

**RESOLUTION AUTHORIZING THE BOARD OF EDUCATION OF THE
CITY OF CHICAGO TO ENTER INTO SUPPLEMENTAL INDENTURES
AMENDING EXISTING BOND INDENTURES TO PERMIT
OFFSETTING SWAP AGREEMENTS**

WHEREAS, the Board of Education of the City of Chicago (the "Board") has heretofore entered into a Trust Indenture dated as of January 1, 2003 (the "2003B Indenture") with The Bank of New York Trust Company, N.A., as successor to BNY Midwest Trust Company, as trustee (the "2003B Trustee"), pursuant to which the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2003B-1, Series 2003B-2 and Series 2003B-3 (collectively, the "2003B Bonds") and has entered into Swap Agreements (the "2003B Initial Swap Agreements") with respect to the 2003B Bonds with Bank of America, N.A. and Goldman Sachs Capital Markets, L.P., constituting the "Initial Swap Agreements" under the 2003B Indenture;

WHEREAS, the Board entered into the 2003B Indenture, issued the 2003B Bonds and entered into the 2003B Initial Swap Agreements pursuant to Resolution No. 01-1128-RS4, adopted by this Board on November 28, 2001 as supplemented by Resolution No. 02-1218-RS25 adopted by this Board on December 18, 2002 (collectively, the "2003B Bond Resolution");

WHEREAS, paragraph (i) of Section 4 of Resolution No. 01-1128-RS4 authorizes the Board to enter into swap agreements with respect to the bonds issued under the 2003B Bond Resolution provided that the stated aggregate notional amount under all agreements authorized under the 2003B Bond Resolution shall not exceed the principal amount of bonds issued under the 2003B Bond Resolution (net of offsetting transactions entered into by the Board);

WHEREAS, the Board has heretofore entered into a Trust Indenture dated as of December 1, 2003 (the "2003D Indenture") with Deutsche Bank National Trust Company, as trustee (the "2003D Trustee"), pursuant to which the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2003D-1, Series 2003D-2, Series 2003D-3 and Series 2003D-4 (collectively, the "2003D Bonds") and has entered into Swap Agreements (the "2003D Initial Swap Agreements") with respect to the 2003D Bonds with Lehman Brothers Special Financing Inc. and Goldman Sachs Capital Markets, L.P., constituting the "Initial Swap Agreements" under the 2003D Indenture;

WHEREAS, the Board entered into the 2003D Indenture, issued the 2003D Bonds and entered into the 2003D Initial Swap Agreements pursuant to Resolution No. 03-1119-RS12, adopted by this Board on November 19, 2003 (the "2003D Bond Resolution");

WHEREAS, paragraph (i) of Section 4 of the 2003D Bond Resolution authorizes the Board to enter into swap agreements with respect to the bonds issued under the 2003D Bond Resolution provided that the stated aggregate notional amount under all agreements authorized under the 2003D Bond Resolution shall not exceed the principal amount of bonds issued under the Bond Resolution (net of offsetting transactions entered into by the Board);

WHEREAS, the Board has heretofore entered into a Trust Indenture dated as of April 1, 2004 (the "2004B Indenture") with Amalgamated Bank of Chicago, as trustee (the "2004B Trustee"), pursuant to which the Board has heretofore issued its Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2004B-1, Series 2004B-2, Series 2004B-3 and Series 2004B-4 (collectively, the "2004B Bonds") and has entered into Swap Agreements (the "2004B Initial Swap Agreements") with respect to the 2004B Bonds with Bear Stearns Financial Products Inc. and Goldman Sachs Capital Markets, L.P., constituting the "Initial Swap Agreements" under the 2004B Indenture;

WHEREAS, the Board entered into the 2004B Indenture, issued the 2004B Bonds and entered into the 2004B Initial Swap Agreements pursuant to Resolution No. 04-0324-RS3, adopted by this Board on March 24, 2004 (the "2004B Bond Resolution");

WHEREAS, paragraph (i) of Section 4 of the 2004B Bond Resolution authorizes the Board to enter into swap agreements with respect to the bonds issued under the 2004B Bond Resolution provided that the stated aggregate notional amount under all agreements authorized under the 2004B Bond Resolution shall not exceed the principal amount of bonds issued under the 2004B Bond Resolution (net of offsetting transactions entered into by the Board);

WHEREAS, the Board has heretofore entered into a Trust Indenture dated as of November 1, 2004 (the "2004CDE Indenture") with Deutsche Bank National Trust Company, as trustee (the "2004CDE Trustee"), pursuant to which the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2004C, Series 2004D and Series 2004E (collectively, the "2004CDE Bonds") and has entered into Swap Agreements (the "2004CDE Initial Swap Agreements") with respect to the 2004CDE Bonds with _____ and _____, constituting the "Initial Swap Agreements" under the 2004CDE Indenture;

WHEREAS, the Board entered into the 2004CDE Indenture, issued the 2004CDE Bonds and entered into the 2004CDE Initial Swap Agreements pursuant to Resolution No. 04-1027-RS4, adopted by this Board on October 27, 2004 (the "2004CDE Bond Resolution");

WHEREAS, paragraph (i) of Section 4 of the 2004B Bond Resolution authorizes the Board to enter into swap agreements with respect to the bonds issued under the 2004CDE Bond Resolution provided that the stated aggregate notional amount under all agreements authorized under the 2004CDE Bond Resolution shall not exceed the principal amount of bonds issued under the 2004CDE Bond Resolution (net of offsetting transactions entered into by the Board);

WHEREAS, the Board has heretofore entered into a Trust Indenture dated as of December 1, 2005 (the "2005D Indenture") with J.P. Morgan Trust Company, National Association, as trustee (the "2005D Trustee"), pursuant to which the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2005D (the "2005D Bonds") and has entered into Swap Agreements (the "2005D Initial Swap Agreements") with respect to the 2005D Bonds with _____ and _____, constituting the "Initial Swap Agreements" under the 2005D Indenture;

WHEREAS, the Board entered into the 2005D Indenture, issued the 2005D Bonds and entered into the 2005D Initial Swap Agreements pursuant to Resolution No. 05-1116-RS4, adopted by this Board on November 16, 2005 (the "2005DE Bond Resolution");

WHEREAS, paragraph (i) of Section 4 of the 2005DE Bond Resolution authorizes the Board to enter into swap agreements with respect to the bonds issued under the 2005DE Bond Resolution provided that the stated aggregate notional amount under all agreements authorized under the 2005DE Bond Resolution shall not exceed the principal amount of bonds issued under the 2005DE Bond Resolution (net of offsetting transactions entered into by the Board);

WHEREAS, the Board has heretofore entered into a Trust Indenture dated as of December 1, 2005 (the "2005E Indenture") with J.P. Morgan Trust Company, National Association, as trustee (the "2005E Trustee"), pursuant to which the Board has heretofore issued its Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2005E (the "2005E Bonds") and has entered into Swap Agreements (the "2005E Initial Swap Agreements") with respect to the 2005E Bonds with _____ and _____, constituting the "Initial Swap Agreements" under the 2005E Indenture;

WHEREAS, the Board entered into the 2005E Indenture, issued the 2005E Bonds and entered into the 2005E Initial Swap Agreements pursuant to the 2005DE Resolution;

WHEREAS, paragraph (i) of Section 4 of the 2005DE Bond Resolution authorizes the Board to enter into swap agreements with respect to the bonds issued under the 2005DE Bond Resolution provided that the stated aggregate notional amount under all agreements authorized under the 2005DE Bond Resolution shall not exceed the principal amount of bonds issued under the 2005DE Bond Resolution (net of offsetting transactions entered into by the Board);

WHEREAS, the 2003B Indenture, the 2003D Indenture, the 2004B Indenture, the 2004CDE Indenture, the 2005D Indenture and the 2005E Indenture are herein collectively called the "Existing Indentures" and the currently outstanding 2003B Bonds, 2003D Bonds, 2004B Bonds, 2004CDE Bonds, 2005D Bonds and the 2005E Bonds are herein collectively called the "Outstanding Bonds";

WHEREAS, the Board hereby determines to enter into additional agreements that will constitute "offsetting transactions" with respect to the various Initial Swap Agreements and hereby determines that the most effective financial plan will be to permit the identification of any such agreements as "Swap Agreements" under the applicable Existing Indenture;

WHEREAS, to accomplish the proposed financial plan it is necessary for the Board and the appropriate Trustee to enter into a supplemental trust indenture for the purpose of amending the applicable Existing Indenture;

WHEREAS, the Board hereby determines that the proposed amendments will not materially adversely affect the rights of the applicable Trustee or the Owners of the Outstanding Bonds;

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

WHEREAS, each Indenture permits any such supplemental indenture to be entered into and to take effect without the consent of the Owners of the applicable series of the Outstanding Bonds;

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

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

Section 2. Authority to Enter Into Supplemental Indentures. The Board hereby authorizes the Chief Financial Officer to negotiate and secure the execution of (i) a supplemental indenture to the 2003B Indenture, in substantially the form of the First Supplemental Trust Indenture attached hereto as *Exhibit A*; (ii) a supplemental indenture to the 2003D Indenture, in substantially the form of the First Supplemental Trust Indenture attached hereto as *Exhibit B*; (iii) a supplemental indenture to the 2004B Indenture, in substantially the form of the First Supplemental Trust Indenture attached hereto as *Exhibit C*; (iv) a supplemental indenture to the 2004CDE Indenture, in substantially the form of the First Supplemental Trust Indenture attached hereto as *Exhibit D*; (v) a supplemental indenture to the 2005D Indenture, in substantially the form of the First Supplemental Trust Indenture attached hereto as *Exhibit E*; and (vi) a supplemental indenture to the 2005E Indenture, in substantially the form of the First Supplemental Trust indenture attached hereto as *Exhibit F*, all with such changes and modifications as they may deem necessary and in the best interest of the Board.

Section 3. Consents. The Board hereby authorizes the Chief Financial Officer to obtain such consents from bond insurers, credit banks, swap providers and rating agencies as may be necessary or desirable in connection with the amendments authorized by this Resolution.

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