expenses related to the issuance of such Bonds, including, without limitation, fees to be paid to Bond Insurers or Credit Providers, and such proceeds shall be applied as provided in the applicable Indenture. In addition, proceeds from the sale of a Series of the Bonds in the amount of not to exceed 10% of the principal amount thereof may be deposited into a debt service reserve fund to be held under the applicable Indenture upon the direction of the Senior Vice President of Finance or the Chief Financial Officer if it is determined that the creation of such debt service reserve fund is necessary and required in connection with the sale of such Bonds. All of such proceeds are hereby appropriated for the purposes specified in this paragraph.

(h) Each of the Senior Vice President of Finance and the Chief Financial Officer is hereby authorized to enter into or approve such agreements with investment providers as shall be necessary or advisable in connection with the investment of any funds on deposit under the Indenture, to the extent such investments are authorized under the terms of the Indenture, the Investment Policy of the Board and applicable law, as in effect from time to time.

*Section 6. Escrow of Pledged Capital Improvement Taxes and Pledged Debt Service Taxes.* If deemed necessary and desirable to provide additional security for any Bonds, each of the Designated Officials is hereby authorized to execute and deliver on behalf of the Board, and the Secretary is authorized to attest, a form of escrow or other similar agreements with a bank, trust company or national banking association having the same qualifications as those set forth in Section 2(a) for a Trustee, reflecting the issuance of the Bonds and such segregation of Pledged Capital Improvement Taxes and, in the case of Alternate Bonds, Pledged Debt Service Taxes as the Designated Official executing such agreement shall deem appropriate.

*Section 7. Escrow Directions.* Each of the Designated Officials is hereby authorized, pursuant to authority contained in Section 20-90 of the Property Tax Code, 35 Illinois Compiled Statutes 200, to execute a written direction to the County Collectors of The Counties of Cook and DuPage, Illinois (the "**County Collectors**"), (i) to deposit the collections of the Pledged Debt Service Taxes as and when extended for collection directly with such escrow agent designated pursuant to Section 5 in order to secure the payment of the principal of and interest on the Alternate Bonds, and (ii) to the extent necessary, advising the County Collectors of the abatement of the Pledged Debt Service Taxes. Each of the Designated Officials is hereby authorized pursuant to the authority contained in Section 20-90 of the Property Tax Code to execute a written direction to the County Collectors, (i) to deposit the collections of the Capital Improvement Taxes as and when extended for collection directly with such escrow agent

designated pursuant to Section 6 in order to secure the payment of the principal of and interest on the Bonds and to provide for the disposition of the Pledged Capital Improvement Taxes and (ii) to the extent necessary, advising the County Collectors of the abatement of Pledged Capital Improvement Taxes. The Designated Officials are directed to file a certified copy of this Resolution with each of the County Collectors.

*Section 8. Tax-Exemption and Non-Arbitrage.* Each of the Designated Officials is hereby authorized to take any other actions and to execute any other documents and certificates necessary to assure that the interest payments with respect to the Bonds of each Series are excludable from gross income for federal income tax purposes, to assure that the Bonds do not constitute "arbitrage bonds" or "private activity bonds" under the Internal Revenue Code of 1986, as amended, and to effectuate the issuance and delivery of the Bonds; *provided, however,* that any of the Bonds may be issued as Bonds the interest on which is includible in the gross income of the owner thereof for federal income tax purposes if determined by a Designated Official to be beneficial to the Board.

*Section 9. Continuing Disclosure Undertaking.* Each of the Designated Officials is hereby authorized to execute and deliver one or more Continuing Disclosure Undertakings (each, a "**Continuing Disclosure Undertaking**") evidencing the Board's agreement to comply with the requirements of Section (b)(5) of Rule 15c2-12, as applicable to the Bonds of each Series. Notwithstanding any other provision of this Resolution or any Indenture, the sole remedies for any failure by the Board to comply with a 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 Board to comply with its obligations under the applicable Continuing Disclosure Undertaking. Each Continuing Disclosure Undertaking shall be in substantially the form used in previous financings of the Board, but with such changes therein as shall be approved by the Designated Official executing the same, with such execution to constitute conclusive evidence of such official's approval and this Board's approval of any changes or revisions therein from such form of Continuing Disclosure Undertaking.

*Section 10. Further Acts.* Each of the Designated Officials, officials or officers of the Board are hereby authorized to execute and deliver such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Bonds, including, but not limited to, the exercise following the delivery date of the Bonds of any power or authority delegated to such official under this Resolution with respect to the Bonds upon original issuance, but subject to any limitations on or restrictions of such power or authority as herein set forth.

The General Counsel is hereby authorized to select and engage attorneys and other professionals to provide services related to the transactions described in this Resolution. The General Counsel may make such selection of professionals based upon substantial demonstrated prior experience in addition, each of the Designated Officials is hereby authorized to execute and deliver any supplements or amendments deemed necessary in connection with the issuance, sale and delivery of the Bonds and other obligations of the Board which have heretofore been authorized, sold or delivered.

All actions of the officials or officers of the Board that are in conformity with the purposes and intent of this Resolution are hereby in all respects ratified, approved, and confirmed.

*Section 11. Expiration of Authority For Alternate Bonds.* The Alternate Bonds authorized by this Resolution may not be issued after the date three years following the end of the petition period pursuant to the backdoor referendum with respect to the 2016 Authorization as provided in Section 17.5(a) of the Act.

*Section 12. Severability.* The provisions of this Resolution are hereby declared to be severable; and if any section, phrase, or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, or provisions.

*Section 13. Repeater and Effective Date.* All resolutions or parts of resolutions in conflict herewith are, to the extent of such conflict, hereby repealed. This Resolution is effective immediately upon its adoption.

**Exhibit B**

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MASTER TRUST INDENTURE

by and between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

AMALGAMATED BANK OF CHICAGO  
as Trustee

Dated as of December 1, 2016

SECURING BOARD OF EDUCATION OF THE CITY OF CHICAGO  
DEDICATED CAPITAL IMPROVEMENT TAX BONDS

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THIS MASTER TRUST INDENTURE dated as of December 1, 2016 (the "*Indenture*"), by and between the Board of Education of the City of Chicago, a school district organized and existing under the laws of the State of Illinois, and Amalgamated Bank of Chicago, an Illinois banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out as trustee (the "*Trustee*");

W I T N E S S E T H:

WHEREAS, pursuant to the provisions of Article 34 of the School Code, 105 Illinois Compiled Statutes 5/34 (the "*School Code*"), the City of Chicago constitutes one school district (the "*School District*"), which is a body politic and corporate by the name of the "Board of Education of the City of Chicago," governed by the Chicago Board of Education (the "*Board*"); and

WHEREAS, pursuant to Section 34-53.5 of the School Code the Board is authorized to levy annually a tax for capital improvement purposes (the "*Capital Improvement Tax*"); and

WHEREAS, the Board adopted Resolution No. 16-1026-RS1 on October 26, 2016 (the "*Bond Resolution*") authorizing the issuance, from time to time, in one or more series, of its Dedicated Capital Improvement Tax Bonds in an aggregate principal amount not to exceed \$840,000,000 (the "*2016 Authorized Bonds*") for the purpose of financing capital improvements permitted under Section 34-53.5 of the School Code; and

WHEREAS, the Board adopted Resolution No. 16-1207-RS\_\_ on December 7, 2016 (the "*Supplemental Resolution*") supplementing the Bond Resolution and the Bond Resolution as supplemented by the Supplemental Resolution is herein defined as the "2016 Authorizing Resolution"; and

WHEREAS, pursuant to the 2016 Authorizing Resolution, the Board has appointed Amalgamated Bank of Chicago to act as Trustee under this Indenture; and

WHEREAS, no bonds or other obligations have heretofore been issued pursuant to Section 34-53.5 of the School Code or the 2016 Authorizing Resolution; and

WHEREAS, for the 2015 tax levy year and for the 2016 tax levy year the Board has levied the Capital Improvement Tax; and

WHEREAS, the 2015 tax levy year was the initial year that the Board elected to levy the Capital Improvement Tax and such levy was approved by a resolution adopted by the City Council of the City of Chicago;

WHEREAS, the Board is authorized to levy annually the Capital Improvement Tax for the 2017 tax levy year and for each subsequent tax levy year; and

WHEREAS, pursuant to Section 34-53.5(f) of the School Code the Board may issue bonds, in accordance with the Local Government Debt Reform Act, against any revenues to be collected from the Capital Improvement Tax in any year or years; and

WHEREAS, pursuant to Section 13 of the Local Government Debt Reform Act, the Board may pledge as security for the payment of bonds issued pursuant to Section 34-53.5(f) and the Local Government Debt Reform Act, (i) the revenues to be derived from the levy of the Capital Improvement Tax and (ii) moneys deposited or to be deposited into any special fund of the Board and may bind itself to impose the Capital Improvement Tax to the fullest extent permitted by applicable law; and

WHEREAS, pursuant to Section 4 of the Bond Resolution and for the tax levy years 2017 to 20\_\_, both inclusive, the Board has levied and dedicated specific annual amounts of the Capital Improvement Tax to provide funds to pay the principal of and interest on the 2016 Authorized Bonds; and

WHEREAS, all things necessary to make the Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal limited obligations of the Board according to the import thereof, and to constitute this Indenture a valid pledge of and grant of a lien on, and security interest in the following Trust Estate for the purpose of securing the payment of the principal of, premium, if any, and interest on the Bonds (as hereinafter defined) have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of this Indenture and the execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized;

### **GRANTING CLAUSES**

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

That in order to secure the payment of the principal of, premium, if any, and interest on all Bonds issued and to be issued hereunder, according to the import thereof, and the performance and observance of each and every covenant and condition herein and in the Bonds contained, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the respective Owners (as hereinafter defined) thereof, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds shall be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, the Board does hereby pledge, grant a lien upon and grant a security interest in the following Trust Estate to the Trustee and its successors in trust and assigns, to the extent provided in this Indenture:

- (a) The Capital Improvement Taxes;
- (b) All moneys and securities and earnings thereon in all Funds, Sub-Funds, Accounts and Sub-Accounts established and maintained pursuant to this Indenture; and
- (c) Any and all other moneys and securities furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other persons to be held by the Trustee under the terms of this Indenture.

IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Bonds secured by this Indenture, including any Bonds hereafter issued, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Bond over any other or from the others by reason of priority in the issue or negotiation thereof or by reason of the date or dates of maturity thereof, or for any other reason whatsoever (except as expressly provided in this Indenture), so that each and all of such Bonds shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery hereof (all except as expressly provided in this Indenture, as aforesaid).

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Board, or its successors, shall well and truly pay or cause to be paid, or provide for the payment of all principal of, premium, if any, and interest on the Bond due or to become due thereon, at the times and in the manner stipulated therein and herein, then this Indenture and the rights hereby granted shall cease, terminate and be void, but shall otherwise be and remain in full force.

AND IT IS HEREBY COVENANTED AND AGREED by and among the Board, the Trustee and the Owners from time to time of the Bonds, that the terms and conditions upon which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become the Owners thereof, and the trusts and conditions upon which the moneys and securities hereby pledged are to be held and disposed of, which trusts and conditions the Trustee hereby accepts, are as follows:

## ARTICLE I

### Definitions and Construction

**Section 101. Definitions.** The following terms shall, for all purposes of this Indenture, have the following meanings unless a different meaning clearly appears from the context:

“*Accounts*” means the special accounts created and established pursuant to Article V or any Supplemental Indenture.

“*Accreted Amount*” means, with respect to any Capital Appreciation Bonds, the amount set forth in the Supplemental Indenture authorizing such Bonds as the amount representing the initial public offering price thereof, plus the amount of interest that has accreted on such Bonds, compounded periodically, to the date of calculation, determined by reference to accretion tables contained in each such Bond or contained or referred to in any Supplemental Indenture authorizing the issuance of such Bonds. The Accreted Amounts for such Bonds as of any date not stated in such tables shall be calculated by adding to the Accreted Amount for such Bonds as of the date stated in such tables immediately preceding the date of computation a portion of the difference between the Accreted Amount for such preceding date and the Accreted Amount for such Bonds as of the date shown on such tables immediately succeeding the date of calculation, apportioned on the assumption that interest accretes during any period in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months.

“*Act*” means the Loan Government Debt Reform Act, 30 Illinois Compiled Statutes 350, as the same may be amended and supplemented from time to time.

“*Additional Bonds*” means Bonds authorized and delivered on original issuance pursuant to Section 204.

“*Annual Debt Service Requirement*” means, with respect to any Bond Year, the aggregate of the Interest Requirement and the Principal Requirement for such Bond Year.

“*Annual Levy Amount*” means the aggregate amount of the Capital Improvement Tax (including each Bond Resolution Series Levy for Outstanding Bonds) levied or to be levied in a particular calendar year for collection in the following calendar year.

“*Applicable Bond Year*” means the Bond Year commencing on April 2 of the Tax Collection Year.

“*Authorization Denominations*” means the denominations of the Bonds of a Series as determined in the Supplemental Indenture authorizing such Series.

“*Authorized Officer*” means (i) the Chief Financial Officer of the Board, (ii) the Senior Vice President of Finance of the Board or (iii) any other officer or employee of the Board authorized to perform specific acts or duties under this Indenture by resolution duly adopted by the Board.

“*Board*” means the Board of Education of the City of Chicago, as governed by the Chicago Board of Education, pursuant to Article 34 of the School Code.

“*Bond*” or “*Bonds*” means any bond or bonds, including any 2016 Bond, any Additional Bond, and any Refunding Bond, authenticated and delivered under and pursuant to this Indenture.

“*Bond Insurance Policy*” means any municipal bond insurance policy insuring and guaranteeing the payment of the principal of and interest on a Series of Bonds or certain maturities thereof as may be provided in the Supplemental Indenture authorizing such Series or as otherwise may be designated by the Board.

“*Bond Insurer*” means any person authorized under law to issue a Bond Insurance Policy.

“*Bond Resolution*” means (i) with respect to the 2016 Bonds, the 2016 Authorizing Resolution and (ii) with respect to any Series of Additional Bonds or Refunding Bonds, the resolution of the Board authorizing such Series.

“*Bond Resolution Series Levy*” means the levy of Capital Improvement Tax pursuant to a Bond Resolution for the payment of the Annual Debt Service Requirements for the term of a Series of Bonds issued pursuant to such Bond Resolution.

“*Bond Year*” means the 12-month period commencing on April 2 of a year and ending on April 1 of the next succeeding year.

“*Business Day*” means any day which is not a Saturday, a Sunday, a legal holiday or a day on which banking institutions in the city where the principal corporate trust office of any Fiduciary is located are authorized or required by law or executive order to close (and such Fiduciary is in fact closed).

“*Capital Appreciation and Income Bond*” means any Bond as to which accruing interest is not paid prior to the Interest Commencement Date specified therefor and is compounded periodically on certain designated dates prior to the Interest Commencement Date specified therefor, all as provided in the Supplemental Indenture authorizing the issuance of such Capital Appreciation and Income Bond.

“*Capital Appreciation Bond*” means any Bond the interest on which (i) shall be compounded periodically on certain designated dates, (ii) shall be payable only at maturity or redemption prior to maturity and (iii) shall be determined by subtracting from the Accreted Amount the initial public offering price thereof, all as provided in the Supplemental Indenture authorizing the issuance of such Capital Appreciation Bond. The term “*Capital Appreciation Bond*” as used throughout this Indenture also includes any Capital Appreciation and Income Bond prior to the Interest Commencement Date specified therefor.

“*Capital Expenditure*” means an authorized expenditure of the Board that is or may be capitalized under generally accepted accounting practices applicable to the Board

and is made with respect to a project or system of the Board. This definition may be revised without the consent of the Owners to reflect the requisites of “projects and systems” as such term is used in Section 902 of the United States Bankruptcy Code (11 U.S. Code 902).

“*Capital Improvement Tax*” means the tax that the Board is authorized to levy annually pursuant to Section 34-53.5 of the School Code.

“*Capital Improvement Taxes*” means the revenues derived and to be derived by the Board from the levy of the Capital Improvement Tax, including but not limited to, regular tax receipts and late payment interest and penalties.

“*Certificate*” means an instrument of the Board in writing signed by an Authorized Officer.

“*Code*” or “*Code and Regulations*” means the Internal Revenue Code of 1986, and the regulations promulgated or proposed pursuant thereto as the same may be in effect from time to time.

“*Consolidated Debt Service Reserve Fund*” means the Consolidated Debt Service Reserve Fund established in Section 502 for the benefit of Consolidated Reserve Fund Bonds.

“*Consolidated Reserve Fund Bonds*” means Bonds of a Series so designated by the Board in the Supplemental Indenture authorizing such Series.

“*Consolidated Reserve Requirement*” means, as of the date of calculation and with respect to all Series of Consolidated Reserve Fund Bonds, an amount equal to fourteen percent (14%) of the largest Annual Debt Service Requirement on Outstanding Consolidated Reserve Fund Bonds in the then current or any future Bond Year.

“*Counsel’s Opinion*” means an opinion signed by an attorney or firm of attorneys of recognized standing in the area of law to which the opinion relates, who may be counsel to the Board (including the General Counsel of the Board).

“*County Clerks*” means, collectively, the County Clerks of The Counties of Cook and DuPage, Illinois.

“*County Collectors*” means, collectively, the County Treasurers of The Counties of Cook and DuPage, Illinois, in their respective capacities as county collector, or, respectively, such other officer as may be lawfully appointed in the future to serve as county collector in either of said counties.

“*Current Funds*” means moneys which are immediately available in the hands of the payee at the place of payment.

“*Current Interest Bond*” means any Bond the interest on which is payable on the Interest Payment Dates provided therefor in the Supplemental Indenture authorizing such Bond. The term “Current Interest Bond” as used throughout this Indenture also includes any Capital Appreciation and Income Bond from and after the Interest Commencement Date specified therefor.

“*Debt Service Fund*” means the Debt Service Fund established in Section 502.

“*Debt Service Reserve Account*” means any reserve account within the Debt Service Fund established pursuant to Section 508.

“*Default Day*” means any day that an Event of Default has happened and has not been remedied.

“*Defeasance Obligations*” means Government Obligations that are not subject to redemption or prepayment other than at the option of the holder thereof.

“*Depository*” means any bank, national banking association or trust company having a capital and undivided surplus aggregating at least \$20,000,000, selected by an Authorized Officer as a depository of moneys and securities held under the provisions of this Indenture, and may include the Trustee.

“*Deposit Direction*” means each written direction of the Board filed with the County Collectors pursuant to Section 20-90 of the Property Tax Code, 35 Illinois Compiled Statutes 200 (or other applicable statutory authority) directing the County Collectors to deposit Capital Improvement Taxes directly into the Escrow Fund.

“*Escrow Fund*” means the Escrow Fund established in Section 502.

“*Event of Default*” means any event so designated and specified in Section 801.

“*Fiduciary*” or “*Fiduciaries*” means the Trustee, the Registrar, the Paying Agents and any Depository, or any or all of them, as may be appropriate.

“*Fitch*” means Fitch Ratings.

“*Forward Supply Contract*” means any contract entered into between the Board and a supplier of Investment Securities selected by or pursuant to the direction of the Board (a “*Counterparty*”) pursuant to which the Counterparty agrees to sell to the Board (or to the Trustee on behalf of the Board) and the Board (or the Trustee on behalf of the Board) agrees to purchase specified Investment Securities on specific dates at specific purchase prices, all as established at the time of the execution and delivery of such contract and as set forth in such contract. Any amounts due and owing from the Board to the Counterparty pursuant to any Forward Supply Contract (other than the specified purchase prices of the Investment Securities set forth therein) shall be treated as current



operating expenses of the Board subject to annual appropriation, and shall not constitute indebtedness of the Board.

“*Funds*” means the special funds created and established pursuant to Article V or any Supplemental Indenture.

“*Government Obligations*” means any direct obligations of the United States of America and any obligations guaranteed as to the timely payment of principal and interest by the United States of America or any agency or instrumentality of the United States of America, when such obligations are backed by the full faith and credit of the United States of America.

“*Indenture*” means this Master Trust Indenture, dated as of December 1, 2016, by and between the Board and the Trustee, as from time to time amended and supplemented.

“*Insured Bond*” means any Bond with respect to which the payment of principal and interest is guaranteed under a Bond Insurance Policy.

“*Interest Commencement Date*” means, with respect to any Capital Appreciation and Income Bond, the date specified in the Supplemental Indenture authorizing the issuance of such Bond (which date must be prior to the maturity date for such Capital Appreciation and Income Bond) after which interest accruing on such Capital Appreciation and Income Bond shall be payable periodically, with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

“*Interest Payment Date*” means any Payment Date on which interest on any Bond is payable.

“*Interest Period*” means the period from the date of any Bond to and including the day immediately preceding the first Interest Payment Date and thereafter shall mean each period from and including an Interest Payment Date to and including the day immediately preceding the next Interest Payment Date.

“*Interest Requirement*” for any Bond Year or any Interest Period, as the context may require, as applied to Bonds of any Series then Outstanding, shall mean the total of the sums that would be deemed to accrue on such Bonds during such Bond Year or Interest Period if the interest on the Bonds were deemed to accrue daily during such Bond Year or Interest Period in equal amounts; *provided, however*, that interest expense shall be excluded from the determination of Interest Requirement to the extent that such interest is to be paid from the proceeds of Bonds allocable to the payment of such interest as provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds or other available moneys or from investment (but not reinvestment) earnings thereon if

such proceeds shall have been invested in Investment Securities and to the extent such earnings may be determined precisely.

“*Investment Policy*” means the Investment Policy approved by the Board, as currently in effect and as may be amended from time to time.

“*Investment Securities*” means any of the following securities authorized by law and the Investment Policy as permitted investments of Board funds at the time of purchase thereof:

- (i) Government Obligations;
- (ii) Obligations of any of the following federal agencies which obligations represent the full, faith and credit of the United States of America, including:
  - Export Import Bank
  - Farm Credit System Financial Assistance Corporation
  - Farmers Home Administration
  - General Services Administration
  - U.S. Maritime Administration
  - Small Business Administration
  - Government National Mortgage Association (GNMA)
  - U.S. Department of Housing & Urban Development (PHA’s)
  - Federal Housing Administration;
- (iii) Senior debt obligations issued by Fannie Mae or the Federal Home Loan Mortgage Corporation or senior debt obligations of other government agencies;
- (iv) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks (including the Trustee and its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of no less than “A-1” by Fitch, or “A-1” or “A-1+” by S&P or “P-1” by Moody’s and maturing no more than 360 days after the date of purchase (Ratings on holding companies are not considered as the rating of the bank);
- (v) Commercial paper which is rated at the time of purchase no less than “A-1” by Fitch, or “A-1” or “A-1+” by S&P or “P-1” by Moody’s and which matures not more than 180 days after the date of purchase;
- (vi) Investments in a money market fund which at the time of purchase is rated “AAAm” or “AAAm G” or better by S&P, including those for which the

Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise;

(vii) Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 subject to the provisions of said Act and the Regulations issued thereunder. The government securities that are the subject of such repurchase agreements, unless registered or inscribed in the name of the Board, shall be purchased through banks or trust companies authorized to do business in the State of Illinois;

(viii) Pre-refunded Municipal Obligations; and

(ix) Any Forward Supply Contract;

*“Maximum Annual Debt Service Requirement”* means, as of any date of calculation, the largest Annual Debt Service Requirement occurring in the then current and any succeeding Bond Year.

*“Moody’s”* means Moody’s Investors Service.

*“Outstanding,”* when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under this Indenture except:

(i) Any Bonds canceled by the Trustee, at or prior to such date or theretofore delivered to the Trustee or the Board, as the case may be, for cancellation;

(ii) Bonds (or portions of Bonds ) for the payment or redemption of which moneys and/or Defeasance Obligations, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under this Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Bonds (or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as provided in the Supplemental Indenture authorizing the issuance of such Series or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III or Section 1106; and

(iv) Bonds deemed to have been paid as provided in Section 1201(B).

*“Owner”* means any person who shall be the registered owner of any Bond or Bonds.

“*Paying Agent*” means any bank, national banking association or trust company designated by resolution of the Board or by an Authorized Officer as paying agent for the Bonds of any Series, and any successor or successors appointed by an Authorized Officer under this Indenture.

“*Payment Date*” shall mean any date on which the principal of (including any Sinking Fund Installment) or interest on any Series of Bonds is payable in accordance with its terms and the terms of this Indenture and the Supplemental Indenture creating such Series.

“*Permitted Expenditures*” means, as provided in Section 34-53.5 of the School Code, expenditures for capital improvement purposes, including without limitation (i) the construction and equipping of a new school building or buildings or an addition or additions to an existing school building or buildings, (ii) the purchase of school grounds on which any new school building or an addition to an existing school building is to be constructed or located, (iii) both items (i) and (ii) of this definition, or (iv) the rehabilitation, renovation, and equipping of an existing school building or buildings. This definition may be revised to reflect any amendment of State law pertaining to permitted uses of the Capital Improvement Taxes.

“*Permitted Expenditures Account*” means the Permitted Expenditures Account established by Section 502.

“*Person*” means and includes an association, unincorporated organization, a corporation, a partnership, a limited liability corporation, a joint venture, a business trust, or a government or an agency or a political subdivision thereof, or any other public or private entity, or a natural person.

“*Pre-refunded Municipal Obligations*” means any bonds or other obligations of the District of Columbia or any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and

(A) which are rated at the time of purchase, based on an irrevocable escrow account or fund, in the highest rating category of Fitch, S&P or Moody’s or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Government Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is

sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

“*Principal*” or “*principal*” means (i) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest) except as used in this Indenture in connection with the authorization and issuance of Bonds and with the order of priority of payments of Bonds after an event of default, in which case “principal” means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest) but when used in connection with determining whether the Owners of the requisite principal amount of Bonds then Outstanding have given any request, demand, authorization, direction, notice, consent or waiver or with respect to the Redemption Price of any Capital Appreciation Bond, “principal amount” means the Accreted Amount or (ii) with respect to the principal amount of any Current Interest Bond, the principal amount of such Bond payable in satisfaction of a Sinking Fund Installment, if applicable, or at maturity.

“*Principal Payment Date*” means any Payment Date upon which the principal of any Bond is stated to mature or upon which the principal of any Term Bond is subject to redemption in satisfaction of a Sinking Fund Installment.

“*Principal Requirement*” for any Bond Year, as applied to the Bonds of any Series, or any Section 207 Obligation means, the last day of the Bond Year (the “Applicable Principal Payment Date”) an amount calculated beginning

(i) on the preceding Principal Payment Date, if any, that occurs one year or less before each Applicable Principal Payment Date, or

(ii) one year prior to each Applicable Principal Payment Date if there is no prior Principal Payment Date or if the preceding Principal Payment Date is more than one year prior to the Applicable Principal Payment Date;

which amount shall equal the sums that would be deemed to accrue on such Bonds during such Bond Year of

(i) the principal of the Current Interest Bonds of such Series scheduled to mature or have a required Sinking Fund Installment on or prior to the Applicable Principal Payment Date, and

(ii) the Accreted Amount of the Capital Appreciation Bonds of such Series, scheduled to become due at maturity or have a required Sinking Fund Installment on or prior to the Applicable Principal Payment Date,

were each deemed to accrue daily during such year in equal amounts to but not including the Applicable Principal Payment Date; *provided, however*, that an amount of principal shall be excluded from the determination of Principal Requirement to the extent that such amount is to be paid from the proceeds of Bonds allocable to the payment of such principal as provided in the Supplemental Indenture authorizing the issuance of such Bonds or other available moneys or from the investment (but not reinvestment) earnings thereon if such proceeds or other moneys shall have been invested in Investment Securities and to the extent such earnings may be determined precisely.

“*Property Tax Code*” means the Property Tax Code, 35 Illinois Compiled Statutes 200, as the same may be amended and supplemented from time to time.

“*Pro Rata Share*” means with respect to a Series of Bonds and on a Business Day, the amount held in the Escrow Fund on that Business Day for distribution pursuant to Clause First of Section 504 multiplied by a fraction the numerator of which is the Series Debt Service for that Series for the Applicable Bond Year and the denominator of which is the aggregate Series Debt Service for all Series of Outstanding Bonds for the Applicable Bond Year.

“*Qualified Credit Provider*” means the issuer of a Qualified Reserve Credit Instrument.

“*Qualified Reserve Credit Instrument*” means a letter of credit, surety bond or non-cancelable insurance policy issued by a domestic or foreign bank, insurance company or other financial institution whose debt obligations are rated “Aa2” or better by Moody’s or “AA” or better by S&P or “AA” or better by Fitch as of the date of issuance thereof.

“*Rating Services*” means each and every one of the nationally recognized rating services that shall have assigned ratings to any Bonds Outstanding as requested by the Board, and which ratings are then currently in effect.

“*Record Date*” means the fifteenth (15<sup>th</sup>) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date (and any redemption date) or such other day as may be determined in the applicable Supplemental Indenture.

“*Redemption Price*” means, with respect to any Bond, the Principal thereof plus the applicable premium, if any, payable upon the date fixed for redemption or such other redemption price as shall be specified for such Bond in a Supplemental Indenture.

“*Refunding Bonds*” means Bonds issued pursuant to Section 205.

“*Registrar*” means any bank, national banking association or trust company appointed by an Authorized Officer under this Indenture and designated as registrar for the Bonds of any Series, and its successor or successors.

“*S&P*” means Standard & Poor’s Global Ratings.

“*School District*” means the school district constituted by the City of Chicago, Illinois pursuant to Article 34 of the School Code and governed by the Board.

“*Serial Bonds*” means the Bonds of a Series which shall be stated to mature in annual installments.

“*Series*” means all of the Bonds designated as a series and authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Section 1106 or the provisions of a Supplemental Indenture.

“*Series Debt Service*” means, for a Bond Year and with respect to a Series of Bonds, the Annual Debt Service Requirement for that Series.

“*Series Sub-Fund*” means a dedicated Sub-Fund created pursuant to a Supplemental Indenture authorizing a Series of Bonds.

“*Sinking Fund Installment*” means, as of any particular date of determination and with respect to the Outstanding Bonds of any Series, the amount required by the Supplemental Indenture creating such Series to be paid in any event by the Board on a single future date for the retirement of such Bonds which mature after said future date, but does not include any amount payable by the Board by reason only of the maturity of a Bond.

“*State*” means the State of Illinois.

“*Sub-Account*” means any account so designated by the Board pursuant to Section 502.

“*Sub-Fund*” means any fund so designated by the Board pursuant to Section 502.

“*Subordinated Indebtedness*” means indebtedness permitted to be issued or incurred pursuant to Section 401.

“*Supplemental Indenture*” means any Supplemental Indenture authorized pursuant to Article X.

“*Tax Anticipation Note*” means any tax anticipation note, tax anticipation warrant or similar indebtedness issued in anticipation of the collection of Capital Improvement Taxes.

“*Tax Collection Year*” means with respect to each annual levy of the Capital Improvement Tax, the calendar year such annual levy is extended for collection.

“*Term Bonds*” means the Bonds of a Series other than Serial Bonds which shall be stated to mature on one or more dates through the payment of Sinking Fund Installments.

“*Treasurer*” means the Treasurer of the Board.

“*Trustee*” means Amalgamated Bank of Chicago, Chicago, Illinois, and any successor or successors appointed under this Indenture as hereinafter provided.

“*Trust Estate*” means the security for the payment of Bonds established by the pledges and liens effected by this Indenture and all other property pledged to the Trustee pursuant to this Indenture.

“*2016 Authorizing Resolution*” means Resolution Number 16-1026-RS1 of the Board as supplemented by Resolution Number 16-1207-RS\_\_ of the Board.

“*2016 Bonds*” means the \$\_\_\_\_\_ principal amount of Dedicated Capital Improvement Tax Bonds, Series 2016, of the Board authorized to be issued pursuant to the 2016 Authorizing Resolution.

**Section 102. Interpretations.** As used herein, and unless the context shall otherwise indicate, the words “Bond,” “Owner” and “Person” shall include the plural as well as the singular number.

As used herein, the terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this Indenture.

Unless the context shall otherwise indicate, references herein to articles, sections, subsections, clauses, paragraphs and other subdivisions refer to the designated articles, sections, subsections, clauses, paragraphs and other subdivisions of this Indenture as originally executed.

Any headings preceding the texts of the several Articles and Sections hereof, and any Table of Contents appended to copies hereof, are solely for convenience of reference and do not constitute a part of this Indenture, nor do they affect its meaning, construction or effect.



## ARTICLE II

### Authorization and Issuance of Bonds

**Section 201. Authorization of Bonds.** (A) The Board shall not issue any Bonds while this Indenture is in effect except in accordance with the provisions of this Article II. All Bonds issued under this Indenture shall be designated "Dedicated Capital Improvement Tax Bonds" or, in the case of Refunding Bonds issued pursuant to Section 205, "Dedicated Capital Improvement Tax Refunding Bonds" and shall include such further appropriate designations as the Board may determine.

(B) Bonds may be issued in one or more Series and each Bond shall bear upon its face the designation determined for its Series. Any two or more Series may be consolidated for purposes of sale in such manner as may be provided in the Supplemental Indenture authorizing such Series.

**Section 202. General Provisions for Issuance of Bonds.** (A) Each Series of Bonds shall be executed by the Board and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Board or upon its order, but only upon the receipt by the Trustee, at or prior to such authentication, of:

(1) A Counsel's Opinion regarding the validity and enforceability of such Series.

(2) A written order as to the delivery of such Series signed by an Authorized Officer, which order shall direct, among other things, the application of the proceeds of such Series.

(3) In the case of 2016 Bonds, an executed copy of this Indenture and a copy of the Resolution Number 16-1026-RS1 of the Board and Resolution Number 16-1207-RS\_\_ of the Board, each certified by the Secretary or the Assistant Secretary of the Board.

(4) In the case of each Series of Additional Bonds or Refunding Bonds, a copy of the Bond Resolution authorizing such Series and providing for the Bond Resolution Series Levy, certified by the Secretary or the Assistant Secretary of the Board.

(5) An executed copy of the Supplemental Indenture authorizing such Series, which shall specify:

(a) The authorized principal amount, designation and Series of such Bonds.

(b) The purposes for which such Series of Bonds is being issued.

(c) The date, and the maturity date or dates, of the Bonds of such Series.

(d) The interest rate or rates of the Bonds of such Series, or the manner of determining such interest rate or rates, and the Interest Payment Dates and Record Dates therefor.

(e) The Authorized Denominations and the manner of dating, numbering and lettering of the Bonds of such Series.

(f) The Registrar and the Paying Agent or Paying Agents for the Bonds of such Series.

(g) The Redemption Price or Prices, if any, or the method for determining Redemption Prices and any redemption dates and terms for the Bonds of such Series.

(h) The amount and date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series, provided that the aggregate of such Sinking Fund Installments shall equal the aggregate principal amount of all such Bonds less the principal amount scheduled to be retired at maturity.

(i) A determination as to whether such Series is or is not a Series of Consolidated Reserve Fund Bonds.

(j) The Funds, Sub-Funds, Accounts and Sub-Accounts into which proceeds of such Series will be deposited and the amounts of such deposits.

(6) In the case of Additional Bonds and Refunding Bonds, a Certificate stating that no Event of Default will exist as of the time immediately following the issuance of such Series.

(7) An executed copy of each Deposit Direction filed with the County Collectors providing for the direct deposit into the Escrow Fund of the Capital Improvement Taxes constituting the Bond Resolution Series Levy for such Series.

(8) Such further documents, moneys and securities as are required by the provisions of this Indenture or any Supplemental Indenture.

(B) Bonds of the same Series and maturity shall be of like tenor except as to interest rate, denomination and form. After the original issuance of Bonds of a Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of

such Series pursuant to Article III or Section 1106 or as permitted by Supplemental Indenture.

(C) Bonds may be issued as Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Current Interest Bonds, Serial Bonds or Term Bonds or any combination thereof, all as provided in the Supplemental Indenture providing for the issuance thereof.

(D) No Series of Consolidated Reserve Fund Bonds shall be delivered unless, as of the time immediately following the issuance of such Series, the sum then held in the Consolidated Debt Service Reserve Fund, after taking into account any concurrent deposit of the proceeds of such Series into the Consolidated Debt Service Reserve Fund, equals or exceeds the Consolidated Reserve Requirement.

**Section 203. 2016 Bonds.** One or more Series of Bonds entitled to the benefit, protection and security of this Indenture and constituting the Series of 2016 Bonds may be authorized and delivered upon original issuance for the purpose of financing the Permitted Expenditures of the capital improvement projects or purposes approved by the 2016 Authorizing Resolution, to pay costs and expenses incident to the issuance of such Series and to make deposits into any Fund, Sub-Fund, Account or Sub-Account under this Indenture or any Supplemental Indenture. Any such Series shall be authenticated and delivered by the Trustee only upon receipt by it of the documents required by Section 202 with respect to 2016 Bonds.

**Section 204. Additional Bonds.** One or more Series of Bonds entitled to the benefit, protection and security of this Indenture and constituting a Series of Additional Bonds may be authorized and delivered upon original issuance for the purpose of financing Permitted Expenditures of any capital improvement project or purpose of the Board permitted under Section 34-53.5 of the School Code, to pay costs and expenses incident to the issuance of such Additional Bonds and to make deposits into any Fund, Sub-Fund, Account or Sub-Account under this Indenture or any Supplemental Indenture. Any such Series shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the documents required by Section 202 with respect to Additional Bonds) of a Certificate of an Authorized Officer as set forth in Section 206.

**Section 205. Refunding Bonds.** (A) One or more Series of Bonds entitled to the benefit, protection and security of this Indenture and constituting a Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund or advance refund any or all Outstanding Bonds of one or more Series, to pay costs and expenses incident to the issuance of such Refunding Bonds and to make deposits in any Fund, Sub-Fund, Account or Sub-Account under this Indenture or any Supplemental Indenture.

(B) Refunding Bonds of a Series shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the documents required by Section 202 with respect to Refunding Bonds) of:

(1) Such instructions to the Trustee as necessary to comply with all requirements set forth in Section 1201 so that the Bonds to be refunded or advance refunded will be paid or deemed to be paid pursuant to said Section 1201.

(2) Either (i) moneys in an amount sufficient to effect payment of the principal and Redemption Price, if applicable, and interest due and to become due on the Bonds to be refunded or advance refunded on and prior to the redemption date or maturity date thereof, as the case may be, which moneys shall be held by the Trustee or any of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Owners of the Bonds, to be refunded or advance refunded, or (ii) Defeasance Obligations in such principal amounts, of such maturities, and bearing interest at such rates as shall be necessary, together with the moneys, if any, deposited with the Trustee at the same time, to comply with the provisions of Section 1201(B).

(3) (a) a Certificate of an Authorized Officer as set forth in Section 206, or (b) a Certificate of an Authorized Officer evidencing that for the then current and each future Bond Year, the Annual Debt Service Requirements for each such Bond Year on account of all Bonds Outstanding as of the time immediately after the issuance of such Refunding Bonds does not exceed the Annual Debt Service Requirements for the corresponding Bond Year on account of all Bonds as of the time immediately prior to the issuance of such Refunding Bonds.

**Section 206. Certificates of Authorized Officer.** (A) The Certificate of an Authorized Officer to be filed with the Trustee as a condition precedent to the issuance of a Series of Additional Bonds pursuant to Section 204 or a Series of Refunding Bonds pursuant to Section 205(B)(3)(a) shall set forth, for each Tax Collection Year that the Capital Improvement Tax will be required to be collected to produce revenues to satisfy the Annual Debt Service Requirements for all Bond Years with respect to which Bonds will be Outstanding as of the time immediately following the issuance of the Series of Bonds proposed to be issued; (i) the amount of Capital Improvement Taxes projected to be collected in each such Tax Collection Year and (ii) the Annual Debt Service Requirement in each Applicable Bond Year and (iii) demonstrating that the amount of Capital Improvement Taxes projected to be collected in each such Tax Collection Year will not be less than 110% of the Annual Debt Service Requirement for the Applicable Bond Year.

(B) With respect to the Certificate of an Authorized Officer to be filed with the Trustee pursuant to Subsection (A) of this Section 206, in determining the Annual Levy Amount in any year and the Capital Improvement Taxes projected to be collected in any

corresponding Tax Collection Year, the Annual Levy Amount shall be determined on the assumption that (i) the Capital Improvement Tax will be authorized to be levied and will be levied each year at the maximum amount permitted under Section 34-53.5 of the School Code, (ii) there will be no increase in any such maximum amount by virtue of an adjustment for inflation other than adjustments made under said Section 34-53.5 prior to the date such Certificate of the Authorized Officer is filed with the Trustee and (iii) all of the Capital Improvement Taxes levied for any year will be collected in full during the corresponding Tax Collection Year.

### ARTICLE III

#### General Terms and Provisions of Bonds

**Section 301. Medium of Payment; Form and Date; Letters and Numbers.**

The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Any Bonds of a Series shall be issued only in the form of fully registered Bonds without coupons or, pursuant to the provisions of a Supplemental Indenture, in any other form permitted by law at the time of original issuance, including, but not limited to, Bonds which are transferable through a book-entry system. Each Bond shall be lettered and numbered as provided in this Indenture or the Supplemental Indenture authorizing the Series of which such Bond is a part and so as to be distinguished from every other Bond. Bonds shall be dated as provided in this Indenture or the Supplemental Indenture authorizing the Bonds of such Series.

**Section 302. Legends.** The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, law, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the Board or the Trustee prior to the authentication and delivery thereof.

**Section 303. Execution and Authentication.** (A) The Bonds shall be executed in the name of the Board by the manual or facsimile signatures of the President of the Board or the Vice President of the Board (or such other officers of the Board as may be authorized by a Bond Resolution to execute in the name of the Board Bonds of the Series authorized by that Bond Resolution) and attested by the manual or facsimile signatures of the Secretary or Assistant Secretary of the Board. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed such Bonds had not ceased to hold such offices. Any Bond may

be signed on behalf of the Board by such persons who at the time of the execution of such Bond shall hold the proper office in the Board, although at the date of such Bond such persons may not have been so authorized or have held such office.

(B) The Bonds shall bear a certificate of authentication, in the form set forth in the Supplemental Indenture authorizing such Bonds, executed manually by the Trustee. Only such Bonds as shall bear such certificate of authentication shall be entitled to any right or benefit under this Indenture, and no such Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any such Bond executed on behalf of the Board shall be conclusive evidence that the Bond so authenticated has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of this Indenture.

**Section 304. Exchangeability of Bonds.** Subject to the provisions of Section 306, any Bond, upon surrender at the corporate trust office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney, may, at the option of the Owner and upon payment of any charges which the Trustee may make as provided in Section 306, be exchanged for an equal aggregate principal amount of fully registered Bonds of the same Series, maturity, and interest rate and tenor of any other Authorized Denominations.

**Section 305. Negotiability, Transfer and Registration.** (A) Each Bond shall be transferable only upon the registration books of the Board, which shall be kept for that purpose by the Registrar, by the Owner in person or by its attorney duly authorized in writing, upon surrender thereof with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney. Upon the transfer of any such Bond, the Board shall issue in the name of the transferee a new Bond or Bonds in Authorized Denominations of the same aggregate principal amount, Series, maturity and interest rate as the surrendered Bond.

(B) The Board and each Fiduciary may deem and treat the person in whose name any Bond shall be registered upon the registration books of the Board as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such Owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Board nor any Fiduciary shall be affected by any notice to the contrary.

**Section 306. Provisions with Respect to Exchanges and Transfers.** In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Board shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchanges shall

forthwith be canceled by the Trustee. For any exchange or transfer of Bonds, whether temporary or definitive, the Board, the Trustee or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid. The Registrar and the Trustee shall not be required to make any registration, transfer or exchange of any Bond during the period after such Bond has been called for redemption or, in the case of any proposed redemption of Bonds, during the 15 days next preceding the date of first giving notice of such redemption.

**Section 307. Bonds Mutilated, Destroyed, Stolen or Lost.** In case any Bond shall become mutilated or be destroyed, stolen or lost, the Board shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like Series, maturity, interest rate and principal amount as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee or Registrar evidence satisfactory to the Board and the Trustee or Registrar that such Bond has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Board and the Trustee or Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the Board, the Trustee or Registrar may prescribe and paying such expenses as the Board and Trustee and Registrar may incur. All Bonds so surrendered to the Trustee or Registrar shall be canceled by the Trustee in accordance with Section 1205. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Board, whether or not the Bonds so alleged to be destroyed, stolen or lost shall be found at any time or be enforceable by anyone, shall be entitled to equal and proportionate benefits with all other Bonds of the same Series issued under this Indenture.

## ARTICLE IV

### Subordinated Indebtedness and Tax Anticipation Notes

**Section 401. Subordinated Indebtedness.** (A) Subject to the terms and provisions of Subsection (B) of this Section 401, the Board reserves the right (i) to issue bonds, certificates or other evidences of indebtedness or contractual obligations payable as to principal and interest from Capital Improvement Taxes, and (ii) to incur contractual obligations that are payable from Capital Improvement Taxes, but, in each case, only if such indebtedness or contractual obligation is junior and subordinate in all respects to any and all Bonds issued and Outstanding under this Indenture.

(B) Subordinated Indebtedness issued or incurred pursuant to this Section 401 may only be issued or incurred for the purpose of financing or refinancing of Capital Expenditures that are Permitted Expenditures of any capital improvement or purpose of

the Board permitted under Section 34-53.5 of the School Code, to pay costs and expenses incident to the issuance of such Subordinated Indebtedness, and to capitalize interest and fund reserves with respect to such Subordinated Indebtedness. Proceeds derived from the sale of an issue of Subordinated Indebtedness shall be deposited into an escrow account administered by an escrow agent and moneys in each such escrow account shall be subject to withdrawal and expenditure only upon satisfaction of terms and conditions similar to the terms and conditions that apply for the withdrawal and expenditures of moneys from the Permitted Expenditures Account.

**Section 402. Tax Anticipation Notes.** The Board reserves the right to issue Tax Anticipation Notes in anticipation of the collection of Capital Improvement Taxes to be collected in the current Tax Collection Year or the next ensuing Tax Collection Year. The aggregate principal amount of Tax Anticipation Notes issued in anticipation of the collection of Capital Improvement Taxes in a particular Tax Collection Year shall not exceed 90 percent of the anticipated amount of Capital Improvement Taxes to be collected in such Tax Collection Year. Tax Anticipation Notes shall only be issued in anticipation of the collection of levied Capital Improvement Taxes. All of the net proceeds of sale of an issue of Tax Anticipation Notes shall be paid to the Trustee for deposit into the Escrow Fund. If such Tax Anticipation Notes are issued in anticipation of Capital Improvement Taxes to be collected in the current Tax Collection Year, then such proceeds shall be allocated immediately upon receipt in the same manner that other moneys deposited into the Escrow Fund are allocated pursuant to Section 504(A). If such Tax Anticipation Notes are issued in anticipation of Capital Improvement Taxes to be collected in the next Tax Collection Year, then such proceeds shall be deposited into a special account and held therein until the first Business Day of such next Tax Collection Year, and thereupon shall be allocated in the same manner that other moneys deposited into the Escrow Fund are allocated pursuant to Section 504(A).

Tax Anticipation Notes may be made payable from amounts to be withdrawn from the Escrow Fund pursuant to Clause Fourth of Section 504(A). Such right of payment shall be junior and subordinate in all respects to any and all Bonds issued and Outstanding under this Indenture.

## ARTICLE V

### Tax Receipts and Funds

**Section 501. Pledge Effected by This Indenture.** (A) There are hereby pledged for the payment of the principal and Redemption Price of, and interest on, the Bonds, in accordance with their terms and the provisions of this Indenture, and a lien is hereby granted for such purpose, subject only to the provisions of this Indenture permitting or requiring the application thereof for the purposes and on the terms and conditions set forth in this Indenture and the terms and provisions of a Supplemental Indenture with



respect to any Debt Service Reserve Account established by such Supplemental Indenture, on (i) the Capital Improvement Taxes; (ii) all moneys, securities and earnings thereon in all Funds, Sub-Funds, Accounts and Sub-Accounts established under this Indenture or any Supplemental Indenture, subject however to the right of the Board to make periodic withdrawals from the Escrow Fund as permitted by Section 504, from the Debt Service Fund as permitted by Section 505 (including from Sub-Funds established by Supplemental Indentures) and from the Consolidated Debt Service Reserve Fund as permitted by Section 507, and (iii) any and all other moneys and securities furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other persons to be held by the Trustee under the terms of this Indenture.

(B) Pursuant to Section 13 of the Act the Capital Improvement Taxes deposited or to be deposited into the Escrow Fund and the other moneys and securities hereby pledged shall immediately be subject to the lien and pledge hereof without any physical delivery or further act, and the lien and pledge hereof shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board, irrespective of whether such parties have notice hereof.

(C) The Bonds are limited obligations of the Board payable solely from the Capital Improvement Taxes and the other moneys pledged for their payment in accordance with this Indenture. Neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of any Bond.

**Section 502. Establishment of Funds and Accounts.** Pursuant to Section 20-90 of the Property Tax Code and Section 34-53.5 of the School Code, the Board hereby establishes the School Construction Tax Escrow Fund (the "*Escrow Fund*") as a special fund of the Board held in trust by the Trustee as part of the Trust Estate. The Board hereby establishes within the Escrow Fund the Permitted Expenditures Account, as a special account of the Board held in trust by the Trustee as part of the Trust Estate. The Board hereby establishes the Debt Service Fund, which shall be a special fund of the Board held in trust by the Trustee as part of the Trust Estate. The Board hereby establishes the Consolidated Debt Service Reserve Fund, which shall be a special fund of the Board held in trust by the Trustee as part of the Trust Estate for the benefit and security of the Owners of each Series of Consolidated Reserve Fund Bonds.

Subject to use and application in accordance with this Indenture, all of the moneys and securities held in the Escrow Fund and the Debt Service Fund are pledged as security for the payment of the principal of, redemption premium, if any, and interest on, the Bonds to the extent provided in this Indenture, shall be subject to the lien of this Indenture and a security interest in said Funds is hereby granted in favor of the Trustee for the benefit of the Owners of the Bonds. Subject to use and application in accordance with this Indenture, all of the moneys and securities held in the Consolidated Debt Service Reserve Fund are pledged as security for the payment of the principal of, redemption premium, if any, and interest on, the Consolidated Reserve Fund Bonds to the

extent provided in this Indenture, shall be subject to the lien of this Indenture and a security interest in said Fund is hereby granted in favor of the Trustee for the benefit of the Owners of a Series of Consolidated Reserve Fund Bonds.

The Trustee shall, at the written request of the Board, establish such additional Funds, Sub-Funds within Funds, and Accounts and Sub-Accounts within any such Sub-Funds, as shall be specified in such written request, for the purpose of identifying more precisely the sources of payments into and disbursements from the Escrow Fund and the Debt Service Fund or such Sub-Funds, Accounts and Sub-Accounts and in addition, the Board shall, at the written request of the Trustee, establish additional Funds or Accounts for the purpose of segregating amounts available to pay the principal of, premium, if any, and interest on separate Series of Bonds.

Additional Funds, Sub-Funds within the Funds and Accounts and Sub-Accounts within such Sub-Funds may also be created by any Supplemental Indenture; and any such Supplemental Indenture may provide that amounts on deposit in such Sub-Funds, Accounts and Sub-Accounts shall be held by the Trustee for the sole and exclusive benefit of such Bonds as may be specifically designated in such Supplemental Indenture.

Any moneys and securities held in any Fund or any Sub-Fund, Account or Sub-Account created pursuant to this Section shall be held in trust by the Trustee, as provided in this Indenture or such Supplemental Indenture, and shall be applied, used and withdrawn only for the purposes authorized in this Indenture or such Supplemental Indenture. All moneys and securities held by the Board in any Fund, Sub-Fund, Account or Sub-Account established for or with respect to Capital Improvement Taxes shall be accounted for and held separate and apart from all other moneys and securities of the Board, and, until so applied, used and withdrawn, shall be held in trust by the Board for the purposes for which such Fund, Sub-Fund, Account or Sub-Account was established.

**Section 503. Required Deposit of Capital Improvement Tax Receipts.** For the purpose of providing funds required to pay the principal of and interest on the Bonds when and as the same becomes due and for the payment of Capital Expenditures that are Permitted Expenditures, all of the Capital Improvement Taxes shall be paid to the Trustee, as escrow agent thereof, for immediate deposit into the Escrow Fund. The Board shall do, or cause to be done, all acts and things necessary to cause the Capital Improvement Taxes to be deposited into the Escrow Fund and not to any other fund or account of the Board or any other person, including without limiting the foregoing, filing Deposit Directions with the County Collectors.

**Section 504. Allocation of Escrow Fund.** (A) On each Business Day the Trustee shall allocate the moneys in the Escrow Fund in the following order of priority and if the moneys deposited into the Escrow Fund are insufficient to make any required deposit, the deposit shall be made up on the next Business Day after required deposits having a higher priority shall have been made in full:

First: to each applicable Series Sub-Fund in the Debt Service Fund, the Pro Rata Share for that Series until there is held in each such Series Sub-Fund an amount sufficient for the payment of the unpaid Series Debt Service for that Series payable on each Payment Date on or prior to April 1 of the then Applicable Bond Year.

Second: to the Consolidated Debt Service Reserve Fund, the amount, if any, required to increase the sum then held in the Consolidated Debt Service Reserve Fund, to the Consolidated Reserve Requirement.

Third: to the Debt Service Fund, to fund any other deposits required under the terms of any Supplemental Indenture.

Fourth: on any Business Day that is not a Default Day, at the direction of the Board expressed in a Certificate filed with the Trustee, the amount specified in such Certificate for the payment of Tax Anticipation Notes issued in accordance with Section 402.

Fifth: on any Business Day that is not a Default Day, at the direction of the Board expressed in a Certificate filed with the Trustee, the amount specified in such Certificate for the payment of Subordinated Indebtedness issued in accordance with Section 401.

Sixth: to the Permitted Expenditures Account of the Escrow Fund for disbursement in accordance with Subsection (B) of this Section 504.

(B) Amounts held in the Permitted Expenditures Account may be paid to the Board from time to time, on any Business Day that is not a Default Day for the payment or reimbursement of Permitted Expenditures that are Capital Expenditures, but only upon the filing by the Board with the Trustee of the following items:

(1) its requisition therefor, stating in respect of each payment to be made: (a) the name of the person, firm or corporation to whom payment is due, (b) the amount to be paid, and (c) in reasonable detail the purpose for which the obligation was incurred; and

(2) its Certificate attached to the requisitions certifying: (a) that obligations in the stated amounts have been incurred by the Board, and that each item thereof (i) is a proper charge against the Permitted Expenditures Account; (ii) is a proper Capital Expenditure; (iii) is a proper Permitted Expenditure and (iv) has not been paid or previously reimbursed pursuant to Subsection (C) of this Section 504 or from Bond proceeds; (b) that there has not been filed with or served upon the Board notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable under

such requisition, or if any such lien, attachment or claim has been filed or served upon the Board, that such lien, attachment or claim has been released or discharged, and (c) that such requisition contains no item representing payment on account of any retained percentages which the Board is at the date of such Certificate entitled to retain.

Upon receipt of each such requisition and accompanying Certificate the Trustee shall transfer from the Permitted Expenditures Account to the credit of a special Sub-Account in the Permitted Expenditures Account in the name of the Board, an amount equal to the total of the amounts to be paid as set forth in such requisition, the amounts in such special Sub-Account to be held solely for the payment of the obligations set forth in such requisition. In making such transfer, the Trustee may rely upon such requisition and accompanying Certificate. Each such obligation shall be paid by check or wire transfer drawn on such special Sub-Account to the order of the Person named in and in accordance with the requisition. Moneys deposited to the credit of such special Sub-Account shall be deemed to be a part of the Permitted Expenditures Account until paid out as above provided.

(C) The Trustee shall pay from the Permitted Expenditures Account to the Board, upon its requisitions therefor, at one time or from time to time, a sum or sums aggregating not more than \$5,000,000, exclusive of and in addition to reimbursements paid pursuant to Subsection (B) of this Section, such sums and such reimbursements to be used by the Board as a revolving fund for the payment of Capital Expenditures that are Permitted Expenditures that cannot conveniently be paid as otherwise provided in Subsection (B) of this Section. Such revolving fund shall be reimbursed by the Trustee from time to time for such expenses so paid, by payments from the Permitted Expenditures Account upon requisitions of the Board accompanied by its Certificate specifying the payee and the amount and particular purpose of each payment from such revolving fund for which such reimbursement is requested and certifying that each such amount so paid was necessary for the payment of an expense constituting a Capital Expenditure and a Permitted Expenditure and that such expense could not conveniently be paid except from such revolving fund. In making such reimbursements the Trustee may rely upon such requisitions and accompanying Certificates. The revolving fund maintained by the Board pursuant to this Section 504 shall be held separate and apart from all other funds and accounts of the Board and the amounts held in the revolving fund may only be used for payments to vendors for Capital Expenditures that are Permitted Expenditures or for the reimbursement of the Board for prior payments to vendors of Capital Expenditures that are Permitted Expenditures. Each transfer to the revolving fund maintained by the Board pursuant to this Section 504 may not exceed the aggregate amount of the vendor invoices to be paid or reimbursed with respect to the revolving fund, and may only be made after a careful review by the Board to confirm that all transfers to the revolving fund match invoiced amounts for Capital Expenditures that are Permitted Expenditures.

(D) Without regard to the requirements of Subsections (B) and (C) of this Section 504 with respect to the withdrawal of funds from the Permitted Expenditures Account, at the direction of the Board expressed in a Certificate of an Authorized Officer filed with the Trustee, the Board may direct the withdrawal of moneys from the Permitted Expenditures Account for the payment on any Payment Date of principal of (including any Sinking Fund Installment) or interest on any Bonds due and payable on such Payment Date.

**Section 505. Disbursements from Debt Service Fund.** The moneys in the Debt Service Fund shall be disbursed and applied by the Trustee as required to make the following deposits on the dates and in the amounts provided:

(1) Sub-Fund Deposits. On any date required by the provisions of a Supplemental Indenture creating a Series of Bonds, the Trustee shall segregate within the Debt Service Fund and credit to such Sub-Funds, Accounts, and Sub-Accounts therein as may have been created for the benefit of such Series such amounts as may be required to be so credited under the provisions of such Supplemental Indenture to pay the principal of and interest on such Bonds; and

(2) Other Required Deposits. On any date required by the provisions of a Supplemental Indenture for any other purpose, the Trustee shall segregate within the Debt Service Fund and credit to such Sub-Funds, Accounts and Sub-Accounts therein as are specified in such Supplemental Indenture the amounts required so to be withdrawn and deposited by the provisions of such Supplemental Indenture or such instrument.

**Section 506. Use of Moneys in Debt Service Fund.** (A) Moneys on deposit in the Debt Service Fund and which have been credited to such Sub-Funds, Accounts and Sub-Accounts therein as may have been created for the benefit of a Series of Bonds shall be used for the purposes specified in the Supplemental Indenture creating such Series.

(B) On any Business Day that is not a Default Day there are moneys in the Debt Service Fund in excess of the amounts required to be disbursed as required in clauses (1) and (2) of Section 505, then the Board, pursuant to the written direction of the Board expressed in a Certificate filed with the Trustee, may direct the transfer of all or a portion of such excess amount to the Escrow Fund or the Consolidated Debt Service Reserve Fund.

**Section 507. Consolidated Debt Service Reserve Fund.** (A) The Board shall maintain the Consolidated Debt Service Reserve Fund in an amount equal to the Consolidated Reserve Requirement, which requirement may be satisfied in whole or in part with one or more Qualified Reserve Credit Instruments. Any such Qualified Reserve Credit Instrument shall be issued in the name of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payments thereunder other than a

certification of the Trustee that the funds drawn thereunder are to be used for the purposes for which moneys in the Consolidated Debt Service Reserve Fund may be used. If any time the Consolidated Debt Service Reserve Fund holds one or more Qualified Reserve Credit Instruments and Investment Securities, the Investment Securities shall be liquidated and the proceeds applied to fund transfers permitted under Subsections (B) and (C) of this Section prior to any draw being made on any Qualified Reserve Credit Instrument. If the Consolidated Debt Service Reserve Fund holds multiple Qualified Reserve Credit Instruments, draws shall be made under such Qualified Reserve Credit Instruments on a pro-rata basis to the extent of available funds.

(B) If on the Business Day prior to any Interest Payment Date there shall not be a sufficient amount in any Sub-Fund of the Debt Service Fund maintained under a Supplemental Indenture for the payment of interest on a Series of Consolidated Reserve Fund Bonds due on such Interest Payment Date, then the Trustee shall withdraw from the Consolidated Debt Service Reserve Fund and deposit into the appropriate Account or Sub-Account in such Sub-Fund, the amount needed to cure such deficiency and provide for the punctual payment of such interest.

(C) If on any Business Day prior to any Principal Payment Date there shall not be a sufficient amount in any Sub-Fund of the Debt Service Fund maintained under a Supplemental Indenture for the payment of the principal of a Series of Consolidated Reserve Fund Bonds due on such Principal Payment Date, then the Trustee, after making all withdrawals then required by Subsection (B) of this Section, shall withdraw from the Consolidated Debt Service Reserve Fund and deposit into the appropriate Account or Sub-Account in such Sub-Fund, the amount needed to cure such deficiency and provide for the punctual payment of such principal.

(D) In the event that the sum available for withdrawal from the Consolidated Debt Service Reserve Fund is not sufficient to satisfy all the withdrawals required by Subsections (B) and (C) of this Section, then the sum held therein shall be allocated first for the withdrawals required by Subsection (B) and among the various withdrawals required by a Subsection, pro-rata based upon the amount needed to cure each such deficiency.

(E) Amounts deposited into the Consolidated Debt Service Reserve Fund for the purpose of restoring amounts withdrawn therefrom shall be applied first to reimburse each Qualified Credit Provider and thereby reinstate the Qualified Reserve Credit Instrument of each Qualified Credit Provider. If at the time of such reimbursement the Consolidated Debt Service Reserve Fund holds multiple Qualified Reserve Credit Instruments for which restoration is required, then reimbursement shall be made on a pro-rata basis upon the amount of prior draws that are unreimbursed.

(F) If on any Business Day all withdrawals or payments from the Consolidated Debt Service Reserve Fund required by any other provision of this Indenture or any

Supplemental Indenture shall have been made and no Event of Default then exists under Section 801, then, the Trustee, at the direction of the Board expressed in a Certificate filed with the Trustee, shall withdraw from the Consolidated Debt Service Reserve Fund the amount of any excess therein over the Consolidated Reserve Requirement and deposit such moneys into any one or more of the Funds, Sub-Funds, Accounts or Sub-Accounts maintained under the Indenture or any Supplemental Indenture.

(G) At the direction of the Board expressed in a Certificate filed with the Trustee, moneys in the Consolidated Debt Service Reserve Fund may be withdrawn from the Consolidated Debt Service Reserve Fund and deposited with the Trustee for the payment of the Principal or Redemption Price of or the interest on Bonds in accordance with Section 1201 of this Indenture, provided that immediately after such withdrawal the amount held in the Consolidated Debt Service Reserve Fund equals or exceeds the Consolidated Reserve Requirement.

**Section 508. Debt Service Reserve Accounts.** Any Supplemental Indenture pursuant to which a Series is issued may establish a Debt Service Reserve Account and a Series reserve account requirement with respect thereto. Any such Supplemental Indenture may provide that the reserve account requirement may be satisfied as a whole or in part with one or more Qualified Reserve Credit Instruments. Any such Qualified Reserve Credit Instrument shall be issued in the name of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payments thereunder other than a certification of the Trustee that the funds drawn thereunder are to be used for purposes for which moneys in the Debt Service Reserve Account may be used.

## ARTICLE VI

### Depositories, Security for Deposits and Investments of Funds

**Section 601. Depositories.** All moneys held by the Trustee under the provisions of this Indenture may be deposited with one or more Depositories selected by an Authorized Officer in the name of and in trust for the Trustee. All moneys held by the Board under this Indenture shall be deposited in one or more Depositories (selected by an Authorized Officer) in the name of the Board. All moneys deposited under the provisions of this Indenture with the Trustee or any Depository shall be held in trust and applied only in accordance with the provisions of this Indenture, and each of the Funds, Sub-Funds, Accounts and Sub-Accounts established by this Indenture shall be a trust fund.

**Section 602. Deposits.** (A) All moneys held by any Depository under this Indenture may be placed on demand or time deposit, as directed by an Authorized Officer, provided that such deposits shall permit the moneys so held to be available for use when needed. Any such deposit may be made in the commercial banking department

of any Fiduciary which may honor checks and drafts on such deposit as if it were not a Fiduciary. All moneys held by a Fiduciary may be deposited in its banking department on demand or, if and to the extent directed by an Authorized Officer, on time deposit, provided that such moneys on deposit be available for use when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size.

(B) All moneys on deposit to the credit of the Escrow Fund, the Debt Service Fund or the Consolidated Debt Service Reserve Fund (i) held by a Depository other than the Trustee and (ii) not otherwise secured by deposit insurance, shall be continuously and fully secured by the Trustee for the benefit of the Board and the Owners of the Bonds by lodging with the Trustee as collateral security, Government Obligations having a market value (exclusive of accrued interest) of not less than the amount of such moneys. All other moneys held for the Board under this Indenture shall be continuously and fully secured for the benefit of the Board and the Owners of the Bonds in the same manner as provided by the Board for similar funds of the Board.

(C) All moneys deposited with the Trustee and each Depository shall be credited to the particular Fund, Sub-Fund, Account or Sub-Account to which such moneys belong.

**Section 603. Investment of Moneys.** (A) Moneys held in the several Funds, Sub-Funds, Accounts and Sub-Accounts shall be invested and reinvested by the Trustee at the written direction of the Treasurer or an Authorized Officer in Investment Securities within the parameters of this Indenture and the Investment Policy which mature no later than necessary to provide moneys when needed for payments to be made from such Fund, Sub-Fund, Account or Sub-Account. The Trustee may conclusively rely upon the Treasurer's or Authorized Officer's written instructions as to both the suitability and legality of the directed investments. Ratings of Investment Securities shall be determined at the time of purchase of such Investment Securities. In the absence of written investment instructions from the Board, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Investment Securities, but shall immediately notify the Board in the event moneys are being held uninvested hereunder. Nothing contained in this Indenture shall be construed to prevent such Treasurer or Authorized Officer from directing the Trustee to make any such investments or reinvestments through the use of a Forward Supply Contract, to the extent permitted by State law and the Investment Policy, and the Trustee shall comply with the terms and provisions of any such Forward Supply Contract. The Trustee may make any and all such investments through its trust department or the bond department of any bank (including the Trustee) or trust company under common control with the Trustee. The Board has provided a certified copy of the Investment Policy to the Trustee in connection with the initial delivery of the 2016 Bonds and the Board covenants and agrees to provide to the Trustee in a timely fashion any amendments to or revisions of such Investment



Policy. The Trustee shall be entitled to conclusively rely on the Investment Policy provided to it by the Board as the Investment Policy in effect at the time any investment is made. All investment income shall be retained in the Fund or Account to which the investment is credited from which such income is derived.

(B) The Trustee may trade with itself in the purchase and sale of securities for such investment. The Trustee shall not be liable or responsible for the performance or adverse consequences of any investment made pursuant to this Section. Although the Board recognizes that they may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Board hereby agrees that confirmations of Investment Securities are not required to be issued by the Trustee for each month in which a monthly statement is rendered.

(C) Valuations of Investment Securities held in the Funds, Sub-Funds, Accounts and Sub-Accounts established hereunder shall be made by the Trustee as often as may be necessary or requested by the Board to determine the amounts held therein except that the value of Investment Securities held in the Consolidated Debt Service Reserve Fund must be valued as of April 15 and October 15 of each year. In computing the amounts in such Funds, Sub-Funds, Accounts and Sub-Accounts, Investment Securities therein shall be valued as provided in Subsection (D) of this Section 604.

(D) The value of Investment Securities shall mean the fair market value thereof, *provided, however*, that all United States Treasury Securities – State and Local Government Series shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable.

(E) Except as otherwise provided in this Indenture, the Trustee at the direction of the Treasurer or an Authorized Officer shall sell at the best price reasonably obtainable, or present for redemption, any Investment Security held in any Fund, Sub-Fund, Account or Sub-Account held by the Trustee whenever it shall be necessary to provide moneys to meet any payment or transfer from such Fund, Sub-Fund, Account or Sub-Account as the case may be. The Trustee and the Board shall not be liable or responsible for making any such investment in the manner provided above or for any loss resulting from any such investment.

## ARTICLE VII

### Particular Covenants and Representations of the Board

**Section 701. Authority for Indenture.** This Indenture is executed and delivered by the Board by virtue of and pursuant to Section 34-53.5 of the School Code, the Act and the 2016 Authorizing Resolution. The Board has ascertained and hereby determines

and declares that the execution and delivery of this Indenture is necessary to meet the public purposes and obligations of the Board, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate such purposes of the Board and to carry out its powers and is in furtherance of the public benefit, safety and welfare and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and are contracts or agreements necessary, useful or convenient to carry out and effectuate the corporate purposes of the Board.

**Section 702. Indenture to Constitute Contract.** In consideration of the purchase and acceptance of Bonds by those who shall hold the same from time to time, the provisions of this Indenture and any Supplemental Indenture shall be a part of the contract of the Board with the owners of Bonds and shall be deemed to be and shall constitute a contract between the Board, the Trustee, any Bond Insurer and the Owners from time to time of the Bonds. The Board covenants and agrees with the Owners of Bonds, the Trustee and any Bond Insurer that it will faithfully perform all of the covenants and agreements contained in this Indenture and in the Bonds.

**Section 703. Punctual Payment of Bonds.** Subject always to the condition that any obligation of the Board hereunder shall only be payable from the Trust Estate, the Board shall duly and punctually pay or cause to be paid the principal of every Bond and the interest thereon, at the dates and places and in the manner mentioned in the Bonds, according to the true intent and meaning thereof.

**Section 704. Extension of Payment of Bonds.** If the maturity of any Bond or installment of interest shall be extended pursuant to the written consent of the Owner thereof, such Bond or installment of interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to payment out of the Trust Estate or Funds, Sub-Funds, Accounts and Sub-Accounts established by this Indenture or moneys held by Fiduciaries or Depositories (except moneys held in trust for the payment of such Bond or installment of interest) until the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Board to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

**Section 705. Annual Levy Amount.** As authorized by Section 8 of the Act, the Board shall, to the fullest extent permitted by applicable law, provide for the annual levy of the Capital Improvement Tax such that the Annual Levy Amount for each year, and the amount of Capital Improvement Tax extended for collection in the corresponding Tax Collection Year, will each be in an amount not less than 110% of the Annual Debt Service Requirement for the Applicable Bond Year.

**Section 706. Further Assurance.** At any and all times the Board shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming, all and singular, the Trust Estate and the rights hereby pledged or assigned, or which the Board may become bound to pledge or assign. The Board and the Trustee shall take such actions as shall be necessary from time to time to preserve the priority of the Trust Estate under State law.

**Section 707. Power to Issue Bonds and Pledge Trust Estate.** The Board is duly authorized under all applicable laws to issue the Bonds and to execute and deliver this Indenture and to pledge the Trust Estate pledged by this Indenture and to grant the lien granted by this Indenture thereon in the manner and to the extent provided in this Indenture. The Trust Estate, so pledged and subject to the lien of this Indenture, as described in Section 501, is and will be free and clear of any other pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created by this Indenture, and all action on the part of the Board to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be valid and legally enforceable obligations of the Board in accordance with their terms and the terms of this Indenture, except to the extent enforceability may be limited by bankruptcy, insolvency and other laws affecting conditions, rights or remedies and the availability of equitable remedies generally. The Board covenants that upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution and laws of the State and this Indenture to exist, to have happened and to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed. The Board shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and lien on the Trust Estate pledged under this Indenture, the rights of the Board to levy the Capital Improvement Tax and to apply the Capital Improvement Taxes in accordance with this Indenture and all the rights of the Owners under this Indenture against all claims and demands.

**Section 708. Indebtedness and Liens.** The Board shall not issue any bonds or other evidences of indebtedness or incur any indebtedness, other than Subordinated Indebtedness and Tax Anticipation Notes, which are secured by a pledge of or lien on the Capital Improvement Taxes or the moneys, securities or funds held or set aside under this Indenture, and shall not, except as expressly authorized in this Indenture, create or cause to be created any lien or charge on the Capital Improvement Taxes or such moneys, securities or funds; *provided, however,* that nothing contained in this Indenture shall prevent the Board from issuing or incurring evidences of indebtedness (a) payable from or secured by amounts that may be withdrawn free from the lien of this Indenture pursuant to Section 504 or (b) payable from, or secured by the pledge of, Capital Improvement Taxes to be derived on and after such date as the pledge of the Trust Estate provided in this Indenture shall be discharged and satisfied as provided in Section 1201.

**Section 709. Covenants Regarding Pledged Capital Improvement Taxes.** (A)

The Board has executed and delivered a Deposit Direction to each of the County Collectors to deposit all collections of the Capital Improvement Taxes in each year, directly with the Trustee. So long as any of the Bonds remain Outstanding, the Board will not agree, and will not attempt to, and will not amend, modify, terminate or revoke any Deposit Direction; except for such modifications or amendments as may be (i) necessitated by changes in State law and applicable rules or regulations thereunder or (ii) necessary in connection with the issuance of Additional Bonds or Refunding Bonds; *provided*, that no such modification or amendment shall provide for the deposit with the Trustee of less than all of the Capital Improvement Taxes to be paid to the Board during any Tax Collection Year.

(B) The Board will take all actions necessary (i) to confirm, if needed, the annual levy and extension of the Capital Improvement Tax for collection on a timely basis in an annual amount not less than the amount required to satisfy the covenant in Section 705 and (ii) to cause Capital Improvement Taxes, when collected, to be deposited directly with the Trustee for application in accordance with this Indenture. The Board and its officers will comply with all present and future applicable laws in order to assure that the Capital Improvement Tax is levied annually and that the Capital Improvement Taxes are collected and paid to the Trustee for application in accordance with this Indenture.

(C) Prior to the issuance of each Series of Bonds, the Board shall file with the County Clerks a certified copy of the Bond Resolution together with such other orders and directions as needed to provide for the annual levy and extension of the Bond Resolution Series Levy for each Series.

**Section 710. Accounts and Reports.** The Board shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Capital Improvement Taxes and the Funds, Sub-Funds, Accounts and Sub-Accounts established by this Indenture, and which, together with all other books and financial records of the Board, shall at all reasonable times be available for the inspection of the Trustee and the Owners of not less than twenty five percent in aggregate principal amount of Outstanding Bonds or their representatives duly authorized in writing.

**Section 711. Reports to City Council.** The Board covenants that suitable representatives of the Board will provide to the City Council of the City of Chicago periodic reports regarding expenditures planned using the Capital Improvement Taxes.

**Section 712. Equality of Security.** All Bonds, regardless of Series, date of issuance or incurrence and date of sale, shall be secured by the pledge contained in Section 501; and the security so pledged shall not be used for any other purpose except as expressly permitted by the terms of this Indenture.

**Section 713. Equality of Bonds.** All Bonds issued hereunder shall be on a parity and rank equally without preference, priority or distinction over any other as to security, regardless of the time or times of their issue, and the provisions, covenants and agreements set forth in this Indenture to be performed by and on behalf of the Board shall be for the equal benefit, protection and security of the Owners of any and all Bonds.

## ARTICLE VIII

### Remedies of Owners

**Section 801. Events of Default.** Each of the following events is hereby declared an "*Event of Default*":

(1) if a default shall occur in the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;

(2) if a default shall occur in the due and punctual payment of interest on any Bond, when and as such interest shall become due and payable;

(3) if the Board shall amend, modify, terminate or revoke any Deposit Direction in a manner contrary to the provisions of Section 709(A);

(4) if a default shall occur in the performance or observance by the Board of any other of the covenants, agreements or conditions in this Indenture or in the Bonds contained, and such default shall continue for a period of 60 days after written notice thereof to the Board by the Trustee or after written notice thereof to the Board and to the Trustee by the Owners of not less than a majority in principal amount of the Outstanding Bonds, provided that if the nature of the default is such that it cannot be cured within the 60 day period but can be cured within a longer period, no Event of Default shall occur if the Board institutes corrective action within the 60 day period and diligently pursues such action until the default is corrected (provided such default is correctable); or

(5) if the Board shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws or under any other applicable law or statute of the United States of America or of the State.

### **Section 802. Application of Funds After Default.**

(A) During the continuance of an Event of Default, the Trustee shall apply all Capital Improvement Taxes and the other moneys, securities and funds constituting part of the Trust Estate as follows and in the following order:

(1) to the payment of the reasonable and proper charges and expenses of the Trustee, including the reasonable fees and expenses of counsel employed by it pursuant to this Article;

(2) to the payment of the principal of, Redemption Price of and interest on the Bonds then due, as follows:

First: to the payment to the persons entitled thereto of all installments of interest then due on the Bonds in the order of the maturity of such installments, together with accrued and unpaid interest on the Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments of interest maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds which shall have become due, whether at maturity or by call for redemption in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

(B) If and whenever all overdue installments of principal and Redemption Price of and interest on all Bonds, together with the reasonable and proper charges and expenses of the Trustee, and all other overdue sums payable by the Board under this Indenture, including the overdue principal and Redemption Price of and accrued unpaid interest on all Bonds held by or for the account of the Board have been paid, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under this Indenture or the Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Board all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of this Indenture to be deposited or pledged, with the Trustee), and thereupon the Board, the Trustee, Bond Insurers and the Owners shall be restored, respectively, to their former positions and rights under this Indenture. No such payment over to the Board by the Trustee nor such restoration of the Board and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Indenture or impair any right consequent thereon.

(C) The Board covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the Board and all other records relating to the Trust Estate shall at all times be subject to the inspection and use of the Trustee and of its agents and attorneys.

**Section 803. Proceedings Brought by Trustee.** (A) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon identical written request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Owners of the Bonds under this Indenture forthwith by a suit or suits in equity or at law, including by writ of mandamus, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Board as if the Board were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture.

(B) All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any suit or other proceeding, and any such suit or other proceeding instituted by the Trustee shall be brought in its name.

(C) All actions against the Board under this Indenture shall be brought in a State or federal court located in the County of Cook, Illinois.

(D) The Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or for the enforcement of any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, *provided* that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Owners not parties to such direction.

(E) Upon commencing any suit at law or in equity or upon commencement of other judicial proceedings by the Trustee to enforce any right under this Indenture, the Trustee shall be entitled to exercise any and all rights and powers conferred in this Indenture and provided to be exercised by the Trustee upon the occurrence of any Event of Default.

(F) Regardless of the happening of an Event of Default, the Trustee shall have power, but unless requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and furnished with reasonable security and indemnity, shall be under no obligation, to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under this Indenture and to preserve or protect its interests and the interest of the Owners.

**Section 804. Restriction on Owners' Action.** (A) No Owner of any Bond shall have any right to institute any suit or proceeding at law or in equity for the enforcement or violation of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or by the laws of the State or to institute such suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or failed to comply with such request within 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture or to enforce any right under this Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the equal benefit of all Owners of the Outstanding Bonds, subject only to the provisions of Section 704.

(B) Nothing in this Indenture or in the Bonds contained shall affect or impair the obligation of the Board, which is absolute and unconditional, to pay at the respective dates of maturity and places therein expressed the principal of and interest on the Bonds to the respective Owners thereof, or affect or impair the right of action, which is also absolute and unconditional, of any Owner to enforce by any suit or proceeding, including by writ of mandamus, such payment of its Bond solely from the sources provided herein and the Supplemental Indenture pursuant to which such Bond was issued.

**Section 805. Remedies Not Exclusive.** No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or Bond Insurer or the Owners is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute on or after the date of the execution and delivery of this Indenture.

**Section 806. Effect of Waiver and Other Circumstances.** (A) No delay or omission of the Trustee, Bond Insurer or any Owner to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such default or be an acquiescence therein.

(B) The Owners of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding, or their attorneys-in-fact duly authorized may on behalf of the Owners of all of the Bonds waive any past default under this Indenture and its consequences, except a default in the payment of interest on or principal or Redemption



Price of any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

**Section 807. Notices of Default.** The Trustee shall promptly mail written notice of the occurrence of any Event of Default to the Owners of the Bonds and each Bond Insurer.

**Section 808. Rights of Bond Insurer.** Subject to the provisions of any applicable Supplemental Indenture, any Bond Insurer shall be treated as the Owner of Bonds upon which such Bond Insurer is obligated pursuant to a Bond Insurance Policy, for the purposes of calculating whether or not the Owners of the requisite percentage of Bonds then Outstanding have consented to any request, consent, directive, waiver or other action permitted to be taken by the Owners of the Bonds pursuant to this Article; *provided, however*, that such Bond Insurer shall cease to be so regarded as Owner of such Bonds in the event such Bond Insurer is in default of its obligations under the applicable Bond Insurance Policy.

Subject to the provisions of any applicable Supplemental Indenture, to the extent any Bond Insurer has exercised its rights as subrogee for the particular Bonds of which it has insured payment, such Bonds shall be deemed to be Outstanding and such Bond Insurer shall succeed to the rights and interests of the Owners as specified in respect of the applicable Bond Insurance Policy until such amount has been reimbursed.

## ARTICLE IX

### Concerning the Fiduciaries

**Section 901. Trustee; Appointment and Acceptance of Duties.** The Trustee hereby accepts and agrees to the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the Board agrees and the respective Owners of the Bonds, by their purchase and acceptance thereof, agree. Except during the continuance of an Event of Default, the Trustee undertakes such duties and only such duties as are specifically set forth in this Indenture.

**Section 902. Paying Agents; Appointment and Acceptance of Duties.** (A) The Board shall appoint one or more Paying Agents for the Bonds of each Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 914 for a successor Paying Agent. The Trustee is hereby appointed as a Paying Agent for each Series.

(B) The Trustee hereby accepts the duties and obligations imposed upon it as Paying Agent by this Indenture. Each other Paying Agent shall signify its acceptance of

the duties and obligations imposed upon it by this Indenture by executing and delivering to the Board and to the Trustee a written acceptance thereof.

(C) Unless otherwise provided, the corporate trust offices of the Paying Agents in the City of Chicago, Illinois are designated as the respective offices or agencies of the Board for the payment of the principal or Redemption Price of the Bonds.

**Section 903. Registrar; Appointment and Acceptance of Duties.** (A) The Board shall appoint a Registrar for each Series of Bonds. Each Registrar shall have the qualifications set forth in Section 915 for a successor Registrar. The Trustee or any Paying Agent may be appointed a Registrar.

(B) The Trustee accepts the duties and obligations imposed upon it as Registrar by this Indenture. Each Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the Board and to the Trustee a written acceptance thereof.

**Section 904. Responsibilities of Fiduciaries.** (A) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Board and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Bonds issued hereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for any representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Board or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of Subsection (B) of this Section, each Fiduciary undertakes to perform such duties and only such duties as are specifically set forth in the Indenture and no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or misconduct. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty. The Trustee shall not be responsible for the recording or re-recording, filing or re-filing of this Indenture, or any supplement or amendment thereto, or the filing of financing statements, or for the validity of the execution by the Board of this Indenture, or of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property herein conveyed or otherwise as to the maintenance of the security hereof. The Trustee may (but shall be under no duty to) require of the Board full information and advice as to the performance of the covenants, conditions and agreements in this Indenture and shall make its best efforts, but without any obligation, to advise the Board of any impending default known to the Trustee.

(B) In case an Event of Default has occurred and has not been remedied or waived, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provision of this Indenture relating to action taken or to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Article.

(C) Before taking any action under this Indenture relating to an event of default or in connection with its duties under this Indenture other than making payments of principal and interest on the Bonds as they become due, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful default in connection with any action so taken.

(D) In determining whether the rights of the Owners will be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Fiduciaries shall consider the effect on the Owners as if there were no Bond Insurance Policy.

**Section 905. Evidence on Which Fiduciaries May Act.** (A) Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion (including any Counsel's Opinion), bond or other paper or document furnished to it pursuant to and conforming to the requirements of this Indenture, and believed by it to be genuine and to have been signed or presented by the proper party or parties.

(B) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless this Indenture specifically requires other evidence thereof) may be deemed to be conclusively proved and established by a Certificate of an Authorized Officer, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(C) Except as otherwise expressly provided in this Indenture, any request, order, notice or other direction required or permitted to be furnished by the Board to any Fiduciary shall be sufficiently executed if signed by an Authorized Officer.

**Section 906. Compensation.** Unless otherwise determined by agreement between the Board and each Fiduciary, the Board shall pay each Fiduciary from time to time reasonable compensation for services rendered under this Indenture, as well as pay and/or reimburse each Fiduciary for the reasonable fees and expenses related to

extraordinary services rendered by each Fiduciary, including without limitation reasonable fees and expenses of such Fiduciary's counsel. Upon an Event of Default, the Fiduciaries shall have a right of payment prior to payment on account of principal of, or premium, if any, or interest on, any Bond for the foregoing fees and expenses incurred; provided, that in no event shall the Fiduciaries have any such prior right of payment or claim therefor against any moneys or obligations deposited with or paid to the Fiduciaries for the redemption or payment of Bonds, which are deemed to have been paid in accordance with Section 1201.

**Section 907. Certain Permitted Acts.** Any Fiduciary may become the Owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding. Any Fiduciary may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or receivers and shall not be answerable for the conduct of the same if appointed with due care hereunder, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation to any attorney, agent, receiver, or employee retained or employed by it in connection herewith. Any Fiduciary may act upon the opinion or advice of an attorney or accountant selected by it in the exercise of reasonable care or, if selected or retained by the Board, approved by the Trustee in the exercise of such care. A Fiduciary shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right fully to inspect any and all books, papers and records of the Board pertaining to the Bonds, and to take such memoranda from and in regard thereto as may be desired.

**Section 908. Resignation of Trustee.** The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving not less than 60 days' written notice to the Board, all Owners of the Bonds, each Bond Insurer, the Depositaries and the other Fiduciaries, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the Board or the Owners as provided in Section 910, in which event such resignation shall take effect immediately on the appointment of such successor whether or not the date specified for such resignation to take effect has arrived. If a successor Trustee shall not have been appointed within a period of 90 days following the giving of notice, then the Trustee shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as provided in Section 910.

**Section 909. Removal of Trustee.** The Trustee may be removed at any time by an instrument in writing delivered to the Trustee and signed by an Authorized Officer on behalf of the Board; *provided, however*, that if an Event of Default shall have occurred and be continuing, the Trustee may be so removed by the Board only with the written concurrence of the Owners of a majority in aggregate principal amount of Bonds then Outstanding. The Trustee may be removed at any time by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Board, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys-in-fact duly authorized, and delivered to the Board. Copies of each such instrument shall be delivered by the Board to each Fiduciary.

**Section 910. Appointment of Successor Trustee.** (A) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, the Board shall appoint a successor Trustee. The Board shall cause notice of any such appointment by it made to be mailed to all Owners of the Bonds, and each Bond Insurer.

(B) If no appointment of a Trustee shall be made by the Board pursuant to the provisions of Subsection (A) of this Section, the Owner of any Bond Outstanding hereunder may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(C) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national banking association, doing business and having a corporate trust office in the State, and having a capital and undivided surplus aggregating at least \$20,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

**Section 911. Transfer of Rights and Property to Successor Trustee.** Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Board, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee; but the predecessor Trustee shall nevertheless, on the written request of the Board or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurances and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all its right, title and interest in and to

any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument from the Board be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, such deed, conveyance or instrument shall be executed, acknowledged and delivered by the Board. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

**Section 912. Merger or Consolidation.** Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all of the corporate trust business of any Fiduciary may be sold or transferred, shall be the successor to such Fiduciary and be bound to the obligations and duties of such Fiduciary hereunder without the execution or filing of any paper or the performance of any further act, unless such successor delivers written notice of its resignation pursuant to the provisions of this Article; *provided, however*, that such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Indenture.

**Section 913. Adoption of Authentication.** In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in its own name.

**Section 914. Resignation or Removal of Paying Agent and Appointment of Successor.** (A) Any Paying Agent may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least 60 days' written notice to the Board, each Bond Insurer and the other Fiduciaries. Any Paying Agent may be removed at any time by an instrument signed by an Authorized Officer and filed with such Paying Agent and the Trustee. Any successor Paying Agent shall be appointed by the Board and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having a capital and undivided surplus aggregating at least \$20,000,000, willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(B) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee and shall be subject to audit of all of

its books, records and accounts with respect to the Bonds. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

**Section 915. Resignation or Removal of Registrar and Appointment of Successor.** (A) Any Registrar may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least 60 days' written notice to the Board and the other Fiduciaries. Any Registrar may be removed at any time by an instrument signed by an Authorized Officer and filed with such Registrar and the Trustee. Any successor Registrar shall be appointed by the Board and shall be a bank, trust company or national banking association doing business and having an office in the State or in the Borough of Manhattan, in the City and State of New York, if there be such a bank, trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(B) In the event of the resignation or removal of any Registrar, such Registrar shall deliver all books, records and other property including the bond register of the Board to its successor, or if there be no successor, to the Trustee. In the event that for any reason there shall be a vacancy in the office of any Registrar, the Trustee shall act as such Registrar.

**Section 916. Trustee Not Deemed to Have Notice of Default.** The Trustee shall not be deemed to have notice of any default hereunder, except a Bond payment default under clause (1) or (2) of Section 801 or the failure of the Board to file with the Trustee any document required by this Indenture, unless any officer in its corporate trust office shall have actual knowledge thereof or the Trustee shall be specifically notified in writing of such default by the Board, by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding or by a Bond Insurer. All notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee.

**Section 917. Monthly Report by Trustee.** Within twenty days after the end of each calendar month, the Trustee shall prepare a written report for each Fund, Sub-Fund, Account and Sub-Account held by it pursuant to the provisions of this Indenture. Such report shall set out the receipts and disbursements, both principal and income, and shall list the Investment Securities held by the Trustee at the end of the month. A copy of each such report shall be furnished to the Board and any Persons designated by the Board.

In addition, the Trustee shall, at any time when requested, furnish to the Board and any Persons designated by the Board a report of the amount of moneys, including Investment Securities, held in each Fund, Sub-Fund, Account or Sub-Account by the Trustee. For purposes of this certification, the Investment Securities in each such Fund,

Sub-Fund, Account and Sub-Account shall be treated as having a value equal to their aggregate market value as of the date of the request.

## ARTICLE X

### Supplemental Indentures

#### **Section 1001. Supplemental Indentures Not Requiring Consent of Owners.**

The Board and the Trustee may without the consent of, or notice to, any of the Owners or any Bond Insurer, enter into a Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (1) to authorize a Series of Bonds and to specify, determine or authorize any matters and things concerning any such Series which are not contrary to or inconsistent with this Indenture;
- (2) to close this Indenture against, or impose additional limitations or restrictions on, the issuance of Bonds, or of other notes, bonds, obligations or evidences of indebtedness;
- (3) to impose additional covenants or agreements to be observed by the Board;
- (4) to impose other limitations or restrictions upon the Board;
- (5) to surrender any right, power or privilege reserved to or conferred upon the Board by this Indenture;
- (6) to confirm, as further assurance, any pledge of or lien upon the Trust Estate or any other moneys, securities or funds;
- (7) to cure any ambiguity, omission or defect in this Indenture;
- (8) to provide for the appointment of a successor securities depository in the event any Series of Bonds is held in book-entry only form;
- (9) to provide for the establishment of any Debt Service Reserve Account;
- (10) to provide for the appointment of any successor Fiduciary;
- (11) to conform the provisions of the Indenture to the provisions of the Act, the Property Tax Code, the School Code, the Code and Regulations, or other applicable law; and



(12) to make any other change which, in the judgment of the Trustee, is not to the prejudice of the Trustee, any Bond Insurer or the Owners.

**Section 1002. Supplemental Indentures Effective upon Consent of Owners.** Any Supplemental Indenture not effective in accordance with Section 1001 shall take effect only if permitted and approved and in the manner prescribed by Article XI.

**Section 1003. Filing of Counsel's Opinion.** Each Supplemental Indenture described in Section 1001 shall be accompanied, when filed with the Trustee, by a Counsel's Opinion to the effect that such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when executed and delivered, will be valid and binding upon the Board, the Owners and the Trustee.

**Section 1004. Notice to Parties.** Notice of the execution and delivery of each Supplemental Indenture described in Section 1001 shall be given to each Bond Insurer, which notice shall include a copy of such Supplemental Indenture in the form so executed and delivered.

## ARTICLE XI

### Amendments

**Section 1101. Mailing.** Any provision in this Article for the mailing of a notice or other information to Owners shall be fully complied with if it is mailed by first class mail, postage prepaid or delivered only to each Owner of Bonds then Outstanding at its address, if any, appearing upon the registration books of the Board kept by the Registrar.

**Section 1102. Powers of Amendment.** Except for Supplemental Indentures described in Section 1001, any modification or amendment of this Indenture and of the rights and obligations of the Board and of the Owners of the Bonds hereunder, in any particular, may be made by a Supplemental Indenture with the written consent given as provided in Section 1103 hereof (i) of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding at the time such consent is given, and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in aggregate principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; *provided, however,* that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal

of any Outstanding Bonds, or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Owners of Bonds of such Series. The Trustee may in its discretion determine whether or not the rights of the Owners of Bonds of any particular Series or maturity would be adversely affected or diminished by any such modification or amendment, and its determination shall be binding and conclusive on the Board and all Owners of the Bonds.

**Section 1103. Consent of Owners.** The Board may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 1102, to take effect when and as provided in this Section. Subject to the provisions of Section 1208, the rights of the Owner of an Insured Bond to take any action pursuant to this Section 1103 are abrogated and the Bond Insurer may exercise the rights of the Owner of any Insured Bond that is entitled to the benefits of the Bond Insurance Policy issued by the Bond Insurer for the purpose of any approval, request, demand, consent, waiver or other instrument of similar purpose pursuant to any provision of this Section.

Upon the authorization of such Supplemental Indenture, a copy thereof shall be delivered to and held by the Trustee for the inspection of the Owners. A copy of such Supplemental Indenture (or summary thereof or reference thereto in form approved by the Trustee) together with a request to Owners for their consent thereto in form satisfactory to the Trustee, shall be mailed to the Owners, but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as in this Section provided. Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when (a) there shall have been filed with the Trustee (i) the written consents of the Owners of the required principal amount of Outstanding Bonds, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when effective, will be valid and binding upon the Board, the Owners and the Trustee, and (b) a notice shall have been mailed as hereinafter in this Section provided. A certificate or certificates by the Trustee delivered to the Board that consents have been given by the Owners of the Bonds described in such certificate or certificates of the Trustee shall be conclusive. Any such consent shall be binding upon the Owner of the Bonds giving such consent and upon any subsequent Owner of such Bonds and of any

Bonds issued in exchange therefor whether or not such subsequent Owner has notice thereof; *provided, however*, that any consent may be revoked by any Owner of such Bonds by filing with the Trustee, prior to the time when the Trustee's written statement hereafter in this Section referred to is filed, a written revocation, with proof that such Bonds are held by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with it. Any consent, or revocation thereof, may be delivered or filed prior to any mailing or publication required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing.

Within 30 days of any date on which the consents on file with the Trustee and not theretofore revoked shall be sufficient under this Section, the Trustee shall make and deliver to the Board a written statement that the consents of the Owners of the required principal amount of Outstanding Bonds have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time thereafter notice, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required principal amount of Outstanding Bonds and will be effective as provided in this Section, shall be given by mailing to the Owners (but failure to mail such notice or any defect therein shall not prevent such Supplemental Indenture from becoming effective and binding). The Trustee shall deliver to the Board proof of the mailing of such notice. A record, consisting of the information required or permitted by this Section to be delivered by or to the Trustee, shall be proof of the matters therein stated.

**Section 1104. Modifications by Unanimous Action.** The Indenture and the rights and obligations of the Board and of the Owners of the Bonds thereunder may be modified or amended in any respect by a Supplemental Indenture effecting such modification or amendment and with the consents of the Owners of all the Bonds then Outstanding, each such consent to be accompanied by proof of the holding at the date of such consent of the Bonds with respect to which such consent is given. Such Supplemental Indenture shall take effect upon the filing (a) with the Trustee of (i) a copy thereof, (ii) such consents and accompanying proofs and (iii) the Counsel's Opinion referred to in Section 1103 and (b) with the Board of the Trustee's written statement that the consents of the Owners of all Outstanding Bonds have been filed with it. No mailing or publication of any Supplemental Indenture (or reference thereto or summary thereof) or of any request or notice shall be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

**Section 1105. Exclusion of Bonds.** Bonds owned or held by or for the account of the Board shall not be deemed Outstanding and shall be excluded for the purpose of any calculation required by this Article. At the time of any consent or other action taken

under this Article, the Board shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, identifying all Bonds so to be excluded.

**Section 1106. Notation on Bonds.** Bonds authenticated and delivered after the effective date of any action taken as in Article X or this Article provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Board and the Trustee as to such action, and upon demand of the Owner of any Bond Outstanding at such effective date and presentation of its Bond to the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the Board or the Trustee shall so determine, new Bonds so modified which, in the opinion of the Trustee and the Board, conform to such action may be prepared, authenticated and delivered, and upon demand of the Owner of any Bond then Outstanding shall be exchanged, without cost to such Owner, for such Bond then Outstanding.

## ARTICLE XII

### Miscellaneous

**Section 1201. Defeasance.** (A) If the Board shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Bonds the Principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, then the pledge of the Trust Estate and other moneys and securities pledged under this Indenture and all covenants, agreements and other obligations of the Board to the Owners shall thereupon be discharged and satisfied. In such event, the Trustee, upon request of the Board, shall provide an accounting of the assets managed by the Trustee to be prepared and filed with the Board for any year or part thereof requested, and shall execute and deliver to the Board all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the Board all moneys and securities held by them pursuant to this Indenture which are not required for the payment of Bonds not previously surrendered for such payment or redemption. If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds of a particular Series, maturity within a Series or portion of any maturity within a Series, the Principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Board to the Owners of such Bonds and to the Trustee shall thereupon be discharged and satisfied.

(B) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the Trustee at or prior to their maturity or redemption date shall be deemed to have been paid within the meaning of and

with the effect expressed in this Section 1201 if the Board shall have delivered to or deposited with the Trustee (i) irrevocable instructions to pay or redeem all of said Bonds in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their principal, (ii) irrevocable instructions to publish or mail the required notice of redemption of any Bonds so to be redeemed, (iii) either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the Principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be, (iv) if any of said Bonds are not to be redeemed within the next succeeding 60 days, irrevocable instructions to mail to all Owners of said Bonds a notice that such deposit has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating the maturity or redemption date upon which moneys are to be available for the payment of the Principal or Redemption Price, if applicable, of said Bonds, (v) if any of said Bonds are not to be paid within the next succeeding 60 days, a report of a certified public accountant or a firm of certified public accountants verifying the sufficiency of such Defeasance Obligations and moneys to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be, and (vi) a Counsel's Opinion to the effect that said Bonds are no longer Outstanding under the Indenture. The Trustee shall execute a certificate confirming the defeasance of said Bonds and the satisfaction of the foregoing conditions. The Defeasance Obligations and moneys deposited with the Trustee pursuant to this Section shall be held in trust for the payment of the principal or Redemption Price, if applicable, and interest on said Bonds. No payments of principal of any such Defeasance Obligations or interest thereon shall be withdrawn or used for any purpose other than the payment of such Principal or Redemption Price of, or interest on, said Bonds unless after such withdrawal the amount held by the Trustee and interest to accrue on Defeasance Obligations so held shall be sufficient to provide fully for the payment of the Principal of or Redemption Price and interest on such Bonds, at maturity or upon redemption, as the case may be.

(C) Amounts deposited with the Trustee for the payment of the Principal of and interest on any Bonds deemed to be paid pursuant to this Section 1201, if so directed by the Board, shall be applied by the Trustee to the purchase of such Bonds in accordance with this subsection. Bonds for which a redemption date has been established may be purchased on or prior to the forty-fifth day preceding the redemption date. The Principal amount of Bonds to be redeemed shall be reduced by the Principal amount of Bonds so purchased. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. All such purchases shall be made at prices not exceeding the applicable Principal amount or Redemption Price established pursuant to Subsection (B) of this Section 1201, plus accrued interest, and such purchases shall be made in such

manner as the Trustee shall determine. No purchase shall be made by the Trustee pursuant to this subsection if such purchase would result in the Trustee holding less than the moneys and Defeasance Obligations required to be held for the payment of all other Bonds deemed to be paid pursuant to this Section 1201.

(D) The Board may purchase with any available funds any Bonds deemed to be paid pursuant to this Section 1201 in accordance with this subsection. Bonds for which a redemption date has been established may be purchased by the Board on or prior to the forty-fifth day preceding the redemption date. On or prior to the forty-fifth day preceding the redemption date the Board shall give notice to the Trustee of its intention to surrender such Bonds on the redemption date. The Trustee shall proceed to call for redemption the remainder of the Bonds due on the redemption date and shall pay to the Board on the redemption date the Redemption Price of and interest on such Bonds upon surrender of such Bonds to the Trustee. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. The Trustee shall pay to the Board the principal amount of and interest on such Bonds upon surrender of such Bonds on the maturity date.

(E) Each Fiduciary shall continue to be entitled to reasonable compensation for all services rendered under this Indenture, notwithstanding that any Bonds are deemed to be paid pursuant to this Section 1201.

(F) Any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for two years after the date when Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds become due and payable, shall, at the written request of the Board, be repaid by the Fiduciary to the Board, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of such Bonds shall look only to the Board for the payment of such Bond.

**Section 1202. Evidence of Signatures of Owners and Ownership of Bonds.**

(A) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Owner or its attorney of such instruments may be proved by a guarantee of the signature thereon by a bank, national banking association or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the Person signing such request or other instruments acknowledged to that person the execution thereof, or by an affidavit of witness of such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or association or a member of a partnership, on behalf of such corporation, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of authority.

(2) The ownership of Bonds and the amount, numbers and other identification and date of holding the same shall be proved by the registration book maintained by the Registrar.

(B) Any request or consent by the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the Board or any Fiduciary in accordance therewith.

**Section 1203. Moneys Held for Particular Bonds.** The amounts held by any Fiduciary for the payment of interest, Principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto.

**Section 1204. Preservation and Inspection of Documents.** All documents received by any Fiduciary under the provisions of this Indenture, shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Board, any other Fiduciary, and any Owner and their agents and their representatives, any of whom may make copies thereof.

**Section 1205. Cancellation and Destruction of Bonds.** All Bonds paid or redeemed, either at or before maturity, and all mutilated Bonds surrendered pursuant to Section 307, shall be delivered to the Trustee when such payment or redemption is made or upon surrender, as the case may be, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly cancelled. Bonds so cancelled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be delivered to the Board and the other retained by the Trustee.

**Section 1206. Parties Interested Herein.** Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Board, the Fiduciaries, any Bond Insurer and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or

stipulation thereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Fiduciaries, any Bond Insurer and the Owners of the Bonds. Each Bond Insurer is a third party beneficiary of this Indenture.

**Section 1207. No Recourse on Bonds.** (A) No recourse shall be had for the payment of the Principal or Redemption Price of or interest on the Bonds or for any claim based thereon or on this Indenture against any past, present or future member of the Board, officer, employee or agent of the Board, or any successor, public body or any person executing the Bonds, either directly or through the Board, under any rule of law or equity, statute or constitution or otherwise, and all such liability of any such officers, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of the Bonds.

(B) No member of the Board, officer, agent or employee of the Board shall be individually or personally liable for the payment of the Principal or Redemption Price of or interest on the Bonds; but nothing herein contained shall relieve any such officer, director, agent or employee from the performance of any official duty provided by law.

(C) All covenants, stipulations, obligations and agreements of the Board contained in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Board to the full extent authorized and permitted by the Constitution and laws of the State, and no covenants, stipulations, obligations or agreements contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member of the Board, officer, agent or employee of the Board in his or her individual capacity, and no officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issue thereof. No member of the Board, officer, director, agent or employee of the Board shall incur any personal liability in acting or proceeding or in not acting or not proceeding in accordance with the terms of this Indenture.

**Section 1208. Bond Insurer Provisions.** All rights of any Bond Insurer under this Indenture, or any Supplemental Indenture shall cease and terminate if: (i) such Bond Insurer has failed to make any payment under its Bond Insurance Policy; (ii) such Bond Insurance Policy shall cease to be valid and binding on such Bond Insurer or shall be declared to be null and void, or the validity or enforceability of any provision thereof is being contested by such Bond Insurer, or such Bond Insurer is denying further liability or obligation under such Bond Insurance Policy; (iii) a petition has been filed and is pending against such Bond Insurer under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, and has not been dismissed within sixty days after such filing; (iv) such Bond Insurer has filed a petition, which is still pending, in voluntary bankruptcy or is seeking relief under any provision of any bankruptcy, reorganization, arrangement,



insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, or has consented to the filing of any petition against it under any such law; or (v) a receiver has been appointed for such Bond Insurer under the insurance laws of any jurisdiction.

**Section 1209. Successors and Assigns.** Whenever in this Indenture the Board is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Indenture contained by or on behalf of the Board shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

**Section 1210. Severability of Invalid Provisions.** If any one or more of the covenants or agreements provided in this Indenture on the part of the Board or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

**Section 1211. Notices.** Any notice, demand, direction, request or other instruments authorized or required by this Indenture to be given to, delivered to or filed with the Board or the Trustee shall be deemed to have been sufficiently given, delivered or filed for all purposes of the Indenture if and when sent by registered mail, return receipt requested:

To the Board, if addressed to: Board of Education of the City of Chicago  
42 West Madison Street  
2<sup>nd</sup> Floor  
Chicago, Illinois 60602  
Attention: Senior Vice President of Finance

With a copy to: Board of Education of the City of Chicago  
42 West Madison Street  
2<sup>nd</sup> Floor  
Chicago, Illinois 60602  
Attention: Chief Financial Officer

and

Board of Education of the City of Chicago  
42 West Madison Street  
Chicago, Illinois 60602  
Attention: General Counsel

to such other address as may be designated in writing by the Board to the Trustee; and

To the Trustee, if addressed to: Amalgamated Bank of Chicago  
30 North LaSalle Street, 38<sup>th</sup> Floor  
Chicago, Illinois 60602  
Attention: Corporate Trust Department

or at such other address as may be designated in writing by the Trustee to the Board.

**Section 1212. Construction.** The Indenture and all Supplemental Indentures shall be construed in accordance with the provisions of State law.

**Section 1213. Multiple Counterparts.** The Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this Trust Indenture to be executed in its name and on its behalf by its Senior Vice President of Finance and attested by its Secretary and Amalgamated Bank of Chicago, as Trustee, has caused this Trust Indenture to be executed on its behalf and attested by its authorized officers, all as of the day and year first above written.

**BOARD OF EDUCATION OF THE  
CITY OF CHICAGO**

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Senior Vice President of Finance

Attest:

---

Secretary

**AMALGAMATED BANK OF CHICAGO**

---

Authorized Officer

Attest:

---

Authorized Officer

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FIRST SUPPLEMENTAL INDENTURE

by and between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

AMALGAMATED BANK OF CHICAGO  
as Trustee

Dated as of December 1, 2016

SECURING BOARD OF EDUCATION OF THE CITY OF CHICAGO  
DEDICATED CAPITAL IMPROVEMENT TAX BONDS, SERIES 2016

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THIS FIRST SUPPLEMENTAL INDENTURE dated as of December 1, 2016 (the "*Frist Supplemental Indenture*"), by and 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*"), and Amalgamated Bank of Chicago, an Illinois banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out, as Trustee (the "*Trustee*") under the Master Trust Indenture dated as of December 1, 2016, by and between the Board and the Trustee securing Board of Education of the City of Chicago Dedicated Capital Improvement Tax Bonds (the "*Indenture*").

## W I T N E S S E T H:

WHEREAS, the Board adopted Resolution No. 16-1026-RS1 on October 26, 2016 (the "*Bond Resolution*") authorizing the issuance, from time to time, in one or more series, of its Dedicated Capital Improvement Tax Bonds in an aggregate principal amount not to exceed \$840,000,000 (the "*2016 Authorized Bonds*") for the purpose of financing capital improvements permitted under Section 34-53.5 of the School Code; and

WHEREAS, the Board adopted Resolution No. 16-1207-RS\_\_ on December 7, 2016 (the "*Supplemental Resolution*") supplementing the Bond Resolution and the Bond Resolution as supplemented by the Supplemental Resolution is herein defined as the "2016 Authorizing Resolution"; and

WHEREAS, this First Supplemental Indenture is entered into pursuant to clause (1) of Section 1001 of the Indenture and the 2016 Authorizing Resolution to authorize the issue of the Series 2016 Bonds as 2016 Authorized Bonds and as a Series of 2016 Bonds under the Indenture (each as herein defined) and to specify, determine and authorize any matters and things concerning such Series which are not contrary to or inconsistent with the Indenture; and

WHEREAS, each Series 2016 Bond, when issued, will be secured by a pledge of, lien on and security interest in the Trust Estate as defined in the Indenture; and

WHEREAS, pursuant to Section 34-53.5(f) of the School Code the Board may issue bonds, in accordance with the Local Government Debt Reform Act, against any revenues to be collected from the Capital Improvement Tax (as defined in the Indenture) in any year or years; and

WHEREAS, pursuant to Section 13 of the Local Government Debt Reform Act, the Board may pledge as security for the payment of bonds issued pursuant to Section 34-53.5(f) and the Local Government Debt Reform Act, (i) the revenues to be derived from the levy of the Capital Improvement Tax and (ii) moneys deposited or to be deposited into any special fund of the Board and may bind itself to impose the Capital Improvement Tax to the fullest extent permitted by applicable law; and

WHEREAS, pursuant to Section 4 of the Bond Resolution and for the tax levy years 2017 to 20\_\_ , both inclusive, the Board has levied and dedicated specific annual amounts of the Capital Improvement Tax to provide funds to pay the principal of and interest on the Series 2016 Bonds; and

WHEREAS, Amalgamated Bank of Chicago, as Trustee under the Indenture has accepted its appointment as Trustee and does hereby acknowledge and accept the powers, duties and obligations of the Trustee under this First Supplemental Indenture; and

WHEREAS, all things necessary to make the Series 2016 Bonds, when authenticated by the Trustee and issued as in the Indenture and in this First Supplemental Indenture provided, the valid, binding and legal limited obligations of the Board according to the import thereof, and to constitute the Indenture and this First Supplemental Indenture as a valid pledge of and grant of a lien on the Trust Estate for the purpose of securing the payment of the principal of, premium, if any, and interest on the Series 2016 Bonds have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of this First Supplemental Indenture and the execution and issuance of the Series 2016 Bonds, subject to the terms hereof, have in all respects been duly authorized;

#### **GRANTING CLAUSES**

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

That in order to secure the payment of the principal of, premium, if any, and interest on the Series 2016 Bonds under the Indenture, according to the import thereof, and the performance and observance of each and every covenant and condition herein and in the Series 2016 Bonds contained, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Series 2016 Bonds by the respective Owners (as hereinafter defined) thereof, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2016 Bonds shall be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, the Board does hereby confirm the pledge of and lien on the following Trust Estate to the Trustee and its successors in trust and assigns, to the extent provided in the Indenture:

- (a) The Capital Improvement Taxes (as defined in the Indenture);
- (b) All moneys and securities and earnings thereon in all Funds, Sub-Funds, Accounts and Sub-Accounts established pursuant to the Indenture and the



First Supplemental Indenture for the payment and security of the Series 2016 Bonds, including the Consolidated Debt Service Reserve Fund on a parity with other Consolidated Reserve Fund Bonds hereinafter issued and the Series 2016 Dedicated Sub-Fund established by this First Supplemental Indenture; and

(c) Any and all other moneys and securities furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other persons to be held by the Trustee under the terms of the Indenture or this First Supplemental Indenture.

THIS FIRST SUPPLEMENTAL INDENTURE FURTHER WITNESSETH that, in addition to the terms, conditions and covenants of the Indenture, the Board, the Trustee and the Owners of the Series 2016 Bonds, hereby agree to be bound by the terms, conditions and covenants of this First Supplemental Indenture, as follows:

## ARTICLE I

### Definitions and Construction

**Section 101. Definitions.** All capitalized terms used in this First Supplemental Indenture, unless otherwise defined, shall have the same meaning as set forth in Section 101 of the Indenture. In addition, the following terms shall, for all purposes of this First Supplemental Indenture, have the following meanings unless a different meaning clearly appears from the context:

*“Authorized Denominations”* means \$100,000 or any integral multiple of \$5,000 in excess of \$100,000.

*“Cost of Construction”* means with respect to the 2016 Project, the cost of acquisition, construction and equipping thereof, including the cost of acquisition of all land, rights of way, property, rights, easements and interests, acquired by the Board for such construction, the cost of all machinery and equipment, financing charges, financial advisory fees, interest prior to and during construction and for such period after completion of construction as the Board shall determine, the cost of design, engineering and legal expenses, plans, specifications, surveys, estimates of cost and revenues, other expenses necessary or incident to determining the feasibility or practicability of constructing the 2016 Project, administrative expenses and such other costs, expenses and funding as may be necessary or incident to the construction, the financing of such construction and the placing of the 2016 Project in operation.

*“DTC”* means The Depository Trust Company, as securities depository for the Series 2016 Bonds.

“*DTC Participant*” shall mean any securities broker or dealer, bank, trust company, clearing corporation or other organization depositing Series 2016 Bonds with DTC.

“*First Supplemental Indenture*” means this First Supplemental Indenture, dated as of December 1, 2016, by and between the Board and the Trustee, as from time to time amended and supplemented.

“*Indenture*” means the Master Trust Indenture, dated as of December 1, 2016, by and between the Board and the Trustee, securing Board of Education of the City of Chicago Dedicated Capital Improvement Tax Bonds, as from time to time amended and supplemented.

“*Interest Payment Date*” means April 1, 2017 and each April 1 and October 1 thereafter.

“*Owner*” means any person who shall be the registered owner of any Series 2016 Bond or Bonds.

“*Series 2016 Bonds*” means the \$ \_\_\_\_\_,000 principal amount of the Dedicated Capital Improvement Tax Bonds, Series 2016, of the Board authorized by the 2016 Authorizing Resolution and Section 201.

“*2016 Project*” means, collectively, the following capital improvements or purposes of the Board, and such additional capital improvements or purposes as may hereinafter be designated as part of the 2016 Project pursuant to a resolution of the Board filed with the Trustee:

**Section 102. Interpretations.** As used herein, and unless the context shall otherwise indicate, the words “Bond,” “Owner” and “Person” shall include the plural as well as the singular number.

As used herein, the terms “herein,” “hereunder,” “hereby,” “hereto,” “hereof” and any similar terms refer to this First Supplemental Indenture.

Unless the context shall otherwise indicate, references herein to articles, sections, subsections, clauses, paragraphs and other subdivisions refer to the designated articles, sections, subsections, clauses, paragraphs and other subdivisions of this First Supplemental Indenture as originally executed.

Any headings preceding the texts of the several Articles and Sections hereof, and any Table of Contents appended to copies hereof, are solely for convenience of reference and do not constitute a part of this First Supplemental Indenture, nor do they affect its meaning, construction or effect.

## ARTICLE II

### Authorization and Issuance of Series 2016 Bonds

**Section 201. Authorization of Series 2016 Bonds.** A Series of 2016 Bonds entitled to the benefit, protection and security of the Indenture and this First Supplemental Indenture is hereby authorized in the aggregate principal amount of \$ \_\_\_\_\_ to finance Costs of Construction of the 2016 Project that are both Capital Expenditures and Permitted Expenditures, to fund the Consolidated Debt Service Reserve Fund to the Consolidated Reserve Requirement, to capitalize interest on the Series 2016 Bonds to the April 1, 2018 Interest Payment Date by a deposit to the 2016 Capitalized Interest Account and to pay costs in connection with the issuance of the Series 2016 Bonds. Such Series of Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series, by the title “Dedicated Capital Improvement Tax Bonds, Series 2016.” Each Series 2016 Bond shall be and is hereby designated as a 2016 Bond and a Consolidated Reserve Fund Bond under the Indenture.

**Section 202. General Provisions for Issuance.** The Series 2016 Bonds shall be issued pursuant to Section 203 of the Indenture shall be executed by the Board and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Board or upon its order, but only upon the receipt by the Trustee, at or prior to such authentication, of each of the items listed in clauses (1), (2), (3), (5) and (7) of Section 202(A) of the Indenture.

**Section 203. Terms of Series 2016 Bonds.** (A) Each Series 2016 Bond shall be in registered form and shall be initially dated January \_\_, 2017. Series 2016 Bonds

authenticated and delivered prior to April 1, 2017, shall be dated as of January \_\_, 2017. Series 2016 Bonds authenticated and delivered on or after April 1, 2017 shall be dated the April 1 or October 1 preceding the date of their authentication and delivery to which interest has been paid or duly provided for, except Series 2016 Bonds authenticated and delivered on a April 1 or October 1 to which interest has been paid or duly provided shall be dated that April 1 or October 1.

(B) Each Series 2016 Bond shall bear interest payable on each Interest Payment Date, computed on the basis of a 360-day year consisting of twelve 30-day months.

(C) The Series 2016 Bonds shall mature on April 1 of each of the years and in the principal amounts and shall bear interest at the respective rates per annum set forth in the following table:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
20__	\$ ,000	. %
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	

(D) The Series 2016 Bonds shall be in denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 (but no single Series 2016 Bond shall represent principal maturing on more than one date) and each Series 2016 Bond shall be numbered consecutively but need not be authenticated or delivered in consecutive order. The Series 2016 Bonds and the Trustee's Certificate of Authentication shall be in substantially the form set forth in *Exhibit A* attached hereto and by reference made a part hereof with such variations, omissions or insertions as are required or permitted by the Indenture.

(E) The Principal of the Series 2016 Bonds shall be payable at the designated corporate trust offices of the Trustee, in the City of Chicago, Illinois, as Paying Agent, and at such offices of any co-Paying Agent or successor Paying Agent or Paying Agents for the Series 2016 Bonds appointed pursuant to the Indenture. Interest on the Series 2016 Bonds shall be payable by check or bank draft mailed or delivered by the Trustee to

the Owners as the same appear on the registration books of the Board maintained by the Registrar as of the Record Date or, at the option of any Owner, by wire transfer of Current Funds to such bank in the continental United States as said Owner shall request in writing to the Registrar.

(F) The \$ \_\_\_\_\_ net proceeds of the Series 2016 Bonds, upon receipt, shall be deposited as follows:

(i) \$ \_\_\_\_\_ shall be deposited into the Consolidated Debt Service Reserve Fund;

(ii) \$ \_\_\_\_\_ shall be deposited into the 2016 Capitalized Interest Account; and

(iii) \$ \_\_\_\_\_ shall be deposited into the 2016 Project Account.

(G) The Series 2016 Bonds shall be initially issued in the form of a separate single fully registered Series 2016 Bond for each maturity. Upon initial issuance, the ownership of each such Series 2016 Bond shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, and except as hereinafter provided, the ownership of all of the outstanding Series 2016 Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Series 2016 Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Trustee shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Series 2016 Bonds. Without limiting the immediately preceding sentence, the Board and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in any Series 2016 Bond, (ii) the delivery to any DTC Participant or any other Person, other than the Owner of any Series 2016 Bond, of any notice with respect to such Series 2016 Bond, (iii) the payment to any DTC Participant or any other Person, other than the Owner of any Series 2016 Bond, of any amount with respect to Principal or Redemption Price of or interest on such Series 2016 Bond or (iv) any allocation method for the redemption, including any pro-rata redemption, of Series 2016 Bonds among DTC Participants and the beneficial owners of the Series 2016 Bonds. The Board, the Trustee and each other Paying Agent, if any, shall be entitled to treat and consider the Person in whose name each Series 2016 Bond is registered as the absolute owner of such Series 2016 Bond for the purpose of payment of Principal and interest with respect to such Series 2016 Bond, for the purpose of giving notices of redemption, for the purpose of registering transfers with respect to such Series 2016 Bond and for all other purposes whatsoever. The Trustee and each other Paying Agent, if any, shall pay all Principal of and interest on the Series 2016 Bonds only to or upon the order

of the respective Owners thereof, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the Board's obligations with respect to payment of Principal of and interest on the Series 2016 Bonds to the extent of the sum or sums so paid. No Person other than an Owner of a Series 2016 Bond shall receive a Series 2016 Bond certificate evidencing the obligation of the Board to make payments of Principal of and interest on the Series 2016 Bonds pursuant to this Indenture.

The Owners of the Series 2016 Bonds have no right to the appointment or retention of a depository for such Series 2016 Bonds. DTC may resign as securities depository under the conditions provided in the Letter of Representations. In the event of any such resignation, the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer or cause the transfer of one or more separate Series 2016 Bond certificates to such successor securities depository or (ii) notify DTC of the availability through DTC of Series 2016 Bond certificates and transfer or cause the transfer of one or more separate Series 2016 Bond certificates to DTC Participants having Series 2016 Bonds credited to their DTC accounts. In such event, the Series 2016 Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the DTC Participants receiving Series 2016 Bonds shall designate, in accordance with the provisions of this Indenture.

The Board has heretofore executed and delivered the Letter of Representations to DTC. So long as DTC, or its designee, is the Owner of all Series 2016 Bonds, the provisions set forth in the Letter of Representations shall apply to the redemption of any Series 2016 Bonds and to the payment of Principal or Redemption Price of and interest on the Series 2016 Bonds, including without limitation, that: (1) presentation of Series 2016 Bonds to the Trustee at maturity shall be deemed made to the Trustee when the right to exercise ownership rights in the Series 2016 Bonds through DTC or DTC's Participants is transferred by DTC on its books; and (2) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Owners of Series 2016 Bonds under this Indenture on a fractionalized basis on behalf of some or all of those Persons entitled to exercise ownership rights in the Series 2016 Bonds through DTC or DTC's Participants.

So long as the Series 2016 Bonds are registered in the name of Cede & Co., as nominee of DTC, the Trustee agrees to comply with the terms and provisions of the Letter of Representations.

**Section 204. Optional Redemption.** The Series 2016 Bonds maturing on or after April 1, 20\_\_ shall be subject to redemption prior to maturity at the option of the Board, as a whole, or in part by lot as provided in Section 209, and upon notice as

provided in Section 207, on \_\_\_\_\_ 1, 20\_\_ and on any date thereafter, at a Redemption Price equal to the principal amount of the Series 2016 Bonds to be redeemed; plus accrued interest on the Series 2016 Bonds being redeemed to the date fixed for redemption.

**Section 205. Mandatory Sinking Fund Redemption.** The Series 2016 Bonds maturing on April 1, 20\_\_ are Term Bonds subject to mandatory redemption at a Redemption Price of par, on April 1 of the following years and in the following principal amounts, each constituting a Sinking Fund Installment for the retirement of the Term Bonds as set forth in the following table, subject to adjustment pursuant to Section 206:

20\_\_ Term Bonds

<u>Year</u>	<u>Principal Amount</u>
20__	\$ ,000
20__	,000
20__	,000
20__	,000

The final maturity amount of the Term Bonds due April 1, 20\_\_ is \$\_\_\_\_\_.

The Series 2016 Bonds maturing on April 1, 20\_\_ are Term Bonds subject to mandatory redemption at a Redemption Price of par, on April 1 of the following years and in the following principal amounts, each constituting a Sinking Fund Installment for the retirement of the Term Bonds as set forth in the following table, subject to adjustment pursuant to Section 206:

20\_\_ Term Bonds

<u>Year</u>	<u>Principal Amount</u>
20__	\$ ,000
20__	,000
20__	,000

The final maturity amount of the Term Bonds due April 1, 20\_\_ is \$\_\_\_\_\_.

**Section 206. Adjustment of Sinking Fund Installments.** In the event of the optional redemption by the Board of less than all of the Term Bonds of the same maturity, the principal amount so redeemed shall be credited against the unsatisfied balance of future Sinking Fund Installments and the final maturity amount established

with respect to such Term Bonds as shall be determined by the Board in a Certificate of an Authorized Officer filed with the Trustee or, in the absence of such determination, shall be credited pro-rata against the applicable Sinking Fund Installments and final maturity amount.

**Section 207. Redemption at the Election or Direction of the Board.** In the case of any redemption of Series 2016 Bonds at the election or direction of the Board, the Board shall give written notice to the Trustee of its election or direction so to redeem, of the date fixed for redemption, and of the principal amounts and interest rates of the Series 2016 Bonds of each maturity to be redeemed. Such notice shall be given at least 35 days prior to the specified redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 210 provided, there shall be paid on or prior to the specified redemption date to the Trustee an amount in cash or Government Obligations maturing on or before the specified redemption date which, together with other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem all of the Series 2016 Bonds to be redeemed on the specified redemption date at their Redemption Price plus interest accrued and unpaid to the date fixed for redemption. Such amount and moneys shall be held in a separate, segregated account for the benefit of the Owners of the Series 2016 Bonds so called for redemption.

**Section 208. Redemption Otherwise Than at Board's Election or Direction.** Whenever by the terms of this First Supplemental Indenture the Trustee is required or authorized to redeem Series 2016 Bonds otherwise than at the election or direction of the Board, the Trustee shall select the Series 2016 Bonds to be redeemed in accordance with Section 209, give the notice of redemption and pay the Redemption Price thereof, plus interest accrued and unpaid to the date fixed for redemption.

**Section 209. Selection of Series 2016 Bonds to Be Redeemed.** If less than all the Series 2016 Bonds of the same maturity are called for redemption, the particular Series 2016 Bonds or portion of Series 2016 Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; *provided, however,* that the portion of any Series 2016 Bond of a denomination of more than the minimum Authorized Denomination to be redeemed shall be in the principal amount of an Authorized Denomination and that, in selecting portions of such Series 2016 Bonds for redemption, the Trustee shall treat each such Series 2016 Bond as representing that number of Series 2016 Bonds of the minimum Authorized Denomination which is obtained by dividing the principal amount of such Series 2016 Bond to be redeemed in part by said minimum Authorized Denomination. If all Series 2016 Bonds are held in book-entry only form, the particular Series 2016 Bonds or portions thereof to be redeemed shall be selected by DTC in such manner as DTC shall determine, provided, however, that in no event shall any redemption result in unrefunded Series 2016 Bonds of a denomination less than \$100,000.



**Section 210. Notice of Redemption.** When the Trustee shall receive notice from the Board of its election or direction to redeem Series 2016 Bonds pursuant to Section 207, and when redemption of Series 2016 Bonds is authorized or required pursuant to Section 208, the Trustee shall give notice, in the name of the Board, of the redemption of such Series 2016 Bonds, which notice shall specify the maturities and interest rates of the Series 2016 Bonds to be redeemed, the date fixed for redemption and the place or places where amounts due upon such date fixed for redemption will be payable and, if less than all of the Series 2016 Bonds of any like maturity and interest rate are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2016 Bonds so to be redeemed, and, in the case of Series 2016 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable the Redemption Price of each Series 2016 Bond to be redeemed, or the Redemption Price of the specified portions of the principal thereof in the case of Series 2016 Bonds to be redeemed in part only, together with interest accrued to the date fixed for redemption, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail copies of such notice by first-class mail, postage prepaid, not more than 60 days nor less than 30 days before the date fixed for redemption, to the Owners of the Series 2016 Bonds to be redeemed at their addresses as shown on the registration books of the Board maintained by the Registrar. If the Trustee mails notices of redemption as herein provided, notice shall be conclusively presumed to have been given to all Owners.

With respect to an optional redemption of any Series 2016 Bonds, unless moneys sufficient to pay the Redemption Price of, and interest on the Series 2016 Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice may, at the option of the Board, state that said redemption shall be conditional upon the receipt of such moneys by the Trustee 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 Board shall not redeem such Series 2016 Bonds and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Series 2016 Bonds will not be redeemed.

**Section 211. Payment of Redeemed Series 2016 Bonds.** Notice having been given in the manner provided in Section 210, the Series 2016 Bonds or portions thereof so called for redemption shall become due and payable on the date fixed for redemption at the Redemption Price, plus interest accrued and unpaid to such date, and, upon presentation and surrender thereof at any place specified in such notice, such Series 2016 Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to such date. If there shall be called for redemption less than all of a Series 2016 Bond, the Board shall execute and the Trustee shall authenticate and the appropriate Fiduciary shall deliver, upon the surrender of such Series 2016 Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Series 2016

Bond so surrendered, fully registered Series 2016 Bonds of like maturity and interest rate in any Authorized Denominations. If, on the date fixed for redemption, moneys for the redemption of all the Series 2016 Bonds or portions thereof of like maturity and interest rate to be redeemed, together with interest to such date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the date fixed for redemption, interest on the Series 2016 Bonds or portions thereof of such maturity and interest rate so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the date fixed for redemption, such Series 2016 Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

### ARTICLE III

#### Dedicated Sub-Fund

##### Section 301. Creation of Sub-Fund and Accounts.

(A) Creation of Series 2016 Dedicated Sub-Fund. There is hereby created by the Board and ordered established with the Trustee a separate and segregated Sub-Fund within the Debt Service Fund, such Sub-Fund to be designated the "Series 2016 Dedicated Sub-Fund" (the "*Series 2016 Dedicated Sub-Fund*"). Moneys on deposit in the Series 2016 Dedicated Sub-Fund, and in each Account established therein as hereinafter provided, shall be held in trust by the Trustee for the sole and exclusive benefit of the Owners of the Series 2016 Bonds and shall not be used or available for the payment of any other Bonds, except as expressly provided herein.

(B) Creation of Accounts. There are hereby created by the Board and ordered established with the Trustee separate Accounts within the Series 2016 Dedicated Sub-Fund, designated as follows:

(1) *2016 Capitalized Interest Account:* an Account to be designated the "Series 2016 Capitalized Interest Account" (the "*2016 Capitalized Interest Account*");

(2) *2016 Project Account:* an Account to be designated the "Series 2016 Project Account" (the "*2016 Project Account*");

(3) *2016 Principal Account:* an Account to be designated the "Series 2016 Principal Account" (the "*2016 Principal Account*"); and

(4) *2016 Interest Account:* an Account to be designated the "Series 2016 Interest Account" (the "*2016 Interest Account*").

**Section 302. Deposits into Series 2016 Dedicated Sub-Fund and Accounts.**

(A) On each Business Day, commencing February 1, 2018 (each such date referred to herein as the “*Deposit Date*”) there shall be withdrawn from the Debt Service Fund and deposited into the Series 2016 Dedicated Sub-Fund, until there shall have been deposited into the various Accounts in the Series 2016 Dedicated Sub-Fund an amount equal to the aggregate of the amounts set forth in subsection (B) of this Section (such aggregate amount with respect to any Deposit Date being referred to herein as the “*Series 2016 Deposit Requirement*”).

(B) On each Deposit Date the Trustee shall make the following deposits in the following order of priority and if the moneys deposited into the Series 2016 Dedicated Sub-Fund are insufficient to make any required deposit, the deposit shall be made up on the next Deposit Date after required deposits having a higher priority shall have been made in full:

First: for deposit into the 2016 Interest Account, an amount equal to the amount required so that the sum held in the 2016 Interest Account, when added to the interest payable from the 2016 Capitalized Interest Account on the applicable Interest Payment Dates, will equal the sum of the unpaid interest due on the Series 2016 Bonds on the next ensuing Interest Payment Dates to and including the first day of April of the next calendar year; and

Second: commencing on February 1, 20\_\_, for deposit into the 2016 Principal Account, the amount required so that the sum then held in the 2016 Principal Account will equal the sum of the unpaid Principal due on the Series 2016 Bonds on the first day of April of the next calendar year.

(C) In addition to the Series 2016 Deposit Requirement, there shall be deposited into the Series 2016 Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Indenture or this First Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Series 2016 Dedicated Sub-Fund and to one or more accounts in the Series 2016 Dedicated Sub-Fund.

**Section 303. 2016 Interest Account.** The Trustee shall withdraw from the 2016 Interest Account, prior to each Interest Payment Date, an amount equal to the interest due on the Series 2016 Bonds and not payable from the 2016 Capitalized Interest Account, and apply the same to the payment of such interest.

**Section 304. 2016 Capitalized Interest Account.** The Trustee shall withdraw from the 2016 Capitalized Interest Account, prior to each of the following Interest Payment Dates, the amount set forth in the following table, and apply the same to the payment of the interest on the Series 2016 Bonds due on such Interest Payment Date:

<u>Interest Payment Date</u>	<u>Amount</u>
April 1, 2017	\$
October 1, 2017	
April 1, 2018	

Any amount remaining in the 2016 Capitalized Interest Account on April 3, 2018, shall be withdrawn from the 2016 Capitalized Interest Account and deposited into the 2016 Interest Account.

**Section 305. 2016 Principal Account.** (A) The Trustee shall withdraw from the 2016 Principal Account, prior to each Principal Payment Date, an amount equal to the Principal of the Series 2016 Bonds maturing or due on that date, and apply the same to the payment of such Principal when due.

(B) The Trustee shall establish and maintain in the 2016 Principal Account a separate Sub-Account for the Term Bonds for which Sinking Fund Installments are established pursuant to Section 205. Moneys paid into the 2016 Principal Account in respect of Sinking Fund Installments in any Bond Year shall upon receipt be segregated and set aside in said Sub-Accounts in proportion to the respective amounts of the Sinking Fund Installment on the next ensuing Principal Payment Date with respect to the particular Term Bonds for which each such Sub-Account is maintained.

(C) The Trustee shall apply moneys in any Sub-Account established in the 2016 Principal Account as provided in subsection (B) of this Section to the redemption of the Term Bonds for which such Sub-Account is maintained in the manner provided in this Section and Article II or to the payment of the Principal thereof at maturity. If at any date there shall be moneys in any such Sub-Account and there shall be Outstanding none of the Term Bonds for which such Sub-Account was established, said Sub-Account shall be closed and the moneys therein shall be withdrawn therefrom and be applied by the Trustee as if paid into the 2016 Principal Account on that date.

(D) Amounts deposited to the credit of the 2016 Principal Account to be used in satisfaction of any Sinking Fund Installment may, and if so directed by the Board in a Certificate of an Authorized Officer filed with the Trustee shall, be applied by the Trustee, on or prior to the 60<sup>th</sup> day next preceding the next Principal Payment Date on which a Sinking Fund Installment is due, to the purchase of Outstanding Term Bonds of the maturity for which such Sinking Fund Installment was established. That portion of the purchase price attributable to accrued interest shall be paid from the 2016 Interest Account. All such purchases of Outstanding Term Bonds shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Term Bonds plus accrued interest, and such purchases shall be made in such manner as the Board shall determine. The principal amount of any Term Bonds so purchased shall be deemed to constitute part of the 2016 Principal Account until the Principal Payment Date on which

such Sinking Fund Installment is due, for the purpose of calculating the amount on deposit in such Account.

(E) At any time up to the 60<sup>th</sup> day next preceding the next Principal Payment Date on which a Sinking Fund Installment is due, the Board may purchase Outstanding Term Bonds for which such Sinking Fund Installment was established and surrender such Term Bonds to the Trustee at any time up to said date.

(F) After giving effect to the Outstanding Term Bonds purchased by the Trustee and Outstanding Term Bonds surrendered by the Board as described in Subsections (C) and (D) of this Section, which shall be credited against the Sinking Fund Installment at the applicable sinking fund Redemption Price thereof, and as soon as practicable after the 60<sup>th</sup> day next preceding the next Principal Payment Date on which a Sinking Fund Installment is due, the Trustee shall proceed to call for redemption on such Principal Payment Date Outstanding Term Bonds for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the unsatisfied portion of such Sinking Fund Installment. The Trustee shall pay out of the 2016 Principal Account to the appropriate Paying Agents, on or before the day preceding such redemption date, the Redemption Price required for the redemption of the Outstanding Term Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

(G) If the principal amount of Outstanding Term Bonds retired through application of amounts in satisfaction of any Sinking Fund Installment shall exceed such Sinking Fund Installment, or in the event of the purchase from moneys other than from the 2016 Principal Account of Outstanding Term Bonds for which Sinking Fund Installments have been established, such excess or the principal amount of Outstanding Term Bonds so purchased shall be credited toward future scheduled Sinking Fund Installments either (i) in the order of their due dates or (ii) in such order as the Board establishes in a Certificate signed by an Authorized Officer and delivered to the Trustee not more than 45 days after the payment in excess of such Sinking Fund Installment.

**Section 306. Timing of Bond Payment Withdrawals.** All withdrawals from the 2016 Interest Account, the 2016 Principal Account and the 2016 Capitalized Interest Account under Section 303, Section 304, Section 305(A) or Section 305(F) shall be made no earlier than three days prior to the Payment Date to which they relate, and the amount so withdrawn shall, for all purposes of this First Supplemental Indenture, be deemed to remain and be a part of the respective Account until the applicable Payment Date.

**Section 307. 2016 Project Account.** (A) The Trustee shall apply moneys in the 2016 Project Account for the payment of costs of issuance of the Series 2016 Bonds, as directed in a Certificate filed with the Trustee.

(B) The Trustee shall make payment of the Costs of Construction of the 2016 Project that are both Capital Expenditures and Permitted Expenditures from the 2016 Project Account as provided in subsections (D), (E) and (F) of this Section.

(C) At the direction of the Board expressed in a Certificate filed with the Trustee, moneys in the 2016 Project Account shall be applied to pay such amounts as are required to be paid to the United States of America pursuant to Section 148(f) of the Code.

(D) The Trustee shall, during construction of the 2016 Project, pay from the 2016 Project Account to the Board, upon its requisitions therefor, at one time or from time to time, a sum or sums aggregating not more than \$5,000,000, exclusive of and in addition to reimbursements as hereinafter in this Section authorized, such sums and such reimbursements to be used by the Board as a revolving fund for the payment of Costs of Construction that are both Capital Expenditures and Permitted Expenditures and that cannot conveniently be paid as otherwise provided in this Section. Such revolving fund shall be reimbursed by the Trustee from time to time for such expenses so paid, by payments from the 2016 Project Account upon requisitions of the Board accompanied by its Certificate specifying the payee and the amount and particular purpose of each payment from such revolving fund for which such reimbursement is requested and certifying that each such amount so paid was necessary for the payment of an expense constituting a Cost of Construction that was both a Capital Expenditure and a Permitted Expenditure and that such expense could not conveniently be paid except from such revolving fund. In making such reimbursements the Trustee may rely upon such requisitions and accompanying certificates. The revolving fund maintained by the Board pursuant to this Section 307 shall be held separate and apart from all other funds and accounts of the Board and the amounts held in the revolving fund may only be used for payments to vendors for Capital Expenditures that are Permitted Expenditures or for the reimbursement of the Board for prior payments to vendors of Capital Expenditures that are Permitted Expenditures. Each transfer to the revolving fund maintained by the Board pursuant to this Section 307 may not exceed the aggregate amount of the vendor invoices to be paid or reimbursed with respect to the revolving fund, and may only be made after a careful review by the Board to confirm that all transfers to the revolving fund match invoiced amounts for Capital Expenditures that are Permitted Expenditures.

(E) The Trustee shall, during and upon completion of construction of the 2016 Project, make payments from the 2016 Project Account in addition to those made pursuant to subsection (D) of this Section, in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this Section. Before any such payment shall be made, the Board shall file with the Trustee:

(1) its requisition therefor, stating in respect of each payment to be made: (a) the name of the person, firm or corporation to whom payment is due,

(b) the amount to be paid, and (c) in reasonable detail the purpose for which the obligation was incurred; and

(2) its Certificate attached to the requisitions certifying: (a) that obligations in the stated amounts have been incurred by the Board in or about the construction of the 2016 Project, and that each item thereof (i) is a proper charge against the 2016 Project Account, (ii) is a proper Cost of Construction, (iii) is a proper Capital Expenditure; (iv) is a proper Permitted Expenditure and (v) has not been paid or previously reimbursed pursuant to Subsection (D) of this Section or from the Permitted Expenditures Account, (b) that there has not been filed with or served upon the Board notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable under such requisition, or if any such lien, attachment or claim has been filed or served upon the Board, that such lien, attachment or claim has been released or discharged, and (c) that such requisition contains no item representing payment on account of any retained percentages which the Board is at the date of such Certificate entitled to retain.

Upon receipt of each such requisition and accompanying Certificates the Trustee shall transfer from the 2016 Project Account to the credit of a special account in the name of the Board, an amount equal to the total of the amounts to be paid as set forth in such requisition, the amounts in such special account to be held solely for the payment of the obligations set forth in such requisition. In making such transfer, the Trustee may rely upon such requisition and accompanying certificates. Each such obligation shall be paid by check or wire transfer drawn on such special account to the order of the Person named in and in accordance with the requisition. Moneys deposited to the credit of such special account shall be deemed to be a part of the 2016 Project Account until paid out as above provided. If for any reason the Board should decide prior to the payment of any item in a requisition to stop payment of such item, an Authorized Officer shall give notice of such decision to the Trustee and thereupon the Trustee shall transfer the amount of such item from such special account to the 2016 Project Account.

(F) The Trustee shall withdraw from the 2016 Project Account and pay to the Board free from the lien of the Indenture any balance in the 2016 Project Account, or any part thereof, in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this Subsection. Before any such withdrawal and payment shall be made, the Board shall file with the Trustee its Certificate certifying: (1) that the 2016 Project has been completed or substantially completed, and (2) that a sum stated in the Certificate is sufficient to pay, and is required to be reserved in such Project Account to pay, all Costs of Construction then remaining unpaid, including the estimated amount of any such items the amount of which is not finally determined and all claims against the Board arising out of the construction thereof. Upon receipt of such requisition and accompanying Certificates, the Trustee shall withdraw from the 2016 Project Account

and pay to, or upon the order of, the Board the amount stated in such requisition, provided that no such withdrawal shall be made if it would reduce the amount in the 2016 Project Account below the amount stated in the respective Certificate of the Board as required to be reserved in the 2016 Project Account. Moneys so withdrawn from the 2016 Project Account (i) may be applied for the payment, purchase or redemption of Series 2016 Bonds or (ii) may be reappropriated by the Board if such appropriation is for a purpose permitted by Section 34-53.5 of the School Code and will not adversely affect the exclusion from gross income under the Code of interest on the Series 2016 Bonds.

**Section 308. Moneys to be Held in Trust.** All moneys required to be deposited with or paid to the Trustee for the account of any Fund, Sub-Fund, Account or Sub-Account referred to in any provision of this First Supplemental Indenture, shall be held by the Trustee in trust as provided in Section 1203 of the Indenture, and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien or security interest created hereby.

**Section 309. Consolidated Debt Service Reserve Fund.** The Board hereby designates the Series 2016 Bonds as Consolidated Reserve Fund Bonds. The Board and the Trustee covenant and agree for the benefit of the Owners of the Series 2016 Bonds that the Consolidated Debt Service Reserve Fund is to be administered in accordance with the Indenture.

## ARTICLE IV

### Particular Covenants and Elections of the Board

**Section 401. Authority for First Supplemental Indenture.** This First Supplemental Indenture is executed and delivered by the Board by virtue of and pursuant to Section 34-53.5 of the School Code, the Local Government Debt Reform Act and the 2016 Authorizing Resolution. The Board has ascertained and hereby determines and declares that the execution and delivery of this First Supplemental Indenture is necessary to meet the public purposes and obligations of the Board, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate such purposes of the Board and to carry out its powers and is in furtherance of the public benefit, safety and welfare and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Series 2016 Bonds and are contracts or agreements necessary, useful or convenient to carry out and effectuate the corporate purposes of the Board.

**Section 402. Indenture to Constitute Contract.** In consideration of the purchase and acceptance of Series 2016 Bonds by those who shall hold the same from time to time, the provisions of the Indenture and this First Supplemental Indenture shall



be a part of the contract of the Board with the Owners of the Series 2016 Bonds and shall be deemed to be and shall constitute a contract between the Board, the Trustee and the Owners from time to time of the Series 2016 Bonds. The Board covenants and agrees with the Owners of the Series 2016 Bonds and the Trustee that it will faithfully perform all of the covenants and agreements contained in the Indenture, this First Supplemental Indenture and in the Series 2016 Bonds.

**Section 403. Limited Obligations.** The Series 2016 Bonds are limited obligations of the Board payable from amounts on deposit in the Series 2016 Dedicated Sub-Fund and secured by a pledge of, lien on and security interest in the Trust Estate pledged for their payment in accordance with the Indenture and this First Supplemental Indenture. Neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of any Series 2016 Bond.

**Section 404. Capital Improvement Program.** Prior to the completion of the 2016 Project, the Board shall include the construction of the 2016 Project in each capital improvement program of the Board.

**Section 405. Tax Covenants.** The Board shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any Series 2016 Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Series 2016 Bond is subject on the date of original issuance thereof. The Board shall not permit any of the proceeds of the Series 2016 Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any Series 2016 Bond to constitute a "private activity bond" within the meaning of Section 141 of the Code. The Board shall not permit any of the proceeds of the Series 2016 Bonds or other moneys to be invested in any manner that would cause any Series 2016 Bond to constitute an "arbitrage bond" within the meaning of Section 148 of the Code or a "hedge bond" within the meaning of Section 149(g) of the Code. The Board shall comply with the provisions of Section 148(f) of the Code relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

## ARTICLE V

### Miscellaneous

**Section 501. Trustee Acceptance of Duties.** The Trustee hereby accepts and agrees to the trusts hereby created, but only upon the additional terms set forth in Article IX of the Indenture, to all of which the Board agrees and the respective Owners of the Series 2016 Bonds, by their purchase and acceptance thereof, agree. Except during the continuance of an Event of Default, the Trustee undertakes such duties and only such duties as are specifically set forth in the Indenture and this First Supplemental Indenture.

**Section 502. Appointment of Fiduciaries.** The Trustee is hereby appointed Paying Agent and Registrar for the Series 2016 Bonds. The Trustee accepts the duties and obligations imposed upon it as Paying Agent and Registrar by the Indenture and this First Supplemental Indenture. The Board may at any time or from time to time appoint one or more other Paying Agents for the Series 2016 Bonds having the qualifications set forth in Section 914 of the Indenture for a successor Paying Agent.

**Section 503. Amendment or Modifications.** This First Supplemental Indenture may be amended or modified in the same manner as the Indenture may be amended or modified in accordance with Article X and Article XI of the Indenture.

**Section 504. Defeasance.** If the Board shall pay to the Owners of the Series 2016 Bonds, or provide for the payment of the Principal, interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated in Section 1201 of the Indenture, then this First Supplemental Indenture shall be fully discharged and satisfied. Upon the satisfaction and discharge of this First Supplemental Indenture, the Fiduciaries shall pay over and deliver to the Board, all Funds, Sub-Funds, Accounts, Sub-Accounts and other moneys and securities held by them pursuant to this First Supplemental Indenture that are not required for the payment or redemption of the Series 2016 Bonds.

**Section 505. Preservation and Inspection of Documents.** All documents received by any Fiduciary under the provisions of this First Supplemental Indenture, shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Board, any other Fiduciary, and any Owner and their agents and their representatives, any of whom may make copies thereof.

**Section 506. Parties Interested Herein.** Nothing in this First Supplemental Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Board, the Fiduciaries and the Owners of the Series 2016 Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this First Supplemental Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Fiduciaries and the Owners of the Series 2016 Bonds.

**Section 507. Successors and Assigns.** Whenever in this First Supplemental Indenture the Board is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this First Supplemental Indenture contained by or on behalf of the Board shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

**Section 508. Severability of Invalid Provisions.** If any one or more of the covenants or agreements provided in this First Supplemental Indenture on the part of the

Board or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this First Supplemental Indenture.

**Section 509. Notices.** Any notice, demand, direction, request or other instruments authorized or required by this First Supplemental Indenture to be given to, delivered to or filed with the Board or the Trustee shall be deemed to have been sufficiently given, delivered or filed for all purposes of this First Supplemental Indenture if and when sent by registered mail, return receipt requested:

With a copy to:

Board of Education of the City of Chicago  
42 West Madison Street  
2<sup>nd</sup> Floor  
Chicago, Illinois 60602  
Attention: Chief Financial Officer

and

Board of Education of the City of Chicago  
42 West Madison Street  
Chicago, Illinois 60602  
Attention: General Counsel

or to such other address as may be designated in writing by the Board to the Trustee; and

To the Trustee, if addressed to:

Amalgamated Bank of Chicago  
30 North LaSalle Street, 38<sup>th</sup> Floor  
Chicago, Illinois 60602  
Attention: Corporate Trust Department

or at such other address as may be designated in writing by the Trustee to the Board.

**Section 510. Construction.** This First Supplemental Indenture shall be construed in accordance with the provisions of State law.

**Section 511. Multiple Counterparts.** This First Supplemental Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

**Exhibit C**

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this First Supplemental Indenture to be executed in its name and on its behalf by its Senior Vice President of Finance and attested by its Secretary and Amalgamated Bank of Chicago, as Trustee, has caused this First Supplemental Indenture to be executed on its behalf and attested by its authorized officers, all as of the day and year first above written.

**BOARD OF EDUCATION OF THE  
CITY OF CHICAGO**

\_\_\_\_\_  
Senior Vice President of Finance

Attest:

\_\_\_\_\_  
Secretary

**AMALGAMATED BANK OF CHICAGO**

\_\_\_\_\_  
Authorized Officer

Attest:

\_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**FORM OF SERIES 2016 BONDS**

[Form of Bond-Front Side]

REGISTERED  
No. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

**BOARD OF EDUCATION OF THE CITY OF CHICAGO  
DEDICATED CAPITAL IMPROVEMENT TAX BOND, SERIES 2016**

See Reverse Side for  
Additional Provisions

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____ %	April 1, 20__	_____, 20__	_____

Registered Owner: Cede & Co.

Principal Amount:

The BOARD OF EDUCATION OF THE CITY OF CHICAGO, a school district of the State of Illinois (the “*Board*”) duly organized and existing under Article 34 of the School Code, 105 Illinois Compiled Statutes 5, for value received, hereby promises to pay (but only out of the sources hereinafter provided) to the Registered Owner identified above or registered assigns, upon presentation and surrender hereof, the Principal Amount identified above on the Maturity Date specified above, and to pay (but only out of the sources hereinafter provided) interest on said Principal Amount from the later of the Dated Date of this Series 2016 Bond or the most recent date to which interest has been paid or provided for. Interest on this Series 2016 Bond (computed on the basis of a 360-day year consisting of twelve 30-day months) is payable on April 1 and October 1 of each year, commencing April 1, 2017, until the payment in full of such Principal Amount.

Principal of this Series 2016 Bond is payable in lawful money of the United States of America at the principal corporate trust office of Amalgamated Bank of Chicago, in the City of Chicago, Illinois, or its successor in trust (the “*Trustee*”) as Trustee and Paying Agent and payment of the interest hereon shall be made to the person in whose name this Series 2016 Bond is registered at the close of business on the fifteenth day of the calendar month next preceding each interest payment date (the “*Record Date*”) by check or bank draft mailed or delivered by the Trustee to such Registered Owner at such Registered Owner’s address as it appears on the registration books of the Board maintained by Amalgamated Bank of Chicago, in the City of Chicago, Illinois, as

Registrar (the “Registrar”) or, at the option of the Registered Owner, by wire transfer of immediately available funds to such bank in the continental United States as said Registered Owner shall request in writing to the Registrar.

Reference is hereby made to the further provisions of this Series 2016 Bond on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

The Series 2016 Bonds are limited obligations of the Board secured by the pledge of the Trust Estate pledged to the payment of the Series 2016 Bonds under the Indenture (as hereinafter defined) and payable from the Series 2016 Dedicated Sub-Fund held under the Indenture. The Series 2016 Bonds are not, and shall not be or become, a general obligation of the Board and neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of the principal of or the interest on the Series 2016 Bonds.

It is hereby certified, recited and declared that this Series 2016 Bond is issued in part pursuant to the Local Government Debt Reform Act, that all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2016 Bond have been performed in due time, form and manner as required by law; and that the issuance of this Series 2016 Bond and the Series of which it is a part does not exceed or violate any constitutional or statutory limitation.

This Series 2016 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this Series 2016 Bond to be signed in its name and on its behalf by the manual or duly authorized facsimile signature of the President or Vice President of the Chicago Board of Education and attested by the manual or duly authorized facsimile signature of the Secretary of the Board of Education, all as of the Dated Date identified above.

Attest:

BOARD OF EDUCATION OF THE CITY OF  
CHICAGO

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Secretary

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President

## [Form of Certificate of Authentication]

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This Bond is one of the Series 2016 Bonds described in the within-mentioned Indenture.

Date of Authentication and Delivery: AMALGAMATED BANK OF CHICAGO,  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

## [Form of Bond-Reverse Side]

This Series 2016 Bond is one of a duly authorized issue of \$ \_\_\_\_\_ aggregate principal amount Dedicated Capital Improvement Tax Bonds, Series 2016 (the "*Series 2016 Bonds*"), issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, particularly Section 34-53.5 of the School Code and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and a Master Trust Indenture dated as of December 1, 2016, as supplemented by a First Supplemental Indenture dated as of December 1, 2016 (the "*Indenture*"), each by and between the Board and the Trustee, for the purpose of financing capital improvements permitted under Section 34-53.5 of the School Code. The Series 2016 Bonds are Bonds and Consolidated Reserve Fund Bonds, each as defined in the Indenture. As provided in the Indenture, the principal of and interest on the Series 2016 Bonds are secured by a pledge of, lien on and security interest in the Trust Estate as defined and described in the Indenture, including Capital Improvement Taxes as defined in the Indenture. The Indenture provides that Additional Bonds and Refunding Bonds may be issued from time to time on a parity with the Series 2016 Bonds to share ratably and equally in the Trust Estate upon compliance with certain requirements contained in the Indenture (the Series 2016 Bonds, any Additional Bonds and any Refunding Bonds from time to time outstanding are referred to collectively as the "*Bonds*").

Copies of the Indenture are on file at the principal corporate trust office of the Trustee and reference is hereby made to the Indenture for definitions of defined terms used herein and for a description of the provisions, among others, with respect to the nature and extent of the security for the Bonds, the rights, duties and obligations of the Board, the Trustee and the Registered Owners of the Bonds and the terms upon which the Bonds may be issued and secured.

This Series 2016 Bond is transferable, as provided in the Indenture, only upon the registration books of the Board maintained by the Registrar by the Registered Owner

hereof in person, or by its duly authorized attorney, upon surrender hereof with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney, and thereupon a new registered Series 2016 Bond or Bonds, in the same aggregate principal amount, maturity and interest rate, shall be issued to the transferee. The Board, the Trustee, the Registrar and any Paying Agent may deem and treat the person in whose name this Series 2016 Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes.

The Series 2016 Bonds are issuable in the form of fully registered bonds in the denomination of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000. Subject to the conditions and upon the payment of the charges (if any) provided in the Indenture, Series 2016 Bonds may be surrendered (accompanied by a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney) in exchange for an equal aggregate principal amount of Series 2016 Bonds of the same maturity and interest rate of any other authorized denominations.

The Series 2016 Bonds maturing on or after April 1, 20\_\_ are subject to redemption prior to maturity at the option of the Board, as a whole, or in part by lot, and upon notice as herein provided, on \_\_\_\_\_ 1, 20\_\_ and on any date thereafter, at a redemption price equal to the principal amount of the Series 2016 Bonds to be redeemed, plus accrued interest on the Series 2016 Bonds being redeemed to the date fixed for redemption.

The Series 2016 Bonds due April 1, 20\_\_ and April 1, 20\_\_ are subject to mandatory redemption at the redemption price of par by the application of sinking fund installments as provided in the Indenture.

Notice of the redemption of Series 2016 Bonds will be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the Registered Owners of Series 2016 Bonds to be redeemed at their last addresses appearing on such registration books. The Series 2016 Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Series 2016 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such Series 2016 Bonds or portions thereof shall cease to accrue and become payable.

The Indenture provides that if the Board shall pay the principal or redemption price, if applicable, and interest due and to become due on all Bonds of a particular series, maturity within a series or portions of a maturity within a series at the times and in



the manner stipulated therein and in the Indenture, then the pledge, lien and security interest created by the Indenture for such Bonds shall thereupon be discharged and satisfied. Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust at or prior to their maturity or redemption date shall be deemed to have been paid if, among other things, the Board shall have delivered to the Trustee either moneys in an amount which shall be sufficient or Defeasance Obligations (as defined in the Indenture), the principal of and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal or redemption price, if applicable, of and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be. Defeasance Obligations and moneys so deposited with the Trustee shall be held in trust for the payment of the principal or redemption price, if applicable, of and interest on said Bonds.

The Registered Owner of this Series 2016 Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Indenture.

Modifications or alterations of the Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Indenture.

**[FORM OF ASSIGNMENT]**

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

UNIF GIFT MIN ACT —	_____	Custodian	_____
	(Cust)		(Minor)
	under Uniform Gift to Minors		
	Act _____		
	(State)		
TEN COM	—	as tenants in common	
TEN ENT	—	as tenants by the entireties	
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common	

Additional abbreviations may also be used though not in the above list.

**ASSIGNMENT**

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

\_\_\_\_\_  
(Name and Address of Assignee)

\_\_\_\_\_  
(Please insert Social Security or other identifying number 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 as it appears upon the face of the within bond in every particular, without alteration or enlargement or any change whatever.

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

<b>Capital Plan - 2017 &amp; Prior Budget Years</b>
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<b>Project</b>	<b>Amount</b>
<b>Overcrowding Relief</b>	<b>\$ 119,180,000</b>
Byrne - Annex	\$ 20,000,000
New School - Dore ES	\$ 44,240,000
Skinner West - Annex	\$ 20,000,000
Dawes - Modulares	\$ 7,500,000
Bridge - Modulares	\$ 5,200,000
Zapata - Annex	\$ 22,240,000
<b>Facility Needs</b>	<b>\$ 20,000,000</b>
Emergencies/Unanticipated Facility Rehabilitation	\$ 20,000,000
<b>Programmatic Investments</b>	<b>\$ 4,700,000</b>
Brown, W - Program Improvements	\$ 4,700,000
<b>Air Conditioning</b>	<b>\$ 27,000,000</b>
Amundsen HS	\$ 592,272
Bennett	\$ 331,001
School Data Network and Wireless Upgrades	\$ 33,100,000
Security Equipment	\$ 900,000
<b>Capital Project Support Services</b>	<b>\$ 22,700,000</b>
Program Management and Design Fees	\$ 22,700,000
<b>FY2017 Project Totals</b>	<b>\$ 227,580,000</b>
Scammon - Roof	\$ 7,326,200
De Diego - Roof/Windows	\$ 7,000,000
Morgan Park - Lockers	\$ 678,000
Playlots	\$ 3,845,800
<b>Prior Year Capital Projects</b>	<b>\$ 18,850,000</b>

<b>Supplemental Capital Plan - 2017 Budget Year</b>
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<b>Project</b>	<b>Amount</b>
<b>Facility Needs</b>	<b>\$ 194,925,000</b>
Cardenas - Roof	\$ 2,300,000
Chavez - Roof/Window	\$ 4,600,000
Clark HS - Roof/Envelope	\$ 9,000,000
Clark, G - Roof/Envelope	\$ 4,125,000
Curie HS - Envelope	\$ 7,950,000
Curie HS - Mechanical	\$ 12,000,000
Curie HS - Roof	\$ 9,000,000
De Diego - Roof/Windows - Phase II	\$ 6,400,000
Edwards - Roof - Phase II	\$ 8,000,000
Franklin - Envelope	\$ 2,000,000
Franklin - Roof	\$ 8,000,000
Gary - Envelope	\$ 10,720,000
Gary - Interior/Accessibility	\$ 5,205,000
Gary - Roof/Windows	\$ 7,075,000
Goudy - Roof/Envelope	\$ 3,400,000
Haley Annex - Roof/Envelope	\$ 2,200,000
Hammond - Roof	\$ 4,000,000
Hefferan - Roof/Envelope/Mechanical	\$ 6,900,000
Lake View HS - Roof/Envelope/Mechanical	\$ 20,000,000
Lincoln Park HS - Roof/Envelope/Mechanical	\$ 20,000,000
Lindblom HS - Envelope	\$ 4,723,000
Lindblom HS - Roof	\$ 8,477,000
Perspectives IIT - Windows	\$ 4,900,000
Rowe - Roof/Envelope	\$ 4,500,000
Salazar - Roof/Windows	\$ 3,400,000
Solomon - Roof/Envelope	\$ 4,000,000
U of C Donoghue - Roof/Windows	\$ 6,600,000
Zapata - Roof	\$ 3,450,000
Chimney Renovations	\$ 2,000,000
 <b>Overcrowding Relief</b>	 <b>\$ 93,130,000</b>
New Northwest Annex Construction - 1	\$ 20,000,000
New Northwest Annex Construction - 2	\$ 23,830,000
New Northwest Pre-K Center - Major Renovation	\$ 4,300,000
New Southwest Annex Construction - 1	\$ 20,000,000
New Southwest Annex Construction - 2	\$ 20,000,000
New Southwest Modular Construction	\$ 5,000,000
 <b>New School Construction</b>	 <b>\$ 150,000,000</b>
New Northwest Middle Grades School Construction	\$ 75,000,000
New Southside High School Construction	\$ 75,000,000

<b>Supplemental Capital Plan - 2017 Budget Year (continued)</b>
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<b>Project</b>	<b>Amount</b>
<b>Facility Site Improvements</b>	<b>\$ 28,630,000</b>
Brooks - Turf Field	\$ 2,750,000
Clemente HS - Turf Field	\$ 3,500,000
Cook - Space to Grow	\$ 500,000
Davis, N - Space to Grow	\$ 500,000
Fernwood - Space to Grow	\$ 500,000
Field - Space to Grow	\$ 500,000
Morton - Space to Grow	\$ 500,000
Sauganash - Turf Field	\$ 1,000,000
Till - Fieldhouse Demo	\$ 500,000
Wells HS - Turf Field	\$ 1,800,000
New Northwest Turf Field Construction - 1	\$ 1,200,000
New Northwest Turf Field Construction - 2	\$ 3,780,000
New Southside Turf Field Construction	\$ 3,500,000
New Westside Stadium Upgrade	\$ 4,500,000
Southeast Stadium - Major Renovation	\$ 3,600,000
<b>Programmatic Investments</b>	<b>\$ 36,470,000</b>
Amundsen HS - Interior Renovation	\$ 7,000,000
Sheridan - Annex	\$ 8,000,000
Von Steuben - Science Labs	\$ 4,000,000
South Regional Gifted Center - Major Renovation	\$ 5,300,000
Southside IB High School - Major Renovation	\$ 5,000,000
Southwest Magnet Elementary School - Major Renovation	\$ 7,170,000
<b>Facility Upgrades</b>	<b>\$ 480,000</b>
Belding - Auditorium Renovation	\$ 480,000
<b>FY2017 Supplemental Project Totals</b>	<b>\$ 503,635,000</b>
<b>FY2017 Capital Plan</b>	<b>\$ 227,580,000</b>
<b><u>Prior Year Capital Plans</u></b>	<b>\$ 18,850,000</b>
<b>Total Capital Projects</b>	<b>\$ 750,065,000</b>