

**RESOLUTION AUTHORIZING THE ISSUANCE OF EDUCATIONAL PURPOSES TAX ANTICIPATION NOTES OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$200,000,000**

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

WHEREAS, the Board has levied a tax on all taxable property within the boundaries of the School District for educational purposes for the year 2014 (the "**2014 Educational Fund Levy**") in the amount of \$2,205,000,000, and such levy has been filed in the manner provided by law with the County Clerk of The County of Cook, Illinois and the County Clerk of The County of DuPage, Illinois (the "County Clerks"); and

WHEREAS, pursuant to Section 34-23 of the School Code, the Board is authorized to issue tax anticipation warrants against and in anticipation of taxes levied for the payment of expenditures for educational purposes; and

WHEREAS, pursuant to Section 34-23.5 of the School Code and in lieu of issuing the tax anticipation warrants authorized by Section 34-23 of the School Code, the Board is authorized to issue notes, bonds, or other obligations (and in connection with that issuance, establish lines of credit with one or more banks) in anticipation of the receipt of the taxes levied for educational purposes in an amount not to exceed 85% of the 2014 Educational Fund Levy; and

WHEREAS, pursuant to a Credit Agreement dated as of December 19, 2014 (the "**Series 2014A Credit Agreement**"), by and between the Board and PNC Bank, National Association, a revolving line of credit was established for the benefit of the Board in the maximum amount of \$250,000,000 to provide advances to the Board for the purpose of paying ordinary and necessary expenditures for educational purposes (the "**Series 2014A Advances**"); and

WHEREAS, pursuant to a Trust Indenture dated as of December 1, 2014 (the "**Series 2014A Indenture**"), between the Board and Zions First National Bank, as Trustee (the "**Trustee**"), the Board has issued from time to time its Educational Purposes Tax Anticipation Notes, Series 2014A (the "**Series 2014A Notes**") to evidence its obligations under the Series 2014A Credit Agreement to repay the Series 2014A Advances and paying costs of issuance of the Series 2014A Notes; and

WHEREAS, pursuant to a Credit Agreement dated as of December 19, 2014 (the "**Series 2014B Credit Agreement**"), by and between the Board and BMO Harris Bank N.A., a revolving line of credit was established for the benefit of the Board in the maximum amount of \$250,000,000 to provide advances to the Board for the purpose of paying such ordinary and necessary expenditures for educational purposes (the "**Series 2014B Advances**"); and

WHEREAS, pursuant to a Trust Indenture dated as of December 1, 2014 (the "**Series 2014B Indenture**"), between the Board and the Trustee, the Board has issued its Educational Purposes Tax Anticipation Notes, Series 2014B (the "**Series 2014B Notes**" and, together with the Series 2014A Notes, the "**Series 2014AB Notes**") to evidence its obligations under the Series 2014B Credit Agreement to repay the Series 2014B Advances and paying costs of issuance of the Series 2014B Notes; and

WHEREAS, except for the Series 2014AB Notes, no notes, bonds, or other obligations have been issued by the Board in anticipation of the receipt of the 2014 Educational Fund Levy; and

WHEREAS, the Board has not issued tax anticipation warrants pursuant to Section 34-23 of the School Code in anticipation of the receipt of the 2014 Educational Fund Levy; and

WHEREAS, the aggregate principal amount of all Notes (as hereinafter defined) issued in anticipation of the collection of the 2014 Educational Fund Levy will not exceed 85% of the 2014 Educational Fund Levy; and

WHEREAS, the Board has not established a working cash fund pursuant to Sections 34-30 through 34-36 of the School Code; and

WHEREAS, the Board, the Trustee and Zions First National Bank, as escrow agent (the "**Escrow Agent**") have entered into the 2014 Tax Escrow Agreement dated December 19, 2014 (the "**Tax Escrow Agreement**") with respect to the administration of all of the money derived from the collection of the 2014 Educational Fund Levy and the Board has authorized the direct deposit with the Escrow Agent of the receipts of the 2014 Educational Fund Levy:

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

1. *Incorporation of Preambles.* The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by this reference.

2. *Definitions.* For all purposes of this Resolution and in addition to the defined terms in the preambles to this Resolution, except as otherwise expressly provided or unless the context otherwise requires and in addition to the terms defined in the preambles hereto, the terms defined in this Section shall have the meanings set forth below, and shall include the plural as well as the singular.

**"Designated Officials"** shall mean the President, the Treasurer and the Chief Financial Officer of the Board.

**"JPMS"** shall mean J.P. Morgan Securities LLC, the purchaser of the Series 2014C Notes pursuant to the Series 2014C Note Purchase Agreement.

**"Notes"** shall mean the Series 2014AB Notes, the Series 2014C Notes and all notes, bonds, warrants or other obligations issued by the Board on a parity therewith and sharing ratably and equally in all or any portion of the Tax Receipts (as hereafter defined).

**"Series 2014C Note Purchase Agreement"** means the Note Purchase Agreement by and between the Board and JPMS pursuant to which JPMS will agree to purchase the Series 2014C Notes on the terms and conditions described therein.

**"Series 2014C Notes"** shall mean the tax anticipation notes of the Board authorized to be issued under this Resolution.

**"Tax Receipts"** means the tax revenue collected from the 2014 Educational Fund Levy.

3. *Determination to Authorize Borrowing.* It is found and determined that the borrowing of moneys in anticipation of the Tax Receipts is necessary so that sufficient money will be in the treasury of the School District at all times to meet the ordinary and necessary expenses of the School District for educational purposes and that authorizing the issuance of the Series 2014C Notes and the sale of the Series 2014C Notes to JPMS pursuant to the Series 2014C Note Purchase Agreement will provide the needed access to funds to meet such ordinary and necessary expenses. The Board is hereby authorized to issue the Series 2014C Notes in an aggregate principal amount of not to exceed \$200,000,000 in anticipation of the collection of the 2014 Educational Fund Levy. The Series 2014C Notes are to be issued in lieu of tax anticipation warrants in accordance with the provisions of Section 34-23.5 of the School Code and the Local Government Debt Reform Act of the State of Illinois, as amended (the "**Debt Reform Act**"). It is hereby found and determined that no person holding an office of the Board, either by election or appointment, is in any manner interested, either directly or indirectly, in his own name or the name of any other person, association, trust or corporation, in the transactions contemplated by the Series 2014C Notes and the Series 2014C Note Purchase Agreement.

4. *Authorization and Terms.* The Series 2014C Notes are hereby authorized to be issued to defray the necessary expenses and liabilities of the School District incurred for educational purposes prior to the receipt of taxes levied for such purposes pursuant to the 2014 Educational Fund Levy. The Series 2014C Notes shall be dated as of the date of delivery thereof and shall be drawn against and in anticipation of the collection of the 2014 Educational Fund Levy. The Series 2014C Notes shall be limited obligations of the Board issued as Additional Notes (as defined in each of the Series 2014A Indenture and the Series 2014B Indenture) on a parity with and sharing ratably and equally in the Tax Receipts pledged to the payment of the Notes. All moneys borrowed pursuant to this Resolution shall be repaid

exclusively from the Tax Receipts derived from the 2014 Educational Fund Levy, and such payment shall be made, within 60 days after the Tax Receipts have been received by the Board (or by the Escrow Agent on behalf of the Board), *provided, however*, either of the Designated Officials are hereby authorized to determine, at their discretion, to retire the borrowing evidenced by the Series 2014C Notes by the making of partial payments or payment in full, as permitted by the terms of the Series 2014C Notes. The Series 2014C Notes shall bear interest at a rate or rates, fixed or variable, as determined by either of the Designated Officials, not to exceed the maximum rate authorized by the Bond Authorization Act of the State of Illinois, as amended, from the date of issuance until paid.

Taxes comprising the 2014 Educational Fund Levy have heretofore been and remain hereby assigned as security for the payment of the Notes and such taxes, when collected, shall be set apart and held for the payment of the Notes.

The Series 2014C Notes shall be issued and secured pursuant to a Trust Indenture between the Board and the Trustee (the "**Series 2014C Indenture**"). Each of the Designated Officials is hereby authorized to execute and deliver, and the Secretary is hereby authorized to attest, the Series 2014C Indenture on behalf of the Board, 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 forms of Series 2014C Indenture authorized hereby.

5. *Execution.* The Series 2014C Notes shall be executed on behalf of the Board with the manual or duly authorized facsimile signatures of the President and Secretary of the Board, all as such officers shall determine. In case any officer whose signature shall appear on the Series 2014C Notes shall cease to be such officer before the delivery of such Notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

6. *Tax Escrow Direction.* Pursuant to authority contained in Section 20-90 of the Property Tax Code of the State of Illinois, as amended, and Section 14 of the Local Government Debt Reform Act, the Board has delivered and hereby confirms its written direction to the County Collectors of The Counties of Cook and DuPage, Illinois (the "**County Collectors**"), to deposit the collections of the 2014 Educational Fund Levy as and when extended for collection directly with the Escrow Agent in order to secure the payment of the principal of and interest on the Notes.

7. *Approval of Series 2014C Note Purchase Agreement.* The Series 2014C Notes shall be sold to JPMS pursuant to the Series 2014C Note Purchase Agreement (i) at a price of not less than 95% of the principal amount of the Series 2014C Notes sold or (ii) for a fee to be paid by the Board of not greater than 5% of the principal amount of the Series 2014C Notes sold. The form of Series 2014C Note Purchase Agreement attached to this Resolution as **Exhibit B** is hereby approved and each of the Designated Officials is hereby authorized to execute and deliver the Series 2014C Note Purchase Agreement on behalf of the Board, 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 forms of Series 2014C Note Purchase Agreement authorized hereby.

8. *Application of Proceeds and Other Moneys.* Proceeds of sale of the Series 2014C Notes are appropriated for the educational expenses of the Board and for the payment of costs of issuance of the Series 2014C Notes and related fees.

9. *Further Acts.* Each of the Designated Officials, officials or officers of the Board are hereby authorized to execute and deliver the documents approved by this Resolution, and such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Series 2014C Notes, the Series 2014C Indenture and the Series 2014C Note Purchase Agreement, including, but not limited to, provisions relating to increased costs and indemnification and the exercise

following the delivery date of the Series 2014C Notes of any power or authority delegated to such official under this Resolution with respect to the Series 2014C Notes, the Series 2014C Indenture and the Series 2014C Note Purchase Agreement, but subject to any limitations on or restrictions of such power or authority as herein set forth. The General Counsel is 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 to the Series 2014A Credit Agreement, the Series 2014B Credit Agreement or any other document executed and delivered in connection with the issuance of the Series 2014AB Notes that a Designated Official deems necessary and desirable in order to accomplish the issuance of the Series 2014C Notes.

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.

10. *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.

11. *Repealer and Effective Date.* All Resolutions or parts of resolution in conflict herewith are, to the extent of such conflict, hereby repealed. This Resolution is effective immediately upon its adoption.

15-0624-RS12 FINAL

**EXHIBIT A**

**FORM OF SERIES 2014C TRUST INDENTURE**



TRUST INDENTURE

by and between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

ZIONS FIRST NATIONAL BANK  
as trustee

dated as of June 1, 2015

securing

\$200,000,000  
Educational Purposes Tax Anticipation Notes, Series 2014C

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THIS TRUST INDENTURE dated as of June 1, 2015 (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 ZIONS FIRST NATIONAL BANK, a duly organized national banking association, existing and authorized to accept and execute trusts of the character set forth herein (the "*Trustee*").

**WITNESSETH:**

WHEREAS, pursuant to the provisions of Article 34 of the School Code of the State of Illinois, as amended (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, the tax levy of the Board for educational purposes for the year 2014 (the "*2014 Educational Fund Levy*") is in the amount of \$2,205,000,000, such levy was filed in the manner provided by law with the County Clerk of The County of Cook, Illinois and the County Clerk of The County of DuPage, Illinois (the "*County Clerks*") and the County Clerks have extended the 2014 Educational Fund Levy for collection in the aggregate amount of \$ \_\_\_\_\_; and

WHEREAS, pursuant to Section 34-23.5 of the School Code and in lieu of issuing the tax anticipation warrants authorized by Section 34-23 of the School Code, the Board is authorized to issue notes, bonds, or other obligations (and in connection with that issuance, establish lines of credit with one or more banks) in anticipation of the receipt of the taxes levied for educational purposes in an amount not to exceed 85% of the 2014 Educational Fund Levy; and

WHEREAS, pursuant to a Credit Agreement dated as of December 19, 2014 (the "*Series 2014A Credit Agreement*"), by and between the Board and PNC Bank, National Association, a revolving line of credit was established for the benefit of the Board in the maximum amount of \$250,000,000 to provide advances to the Board for the purpose of paying ordinary and necessary expenditures for educational purposes (the "*Series 2014A Advances*"); and

WHEREAS, pursuant to a Trust Indenture dated as of December 1, 2014 (the "*Series 2014A Indenture*"), between the Board and Zions First National Bank, as trustee, the Board has issued from time to time its Educational Purposes Tax Anticipation Notes, Series 2014A (the "*Series 2014A Notes*") to evidence its obligations under the Series 2014A Credit Agreement to repay the Series 2014A Advances and paying costs of issuance of the Series 2014A Notes; and

WHEREAS, pursuant to a Credit Agreement dated as of December 19, 2014 (the "*Series 2014B Credit Agreement*" and, together with the Series 2014A Credit Agreement, the "*Credit Agreements*"), by and between the Board and BMO Harris Bank N.A., a revolving line of credit was established for the benefit of the Board in the maximum amount of \$250,000,000 to provide advances to the Board for the purpose of paying such ordinary and necessary expenditures for educational purposes (the "*Series 2014B Advances*"); and

WHEREAS, pursuant to a Trust Indenture dated as of December 1, 2014 (the "*Series 2014B Indenture*"), between the Board and Zions First National Bank, as trustee, the Board has issued its Educational Purposes Tax Anticipation Notes, Series 2014B (the "*Series 2014B Notes*") to evidence its obligations under the Series 2014B Credit Agreement to repay the Series 2014B Advances and paying costs of issuance of the Series 2014B Notes; and

WHEREAS, in accordance with the provisions of Section 34-23.5 of the School Code and the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Act*"), the Board, on the 24th day of June, 2015, adopted Resolution No. 15-0624-RS\_ (the "*Note Resolution*") authorizing the Board to issue its Educational Purposes Tax Anticipation Notes, Series 2014C (the "*Series 2014C Notes*") in anticipation of the tax revenue to be derived from the 2014 Educational Fund Levy in an aggregate principal amount of not to exceed \$200,000,000 for the purpose of paying ordinary and necessary expenditures for educational purposes and paying costs of issuance of the Series 2014C Notes; and

WHEREAS, the 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 issue the Series 2014C Notes for the purposes aforesaid; and

WHEREAS, pursuant to authority granted in the Note Resolution, the Board has appointed Zions First National Bank to act as Trustee under this Indenture; and

WHEREAS, the Series 2014C Notes will be issued as Additional Notes (as defined in each of the Series 2014A Indenture and the Series 2014B Indenture) on a parity with and sharing ratably and equally in, and payable exclusively from, the tax revenue collections from the 2014 Educational Fund Levy (the "*Pledged Tax Receipts*"); and

WHEREAS, the Series 2014C Notes will be further secured by the other moneys, securities and funds pledged under this Indenture; and

WHEREAS, the Series 2014C Notes will be sold to J.P. Morgan Securities LLC ("*JPMS*") pursuant to a Note Purchase Agreement dated June [26], 2015 between the Board and JPMS (the "*Note Purchase Agreement*"); and

WHEREAS, the Board, Zions First National Bank, as trustee for the Series 2014A Bonds, Zions First National Bank, as trustee for the Series 2014B Bonds and Zions First National Bank, as escrow agent (the "*Escrow Agent*") have entered into the 2014 Tax Escrow Agreement dated December 19, 2014 (the "*Tax Escrow Agreement*") with respect to the administration of the Pledged Tax Receipts and the Board has authorized the direct deposit to the Escrow Agent of the Pledged Tax Receipts; and

WHEREAS, as Additional Notes, the Series 2014C Notes will be secured by the Tax Escrow Agreement to the same extent as the Series 2014A Notes and the Series 2014B Notes; and

WHEREAS, all things necessary to make the Series 2014C Notes, 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 the Pledged Tax Receipts to secure the payment of the principal of, premium, if any, and interest on the Series 2014C Notes 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 Series 2014C Notes, 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 Series 2014C Notes issued hereunder, according to the import thereof, and the performance and observance of each and every covenant and condition herein and in the Series 2014C Notes contained, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the acquisition and acceptance of the Series 2014C Notes 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 2014C Notes 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 and grant a lien upon the following Trust Estate to the Trustee and its successors in trust and assigns, for the benefit of the Owners to the extent provided in this Indenture:

(a) The Pledged Tax Receipts, provided that the pledge of the Pledged Tax Receipts to the Series 2014C Notes is on a parity with the pledge of the Pledged Tax Receipts to any other Tax Anticipation Notes; and

(b) All moneys and securities and earnings thereon held in the Escrow Account maintained under the Tax Escrow Agreement, provided that such pledge to the Series 2014C Notes is on a parity with the pledge of the moneys and securities held in the Escrow Account for the benefit and security of any other Tax Anticipation Notes and is subject to the allocation of the moneys and securities in said Escrow Account in accordance with the terms and provisions of the Tax Escrow Agreement; and

(c) All moneys and securities and earnings thereon in all Funds and Accounts established pursuant to this Indenture; and

(d) Any and all other moneys, securities and property 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;

BUT IN TRUST NEVERTHELESS, and except as herein otherwise provided, for the equal and proportionate benefit and security of the Series 2014C Notes issued hereunder and secured by this Indenture, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Series 2014C Note 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, so that each and all of the Series 2014C Notes 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.

*PROVIDED FURTHER, HOWEVER*, that the Board has reserved the right, upon compliance with the provisions of Section 6.4 and the Credit Agreements, to issue Additional Notes (as hereinafter defined) on a parity with and sharing ratably and equally in the Pledged Tax Receipts with the Series 2014C Notes.

*PROVIDED FURTHER, 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, pursuant to Section 11.1, for the payment of all principal, premium, if any, and interest on the Series 2014C Notes due or to become due thereon and all other amounts secured hereby, 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 of the Series 2014C Notes from time to time, that the terms and conditions upon which the Series 2014C Notes 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 1.1. Definitions.* The following terms shall, for all purposes of this Indenture, have the following meanings unless a different meaning clearly appears from the context:

“*Act*” means the Local Government Debt Reform Act of the State, as amended.

“*Additional Notes*” means any Tax Anticipation Notes issued by the Board in accordance with the provisions of the School Code and the Act on a parity with and sharing ratably and equally in all or any portion of the Pledged Tax Receipts with the Series 2014A Notes, the Series 2014B Notes, the Series 2014C Notes and any other Tax Anticipation Notes secured by such Pledged Tax Receipts.

“*Authorized Denominations*” means \$100,000 and any integral multiple thereof.



“*Authorized Officer*” means (a) any Designated Official, (b) the Controller and Chief Operating Officer of the Board acting together, or (c) any other officer or employee of the Board authorized to perform specific acts or duties hereunder by resolution duly adopted by the Board.

“*Beneficial Owner*” means the owner of a beneficial interest in Series 2014C Notes registered in the name of Cede & Co., as nominee of DTC (or a successor securities depository or nominee for either of them).

“*Board*” means the school district coterminous with the City of Chicago, 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.

“*Bond Counsel*” means the firm of Chapman and Cutler LLP, Chicago, Illinois, or any other law firm designated by the Board having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, acceptable to the Trustee.

“*Business Day*” means any day other than (a) a Saturday, Sunday or (b) a day on which banking institutions located (i) in the city in which the designated office of the Trustee is located, (ii) in the city in which the designated office of the Escrow Agent is located.

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

“*Counsel’s Opinion*” or “*Opinion of Counsel*” 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 internal counsel to the Board) or Bond Counsel.

“*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.

“*Credit Agreements*” means, collectively, the Series 2014A Credit Agreement and the Series 2014B Credit Agreement, as the same may be amended, supplemented, restated or otherwise modified from time to time.

“*Date of Issuance*” means the date of original issuance and delivery of the Series 2014C Notes hereunder.

“*Deposit Requirement*” means, as of any date of calculation, an amount sufficient to pay the principal of and interest on the Series 2014C Notes to the Maturity Date thereof or such earlier Redemption Date for which notice has been given by the Board. For purposes of calculating the Deposit Requirement, interest shall be calculated by reference to (i) the actual amount of interest accrued on the Series 2014C Notes to such date of calculation and (ii) interest

to accrue from such date of calculation at the Fixed Rate, Taxable Rate or Default Rate, as then in effect. For reference only, as of the Date of Issuance of the Series 2014C Notes and assuming that the Series 2014C Notes remain Outstanding bearing interest at the Fixed Rate until the Maturity Date, the Deposit Requirement is \$\_\_\_\_\_. The Deposit Requirement will change upon a redemption or purchase for cancellation of Series 2014C Notes or a change in the interest rate applicable to the Series 2014C Notes to the Taxable Rate or the Default Rate.

“*Default Rate*” means a rate of interest equal to [\_\_\_\_\_] % per annum.

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

“*Designated Official*” means (i) the President of the Board, (ii) the Chief Financial Officer of the Board or (iii) any other officer of the Board authorized to perform specific acts and duties under this Indenture by a resolution of the Board.

“*Determination of Taxability*” means and shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the Board files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred;

(ii) on the date when the Board notifies any Series 2014C Noteholder or any former Series 2014C Noteholder that it has requested and received a written opinion by a nationally recognized attorney or firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the Series 2014C Noteholder of such notification from the Board, the Board shall deliver to the Series 2014C Noteholder and any former Series 2014C Noteholder a ruling or determination letter issued to or on behalf of the Board by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

(iii) on the date when the Board shall be advised in writing by the Commissioner or any District Director of the Internal Revenue Service (or any other government official or agent exercising the same or a substantially similar function from time to time) that, based upon filings of the Board, or upon any review or audit of the Board or upon any other ground whatsoever, an Event of Taxability shall have occurred; or

(iv) on that date when the Board shall receive notice from the Series 2014C Noteholder or any former Series 2014C Noteholder that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar

function from time to time) has assessed as includable in the gross income of such Series 2014C Noteholder or such former Series 2014C Noteholder the interest on the Series 2014C Notes due to the occurrence of an Event of Taxability;

*provided, however*, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the Board has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined; *provided further, however*, that upon demand from the Series 2014C Noteholder or former Series 2014C Noteholder, the Board shall promptly reimburse, but solely from payments made by the Board, such Series 2014C Noteholder or former Series 2014C Noteholder for any payments, including any taxes, interest, penalties or other charges, such Series 2014C Noteholder (or former Series 2014C Noteholder) shall be obligated to make as a result of the Determination of Taxability.

“DTC” means The Depository Trust Company, New York, New York, as securities depository for the Series 2014C Notes.

“DTC Participant” means any securities broker or dealer, bank, trust company, clearing corporation or other organization depositing Series 2014C Notes with DTC pursuant to the book-entry only system described in Section 2.1(f) hereof.

“Escrow Agent” means Zions First National Bank, or its successor as escrow agent under the Tax Escrow Agreement.

“Event of Default” means any event so designated and specified in Section 7.1.

“Event of Taxability” means a (i) a change in law or judicial or administrative interpretation thereof, the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Board, or the failure to take any action by the Board, or the making by the Board of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Series 2014C Notes) which has the effect of causing interest paid or payable on the Series 2014C Notes to become includable, in whole or in part, in the gross income of the Series 2014C Noteholder or any former Series 2014C Noteholder for federal income tax purposes, whether as a result of a claim by the Internal Revenue Service that interest on the Series 2014C Notes is includable in the gross income of Series 2014C Noteholder or any former Series 2014C Noteholder for federal income tax purposes, or an opinion of Bond Counsel, or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Series 2014C Notes to become includable, in whole or in part, in the gross income of the Series 2014C Noteholder or any former Series 2014C Noteholder for federal income tax purposes with respect to the Series 2014C Notes.

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

“*Financing Documents*” means this Indenture, the Tax Escrow Agreement and the Note Purchase Agreement.

“*Fitch*” means Fitch Ratings, its successors and assigns, and, if Fitch shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board by notice to the Trustee.

“*Fixed Rate*” means a rate of interest equal to [ ]% per annum.

“*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.

“*Government Obligations*” means (a) any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America and (b) certificates of ownership of the principal of or interest on obligations of the type described in clause (a) of this definition, (i) which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System in the capacity of a custodian, (ii) the owner of which certificate is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations, and (iii) for which the underlying obligations are held in safekeeping in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

“*Immediate Notice*” means notice by telephone, telex or telecopier or by facsimile transmission or other similar electronic means of communication, not including electronic mail transmission, proving evidence of transmission to such address as the addressee shall have directed in writing, promptly followed by written notice by first class mail, postage prepaid; *provided, however*, that if any person required to give an Immediate Notice shall not have been provided with the necessary information as to the telephone, telex, telecopier, facsimile or other similar electronic address of an addressee, Immediate Notice shall mean written notice by first class mail, postage prepaid.

“*Indenture*” means this Trust Indenture, dated as of June 1, 2015, by and between the Board and the Trustee, as from time to time amended and supplemented.

“*Interest Payment Date*” means (i) each Redemption Date with respect to the Series 2014C Notes then being redeemed and (ii) the Maturity Date.

*“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:

- (a) Government Obligations;
- (b) 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;
- (c) Senior debt obligations issued by the Fannie Mae or the Federal Home Loan Mortgage Corporation and senior debt obligations of other government agencies which at the time of purchase are rated within the 4 highest general classifications established by a rating service of nationally recognized expertise or are expressly secured by the full faith and credit of the United States of America;
- (d) U.S. dollar denominated deposit accounts, certificates of deposit (including those placed by a third party pursuant to an agreement between the Trustee and the Board), demand deposits, including interest bearing money market accounts, trust deposits, time deposits, federal funds and banker’s acceptances with domestic commercial banks (including the Trustee and its affiliates) which on the date of purchase have any two of the following ratings on their short-term certificates of deposit: “A-1” or “A-1+” by S&P, “P-1” by Moody’s and “F1” or “F1+” by Fitch, 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);
- (e) Commercial paper which at the time of purchase has any two of the following ratings: “A-1” or above by S&P, “P-1” by Moody’s and “F1” by Fitch, and which matures not more than 180 days after the date of purchase;
- (f) 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;

- (g) Repurchase Agreements; and
- (h) Forward Supply Contracts.

Ratings of Investment Securities referred to herein shall be determined at the time of purchase of such Investment Securities and without regard to ratings subcategories.

“*Investor Letter*” means a letter in the form attached hereto as Exhibit B or in a form otherwise approved by a Designated Official.

“*JPMS*” means J.P. Morgan Securities LLC, the initial purchaser of the Series 2014C Notes pursuant to the Note Purchase Agreement.

“*Letter of Representations*” means the Blanket Issuer Letter of Representations dated March 15, 2002, between the Board and DTC, relating to the book-entry only system for the Series 2014C Notes described in Section 2.1(f) hereof.

“*Maturity Date*” means [October 1, 2015].

“*Moody’s*” means Moody’s Investors Service, its successors and assigns, and, if Moody’s shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Moody’s*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board by notice to the Trustee.

“*Note Purchase Agreement*” means that certain Note Purchase Agreement dated June \_\_, 2015 between the Board and J.P. Morgan Securities LLC, as purchaser of the Series 2014C Notes.

“*Note Resolution*” means Resolution No. 15-0624-RS\_\_, adopted by the Board on June 24, 2015, authorizing the issuance of the Series 2014C Notes.

“*Opinion of Bond Counsel*” means a written opinion of Bond Counsel in form and substance acceptable to the Board and the Trustee, which opinion may be based on a ruling or rulings of the Internal Revenue Service.

“*Outstanding*” means, as of any date, all Series 2014C Notes theretofore or thereupon being authenticated and delivered under this Indenture except:

- (i) Any Series 2014C Notes (or portions of Series 2014C Notes) canceled by the Trustee at or prior to such date;
- (ii) Series 2014C Notes (or portions of Series 2014C Notes) 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 Date or Redemption

Date), *provided* that if such Series 2014C Notes (or portions of Series 2014C Notes) are to be redeemed, notice of such redemption shall have been given as in Article III provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Series 2014C Notes in lieu of or in substitution for which other Series 2014C Notes shall have been authenticated and delivered pursuant to Article II, Section 3.3(c) or Section 10.6; and

(iv) Series 2014C Notes deemed to have been paid as provided in Section 11.1(b).

“*Owner*” or “*Series 2014C Noteholder*” means any person who shall be the registered owner of any Series 2014C Note or Series 2014C Notes.

“*Paying Agent*” means the Trustee and any other bank, national banking association or trust company designated by a Designated Official pursuant to Section 8.2, respectively, hereof as a paying agent for the Series 2014C Notes, and any successor or successors appointed by a Designated Official or the Trustee under this Indenture.

“*Person*” means and includes an association, unincorporated organization, a limited liability company, a corporation, a partnership, 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.

“*Pledged Tax Receipts*” means all of the money derived from the collection of the Pledged Taxes.

“*Pledged Taxes*” means the annual tax levied by the Board upon all taxable property located in the School District for educational purposes for the year 2014.

“*Principal Payment Date*” means (i) each Redemption Date with respect to the Series 2014C Notes then being redeemed and (ii) the Maturity Date.

“*Purchaser*” means JPMS, as initial purchaser of the Series 2014C Notes from the Board pursuant to the Note Purchase Agreement, and any subsequent purchaser of the Series 2014C Notes that has executed and delivered an Investor Letter at the time of such subsequent purchase.

“*Record Date*” means, (i) with respect to any Interest Payment Date for the Series 2014C Notes, the Business Day immediately preceding such Interest Payment Date for such Series 2014C Notes and (ii) any date determined by the Trustee pursuant to Section 7.2(i) hereof.

“*Redemption Date*” means, with respect to any Series 2014C Note (or portion thereof), the date identified by the Board pursuant to Section 3.1 hereof for the optional redemption of such Series 2014C Note (or portion thereof).

“*Redemption Price*” means, with respect to any Series 2014C Note (or portion thereof), the principal amount thereof payable upon the date fixed for redemption.

“*Registrar*” means the Trustee and any other bank, national banking association or trust company appointed by a Designated Official under this Indenture and designated as registrar for the Series 2014C Notes, and its successor or successors.

“*Repurchase Agreements*” means 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.

“*School Code*” means the School Code of the State of Illinois, as amended.

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

“*Series 2014A Notes*” means the Educational Purposes Tax Anticipation Notes, Series 2014A, of the Board.

“*Series 2014B Notes*” means the Educational Purposes Tax Anticipation Notes, Series 2014B, of the Board.

“*Series 2014C Notes*” means the Educational Purposes Tax Anticipation Notes, Series 2014C of the Board issued pursuant to Section 2.1 and any Series 2014C Notes issued hereunder in substitution or replacement therefor.

“*SLGS*” means United States Treasury Certificates of Indebtedness, Notes and Bonds – State and Local Government Series.

“*S&P*” means Standard & Poor’s, a Division of The McGraw-Hill Companies, Inc., its successors and assigns, and, if S&P shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board by notice to the Trustee.

“*State*” means the State of Illinois.

“*Supplemental Indenture*” means any Supplemental Indenture between the Board and the Trustee authorized pursuant to Article IX.

“*Tax Agreement*” means the Tax Exemption Certificate and Agreement, dated the date of issuance of the Series 2014C Notes, executed by the Board and the Trustee.



“*Tax Anticipation Notes*” means any one or more of the Tax Anticipation Notes issued pursuant to the Act, including the Series 2014A Notes, the Series 2014B Notes, the Series 2014C Notes and any Additional Notes.

“*Tax Escrow Agreement*” means the 2014 Tax Escrow Agreement dated as of December 19, 2014 by and between the Board and Zions First National Bank, as Escrow Agent, as Trustee for the Series 2014A Notes and as trustee for the Series 2014B Notes.

“*Tax Penalty Date*” means \_\_\_\_\_, 2015, the last day on which the second installment of the Pledged Taxes may be paid without penalty with respect to taxable property located in The County of Cook, Illinois.

“*Taxable Date*” means the date as of which interest on the Series 2014C Notes is first includable in the gross income of the Owner (including, without limitation, any previous Owner) thereof as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

“*Taxable Rate*” means a rate of interest equal to [\_\_\_]% per annum.

“*Trust Estate*” means the Pledged Tax Receipts and all other property pledged to the Trustee pursuant to the Granting Clauses of this Indenture.

“*Trustee*” means Zions First National Bank and any successor or successors appointed under this Indenture as hereinafter provided. The “designated office” of the Trustee means 111 West Washington Street, Suite 1860, Chicago, Illinois 60602, or such other address as is provided by the Trustee.

“*Uncollected Pledged Taxes*” means, as of any date of calculation, an amount equal to the difference between (i) \$2,205,000,000 [or the extended amount of the 2014 Educational Fund Levy, if less] and (ii) the aggregate amount of the Pledged Taxes deposited into the Tax Escrow Agreement as of such date of calculation.

“*Year*” or “*year*” means a calendar year.

*Section 1.2. Miscellaneous Definitions.* As used herein, and unless the context shall otherwise indicate, the words “Series 2014C Note,” “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.

## ARTICLE II

### AUTHORIZATION AND ISSUANCE OF SERIES 2014C NOTES

*Section 2.1. Authorization and Issuance of Series 2014C Notes.* (a) The Board shall not issue any Series 2014C Notes under the provisions of this Indenture except in accordance with the provisions of this Article II. The total principal amount of Series 2014C Notes that may be issued and Outstanding hereunder is expressly limited to \$200,000,000.

(b) The Series 2014C Notes shall be issuable as fully registered notes, without coupons, in Authorized Denominations, substantially in the form attached as Exhibit A hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Indenture. Unless the Board shall otherwise direct, the Series 2014C Notes shall be lettered and numbered from R-1 and upwards. The Series 2014C Notes, as initially issued, shall be dated the date of issuance and shall mature on the Maturity Date, subject to optional redemption as provided in Article III.

(c) Each Series 2014C Note shall bear interest from its date of issue as provided in Section 2.2 hereof. After the Maturity Date, each Series 2014C Note shall bear interest on overdue principal and, to the extent permitted by law, and interest at the rate borne by such Series 2014C Note on the date on which such principal or interest came due and payable, or, if applicable and greater, the Default Rate.

(d) Interest on Series 2014C Notes shall be payable on each Interest Payment Date for such Series 2014C Notes. The principal of the Series 2014C Notes shall be payable in applicable amounts on each Principal Payment Date for such Series 2014C Notes.

(e) Payment of interest on Series 2014C Notes shall be paid on each Interest Payment Date 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 of \$1,000,000 or more in aggregate principal amount of Series 2014C Notes, by wire transfer of immediately available funds to such bank in the continental United States as said Owner shall request in writing to the Registrar no later than the Record Date. The Series 2014C Notes shall be payable, with respect to interest, principal and redemption premium (if any) 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.

(f) The Series 2014C Notes shall be initially issued in the form of a single fully registered Series 2014C Note. Upon initial issuance, the ownership of each Series 2014C Note 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 Series 2014C Notes shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Series 2014C Notes 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 2014C

Notes. 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 2014C Note, (ii) the delivery to any DTC Participant or any other Person, other than the Owner of any Series 2014C Note, of any notice with respect to such Series 2014C Note, including without limitation any notice of redemption or (iii) the payment to any DTC Participant or any other Person, other than the Owner of any Series 2014C Note, of any amount with respect to the principal or Redemption Price of, or interest on, such Series 2014C Note. Notwithstanding any other provision of this Indenture to the contrary, 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 2014C Note is registered as the absolute owner of such Series 2014C Note for the purpose of payment of the principal or Redemption Price of and interest with respect to such Series 2014C Note, for the purpose of giving notices of redemption, for the purpose of registering transfers with respect to such Series 2014C Note and for all other purposes whatsoever. The Trustee and each other Paying Agent, if any, shall pay all principal or Redemption Price of and interest on the Series 2014C Notes 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 the principal or Redemption Price of and interest on the Series 2014C Notes to the extent of the sum or sums so paid. No Person other than an Owner of a Series 2014C Note shall receive a Series 2014C Note certificate evidencing the obligation of the Board to make payments of the principal or Redemption Price of and interest on the Series 2014C Notes pursuant to this Indenture.

The Owners of the Series 2014C Notes have no right to the appointment or retention of a depository for the Series 2014C Notes. DTC may resign or be removed as securities depository in accordance with its customary procedures. In the event of any such resignation or removal, 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 and the Trustee in writing of the appointment of such successor securities depository and transfer or cause the transfer of one or more separate Series 2014C Note certificates to such successor securities depository or (ii) notify DTC of the availability through the Trustee of Series 2014C Note certificates and transfer or cause the transfer of one or more separate Series 2014C Note certificates to DTC Participants having Series 2014C Notes credited to their DTC accounts. In such event, the Series 2014C Notes 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 2014C Notes shall designate, in accordance with the provisions of this Indenture.

The Board and DTC have executed the Letter of Representations. Notwithstanding any other provision of this Indenture, so long as DTC, or its designee, is the Owner of all Series 2014C Notes, the arrangements referred to in the Letter of Representations shall apply to the redemption of any Series 2014C Notes and to the payment of the principal or Redemption Price of and interest on the Series 2014C Notes, including without limitation, that: (a) presentation of Series 2014C Notes to the Trustee upon redemption or at maturity shall be deemed made to the Trustee when the right to exercise ownership rights in the Series 2014C Notes through DTC or DTC's Participants is transferred by DTC on its books; and (b) DTC may present notices,

approvals, waivers or other communications required or permitted to be made by Owners of Series 2014C Notes under this Indenture on a fractionalized basis on behalf of some or all of those Persons entitled to exercise ownership rights in the Series 2014C Notes through DTC or DTC's Participants.

So long as the Series 2014C Notes are registered in the name of Cede & Co., as nominee of DTC, the Trustee agrees to comply with the terms and provisions referred to in the Letter of Representations. References to Cede & Co. mean and include any other nominee required by DTC.

*Section 2.2. Interest on Series 2014C Notes.* (a) The Series 2014C Notes shall bear interest from and including the Date of Issuance until payment of the principal or Redemption Price thereof shall have been made or provided for in accordance with the provisions hereof, whether at the Maturity Date, upon redemption, purchase, or otherwise. Interest accrued on the Series 2014C Notes shall be paid in arrears on each Interest Payment Date. Interest on the Series 2014C Notes shall be computed upon the basis of a 360-day year consisting of twelve 30-day months.

The Series 2014C Notes shall bear interest at the Fixed Rate except as otherwise provided in paragraphs (b) and (c) of this Section.

(b) From and after any Taxable Date, the interest rate on the Series 2014C Notes shall be established at the Taxable Rate.

(c) If an Event of Default shall occur and shall not have been remedied, then the Series 2014C Notes shall bear interest at the Default Rate.

(d) The amount of interest due on the Series 2014C Notes on an Interest Payment Date shall be determined by the Trustee and communicated to the Board by Immediate Notice no later than noon, Chicago time, on the second Business Day prior to each Interest Payment Date.

*Section 2.3. Execution and Authentication.* (a) The Series 2014C Notes shall be executed in the name of the Board by the manual or facsimile signatures of its President (or in the event of a vacancy in the office of the President, the Vice President) and attested by the manual or facsimile signature of its Secretary. In case any one or more of the officers who shall have signed any of the Series 2014C Notes shall cease to be such officer before the Series 2014C Notes so signed shall have been authenticated and delivered by the Trustee, such Series 2014C Notes may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed such Series 2014C Notes had not ceased to hold such offices. Any Series 2014C Note may be signed on behalf of the Board by such persons who at the time of the execution of such Series 2014C Note shall hold the proper office of the Board, although at the date of such Series 2014C Note such persons may not have been so authorized or have held such office.

(b) The Series 2014C Notes shall bear a certificate of authentication, in the form set forth in this Indenture, executed manually by the Trustee. Only such Series 2014C Notes as shall

bear such certificate of authentication shall be entitled to any right or benefit under this Indenture, and no such Series 2014C Note 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 Series 2014C Note executed on behalf of the Board shall be conclusive evidence that the Series 2014C Note 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 2.4. Interchangeability of Series 2014C Notes.* Subject to the provisions of Section 2.5, any Series 2014C Note, upon surrender at the designated 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 taxes, fees or charges as provided in Section 2.5, be exchanged for an equal aggregate principal amount of fully registered Series 2014C Notes having the same tenor and of any other Authorized Denominations.

*Section 2.5. Negotiability, Transfer and Registration.* (a) Subject to the limitations contained in subsection (d) of this Section, upon surrender for registration of transfer of any Series 2014C Note at the designated office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Owner or such Owner's attorney duly authorized in writing, the Board shall execute, and the Trustee shall authenticate and deliver, in the name of the transferee or transferees a new Series 2014C Note or Series 2014C Notes of like date and tenor in Authorized Denominations for the aggregate principal amount which the Owner is entitled to receive bearing numbers not contemporaneously Outstanding. Subject to the limitations contained in subsection (d) of this Section, Series 2014C Notes may be exchanged at such times at such designated office of the Trustee upon surrender thereof together with an assignment duly executed by the Owner thereof or such Owner's attorney in such form and with guarantee of signature as shall be satisfactory to the Trustee for an equal aggregate principal amount of Series 2014C Notes of like date and tenor of any Authorized Denomination as the Series 2014C Notes surrendered for exchange bearing numbers not contemporaneously Outstanding. The execution by the Board of any Series 2014C Note of any Authorized Denomination shall constitute full and due authorization of such Authorized Denomination, and the Trustee shall thereby be authorized to authenticate and deliver such registered Series 2014C Note.

(b) No service charge shall be imposed upon the Owners for any exchange or transfer of Series 2014C Notes. The Board and the Trustee may, however, require payment by the person requesting an exchange or transfer of Series 2014C Notes of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, except in the case of the issuance of a Series 2014C Note or Series 2014C Notes for the unredeemed portion of a Series 2014C Note surrendered for redemption in part.

(c) The Board, the Trustee and any Paying Agent may treat the Owner of any Series 2014C Note as the absolute owner thereof for all purposes, whether or not such Series 2014C Note shall be overdue, and shall not be bound by any notice to the contrary. All payments of or on account of the principal of, premium, if any, and interest on any such Series 2014C Note as herein provided shall be made only to or upon the written order of the Owner thereof or such

Owner's legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2014C Note to the extent of the sum or sums so paid.

(d) Pursuant to the Note Purchase Agreement, JPMS has executed and delivered the Investor Letter and covenanted that it will not transfer its beneficial ownership of all or any portion of the Series 2014C Notes unless (i) it has received from such new Owner an executed copy of an Investor Letter of such new Owner substantially in the form attached hereto as Exhibit B or (ii) such new Owner is an affiliate of JPMS. No Person purporting to be an Owner or a Beneficial Owner of the Series 2014C Notes shall be deemed to have any rights under this Indenture unless such Person has executed and delivered an Investor Letter in connection with its purchase of the Series 2014C Notes.

The Note Purchase Agreement provides, and JPMS has covenanted therein, that the Series 2014C Notes may only be sold to purchasers that meet the definition of qualified institutional buyers or accredited investors, each such terms as set forth in the Securities Act of 1933, as amended, or to a trust or other custodial arrangement, the owners of any beneficial interest in which are limited to qualified institutional buyers and accredited investors and in accordance with all applicable federal and state securities laws. There is no public market for the Series 2014C Notes, there is no public rating on the notes, there is no official statement or other disclosure relating to the Series 2014C Notes, and purchase of the Series 2014C Notes should be considered only by investors who: (a) can bear the economic risk of such investment; (b) have such knowledge and experience in business and financial matters as to be capable of evaluating the risks and merits of such investment; and (c) have undertaken the responsibility for obtaining all information that they deem necessary and desirable to form a decision to purchase the notes. Each prospective investor should consider its financial condition and the risks involved to determine its suitability to invest in the Series 2014C Notes.

(e) Series 2014C Notes delivered upon any registration of transfer or exchange as provided herein or as provided in Section 2.6 shall be valid limited obligations of the Board, evidencing the same debt as the Series 2014C Notes surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2014C Note surrendered.

*Section 2.6. Series 2014C Notes Mutilated, Destroyed, Stolen or Lost.* In case any Series 2014C Note shall become mutilated or be destroyed, stolen or lost, the Board shall execute, and thereupon the Trustee shall authenticate and deliver, a new Series 2014C Note of like tenor and principal amount, as the Series 2014C Notes so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2014C Note, upon surrender and cancellation of such mutilated Series 2014C Note or in lieu of and substitution for the Series 2014C Note destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Board and the Trustee that such Series 2014C Note has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Board and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Board or the Trustee may prescribe and paying such expenses as the Board and Trustee may incur. All Series 2014C Notes so surrendered to the Trustee shall be canceled by the Trustee in accordance with Section 11.5.

Any such new Series 2014C Notes issued pursuant to this Section in substitution for Series 2014C Notes alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Board, whether or not the Series 2014C Notes 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 Series 2014C Notes issued under this Indenture and shall be equally secured by the moneys or securities held by the Trustee for the benefit of the Owners.

*Section 2.7. Delivery of Series 2014C Notes.* Upon the written order of the Board, the Board shall execute and deliver to the Trustee and the Trustee shall authenticate the Series 2014C Notes to be issued in the aggregate principal amount of \$200,000,000 and shall deliver them to or upon the order of the Board as hereinafter in this Section 2.7 provided.

Prior to the delivery by the Trustee of any of the Series 2014C Notes there shall be filed with the Trustee:

(1) A copy, duly certified by the Secretary of the Board, of each of (i) the Note Resolution, (ii) an incumbency certificate, (iii) the Investment Policy and (iv) the Tax Escrow Agreement as originally executed and delivered.

(2) Original executed counterparts of this Indenture, the Tax Agreement and a notification and direction of the Board to the Escrow Agent responsive to Section 3.02 of the Tax Escrow Agreement.

(3) An Opinion of Bond Counsel as to the validity and tax-exempt status of the Series 2014C Notes.

(4) An Opinion of Counsel for the Board in form and substance satisfactory to Bond Counsel and the purchasers of the Series 2014C Notes.

(5) A written direction from the Board to the Trustee requesting the Trustee to authenticate and deliver the Series 2014C Notes to JPMS upon payment to the Board of the proceeds from the sale of the Series 2014C Notes specified in such written direction.

(6) Such other instruments, documents and showings as may be required by the Board, the Trustee or Bond Counsel in connection with the issuance of the Series 2014C Notes.

*Section 2.8. Application of Proceeds of Series 2014C Notes.* On the Date of Issuance, the Trustee shall pay to or upon the order of the Board all of the proceeds of sale of the Series 2014C Notes.

## ARTICLE III

### REDEMPTION AND PURCHASE OF SERIES 2014C NOTES

*Section 3.1. Optional Redemption.* The Series 2014C Notes shall be subject to redemption prior to their Maturity Date at the option of the Board, in whole or in part (and, if in part, in an Authorized Denomination) on any Business Day occurring on or after August 3, 2015, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the Redemption Date. Any redemption of less than all of the Series 2014C Notes outstanding shall be made in such a manner that all Series 2014C Notes outstanding after such redemption are in Authorized Denominations.

Series 2014C Notes may be called for redemption by the Trustee pursuant to Section 3.2, upon receipt by the Trustee at least 25 days prior to the Redemption Date (or such shorter period as shall be acceptable to the Trustee) of a written request of the Board requesting such redemption.

*Section 3.2. Notice of Redemption.* (a) Except as hereinafter provided, a copy of the notice of the call for any redemption identifying the Series 2014C Notes to be redeemed shall be given by first class mail, postage prepaid, or by facsimile transmission, not less than twenty days prior to the date fixed for redemption. Such notice shall specify the Redemption Date, the redemption price, the place and manner of payment, and that from the Redemption Date interest will cease to accrue on the Series 2014C Notes which are the subject of such notice, and shall include such other information as the Trustee shall deem appropriate or necessary at the time such notice is given to comply with any applicable law, regulation or industry standard.

(b) In addition to the requirements of Section 3.2(a), notice of the redemption of Series 2014C Notes or any portion thereof identifying the Series 2014C Notes or portions thereof to be redeemed shall specify (i) the series name and designation and certificate numbers of Series 2014C Notes being redeemed, (ii) the principal amount of Series 2014C Notes being redeemed and the redeemed amount for each certificate (for partial calls), (iii) the Redemption Date, and (iv) the redemption price.

(c) Failure to give notice in the manner prescribed in Section 3.2(a) and Section 3.2(b) with respect to any Series 2014C Note, or any defect in such notice, shall not affect the validity of the proceedings for redemption for any Series 2014C Note with respect to which notice was properly given.

(d) If any Series 2014C Note is transferred or exchanged on the Series 2014C Note register after notice has been given calling such Series 2014C Note for redemption, the Trustee will attach a copy of such notice to the Series 2014C Note issued in connection with such transfer or exchange.

*Section 3.3. Selection of Series 2014C Notes for Redemption.* If less than all the Series 2014C Notes shall be called for redemption under any provision of this Indenture permitting or requiring such partial redemption, the particular Series 2014C Notes or portions thereof to be



redeemed shall be selected by lot in such manner as the Trustee may determine among such Series 2014C Notes, and the portion of any Series 2014C Note to be redeemed shall be in a principal amount equal to an Authorized Denomination. In selecting Series 2014C Notes for redemption, the Trustee shall treat each Series 2014C Note as representing that number of Series 2014C Notes which is obtained by dividing the principal amount of such Series 2014C Note by the minimum Authorized Denomination. If it is determined that one or more, but not all, of the integral multiples of the Authorized Denomination of principal amount represented by any Series 2014C Note is to be called for redemption, then, upon notice of intention to redeem such integral multiple of an Authorized Denomination, the Owner of such Series 2014C Note shall forthwith surrender such Series 2014C Note to the Trustee for (a) payment to such Owner of the redemption price of the integral multiple of the Authorized Denomination of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2014C Note or Series 2014C Notes in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2014C Note. New Series 2014C Notes representing the unredeemed balance of the principal amount of such Series 2014C Note shall be issued to the Owner thereof without charge therefor.

*Section 3.4. Purchase of Series 2014C Notes for Cancellation.* In lieu of optionally redeeming Series 2014C Notes pursuant to Section 3.1 hereof, the Board, acting through a Designated Official, reserves the right to direct the Trustee to purchase on any Business Day for immediate cancellation, any Series 2014C Notes or beneficial interests therein from any Series 2014C Noteholder or from the Beneficial Owner of any Series 2014C Notes, upon written notice to the Trustee not later than the second Business Day preceding such date of purchase. Such written notice from the Board shall state the principal amount of the Series 2014C Notes or beneficial interests therein to be purchased and the date of such purchase. Any such purchase shall be at a price of par plus accrued interest to the date of purchase and shall be made from funds on deposit in the Debt Service Fund. Upon such purchase, the Series 2014C Notes or beneficial interests therein shall be immediately cancelled and shall no longer be deemed to be Outstanding for purposes of this Indenture.

*Section 3.5. Deposit of Funds.* For the redemption of any of the Series 2014C Notes, the Board shall cause to be deposited in the Redemption Fund or if determined by the Board to be necessary or appropriate, in a separate escrow account to be established by the Board with the Trustee, moneys sufficient to pay when due the principal of, and premium, if any, and interest on, the Series 2014C Notes to be redeemed on the applicable Redemption Date, which moneys shall be applied in accordance with the provisions hereof.

## ARTICLE IV

### PLEDGE OF TRUST ESTATE AND APPLICATIONS OF FUNDS

*Section 4.1. The Pledge Effected by this Indenture.* There are hereby pledged for the payment of the principal of and interest on the Series 2014C Notes in accordance with their respective terms and the provisions of this Indenture, and a lien is hereby granted for such purpose, for the purposes and on the terms and conditions set forth in this Indenture, on the Trust Estate as described in the Granting Clauses hereto.

Pursuant to Section 13 of the Act, the moneys, securities and properties hereby pledged by the Board and received by the Escrow Agent as the agent of the Board 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.

The Series 2014C Notes are limited obligations of the Board payable from the Pledged Tax Receipts and do not represent or constitute a debt of the Board within the meaning of any constitutional or any statutory limitation. Neither the full faith and credit nor the taxing power of the Board is pledged to the payment of the Series 2014C Notes.

*Section 4.2. Establishment of Funds.* The Debt Service Fund, the Principal Prepayment Fund and the Redemption Fund are hereby established as special funds of the Board to be held by the Trustee. At the direction of a Designated Official, the Board may establish the Program Expense Fund as a special fund of the Board to be held by the Trustee. Within the Debt Service Fund are created the following trust accounts:

- (a) Principal and Interest Account;
- (b) Fee Account; and
- (c) Released Funds Account.

*Section 4.3. Deposit and Application of Pledged Tax Receipts.* (a) All Pledged Tax Receipts shall be deposited with the Escrow Agent for application in accordance with the Tax Escrow Agreement. All Pledged Tax Receipts paid to the Trustee with respect to the Series 2014C Notes shall be deposited immediately into the Debt Service Fund.

If at any time the amount on deposit in the Debt Service Fund is greater than the then-applicable Deposit Requirement (any such amount in excess of the then-applicable Deposit Requirement being referred to as an “*Excess Deposit*”), the Board, acting through a Designated Official, may direct the Trustee in writing to transfer the amount of any such Excess Deposit to the Released Funds Account for immediate payment to the Board, free from the lien of this Indenture.

(b) On (i) each Redemption Date, (ii) each date designated by the Board pursuant to Section 3.4 hereof for the purchase and cancellation of Series 2014C Notes and (iii) the Maturity Date, the Trustee shall apply the moneys in the Debt Service Fund in the following order of priority:

*First:* to the Principal and Interest Account for immediate payment to the Series 2014C Noteholders, for the payment of the accrued and unpaid interest on their Series 2014C Notes.

*Second:* to the Principal and Interest Account for immediate payment to the Series 2014C Noteholders, for the payment of principal of their Series 2014C Notes on the

applicable Redemption Date, date of purchase or Maturity Date and pro-rata among Series 2014C Notes when the sum available is not sufficient to retire all of such Series 2014C Notes, *provided, however*, that the principal amount paid of any Series 2014C Note prepaid in part shall be in an amount equal to an Authorized Denomination.

(c) On any Business Day that no Series 2014C Notes are then Outstanding, any moneys held in the Debt Service Fund and any Pledged Tax Receipts received by the Trustee on that Business Day shall immediately be transferred to the Released Funds Account for immediate payment to the Board, free from the lien of this Indenture.

(d) On each Business Day on which money is paid to the Board pursuant to the second paragraph of Section 4.3(a) or Section 4.3(c), the Trustee shall provide to the City Treasurer of the City of Chicago, as custodian of the Board's tax moneys, notice of the date and amount of such payment to the Board.

*Section 4.4. Redemption Fund.* Amounts paid to the Trustee by the Board for the redemption of Series 2014C Notes shall be deposited into the Redemption Fund and applied on the applicable redemption date for the payment of the redemption price and accrued interest on the Series 2014C Notes to be redeemed pursuant to Section 3.1.

*Section 4.5. Program Expense Fund.* The Board may, at its option, deposit moneys in the Program Expense Fund from time to time. Any moneys on deposit in the Program Expense Fund shall be paid out by the Trustee, at the direction of the Board, to pay the costs of issuance of the Series 2014C Notes, and to pay the ongoing fees of the Fiduciaries as and when such fees come due. Notwithstanding the foregoing, the Board may at any time direct the Trustee to withdraw any or all amounts on deposit in the Program Expense Fund and the Trustee shall promptly pay such amounts to the Board.

## ARTICLE V

### INVESTMENTS OF FUNDS

*Section 5.1. Investment of Moneys.* (a) Moneys held in the Debt Service Fund, Redemption Fund and Program Expense Fund shall be invested and reinvested by the Trustee at the written direction of a Designated Official in Investment Securities within the parameters of the Investment Policy which mature no later than necessary to provide moneys when needed for payments to be made from such Fund. The Trustee may conclusively rely upon such instructions as to both the suitability and legality of the directed investments. Nothing contained in this Indenture shall be construed to prevent such Designated Official from directing the Trustee to make any such investments or reinvestments through the use of a Forward Supply Contract, to the extent permitted by Illinois law and the Investment Policy, and the Trustee shall comply with the terms and provisions of any such Forward Supply Contract or Repurchase Agreement. The Trustee may make any and all such investments through its trust department or the bond department of any bank 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 Series 2014C Notes 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 to which the investment is created from which such income is derived.

(b) The Board covenants and agrees that all investments made under this Indenture shall be consistent with the expectations expressed in the Tax Agreement.

(c) The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. In the absence of 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. The Trustee shall notify the Board in the event any moneys are being held uninvested pursuant hereto. The Trustee shall not be liable or responsible for the performance or adverse tax consequences of, or any losses on, 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. No statement need be rendered for any Fund if no activity occurred in such Fund during such month.

*Section 5.2. Valuation and Sale of Investments.* (a) Investment Securities in any Fund created under the provisions of this Indenture shall be deemed at all times to be part of such Fund and any profit realized from the liquidation of such investment shall be credited to such Fund and any loss resulting from liquidation of such investment shall be charged to such Fund.

(b) Valuations of Investment Securities held in the Funds 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. In computing the amounts in such Funds, Investment Securities therein shall be valued as provided in Section 5.2(c).

(c) The value of Investment Securities shall mean the fair market value thereof, *provided, however,* that all SLGS 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.

(d) Except as otherwise provided in this Indenture, the Trustee at the written direction of a Designated Official, shall sell at the best price reasonably obtainable, or present for redemption, any Investment Securities held in any Fund held by the Trustee whenever it shall be necessary to provide moneys to meet any payment or transfer from such Fund as the case may be.

## ARTICLE VI

### PARTICULAR COVENANTS AND REPRESENTATIONS OF THE BOARD

*Section 6.1. Payment of Series 2014C Notes.* (a) The Board covenants and agrees that it will pay solely from the Pledged Tax Receipts the principal of every Outstanding Series 2014C Note and the interest thereon, at the places, on the dates and in the manner provided in this Indenture and in the Series 2014C Notes.

(b) If the maturity of any Series 2014C Note or installment of interest shall be extended pursuant to the written consent of the Owner thereof, such Series 2014C Note 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 (except moneys held in trust for the payment of such Series 2014C Note or installment of interest) until the prior payment of the principal of all Series 2014C Notes Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Series 2014C Notes as shall not be represented by such extended claims for interest.

*Section 6.2. 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 rights, and the Pledged Tax Receipts and other moneys, securities and funds hereby pledged or assigned, or which the Board may become bound to pledge or assign.

*Section 6.3. Power to Issue Series 2014C Notes and Pledge Trust Estate.* The Board is duly authorized under all applicable laws to issue the Series 2014C Notes, to execute and deliver the Financing Documents, to pledge the Pledged Tax Receipts and to grant the lien granted by this Indenture thereon in the manner and to the extent provided in this Indenture. The Series 2014C Notes and the provisions of this Indenture are and will be valid and legally enforceable limited 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 Series 2014C Notes, all conditions, acts and things required by the Constitution and laws of the State of Illinois and this Indenture to exist, to have happened and to have been performed precedent to or in the issuance of such Series 2014C Notes 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 Pledged Tax Receipts and all the rights of the Owners in and to such Pledged Tax Receipts against all claims and demands.

*Section 6.4. Tax Anticipation Notes.* The Board reserves the right to issue Additional Notes payable from all or any portion of the Pledged Taxes, and any such Additional Notes shall share ratably and equally in the Pledged Tax Receipts with the Series 2014A Notes, the Series 2014B Notes and the Series 2014C Notes; *provided, however*, that (i) no Tax Anticipation Notes shall be issued later than the 15th day next following the Tax Penalty Date; and (ii) no Tax

Anticipation Notes shall be issued if, as of the time immediately following the issuance of such Tax Anticipation Notes, the aggregate principal amount of outstanding Tax Anticipation Notes would exceed seventy two and one-half percent (72.5%) of the Uncollected Pledged Taxes.

*Section 6.5. Covenants Regarding Pledged Taxes.* The Board has directed the County Collectors to deposit all collections of the Pledged Taxes directly with the Escrow Agent for application in accordance with the provisions of the Tax Escrow Agreement. As long as any of the Series 2014C Notes remain Outstanding, the Board will not modify or amend such direction or the terms of the Tax Escrow Agreement, except for such modifications or amendments as may be necessitated by changes in State law, procedures, rules or regulations thereunder with respect to the collection and distribution of ad valorem property taxes; *provided*, that no such modification or amendment shall provide for the deposit with the Escrow Agent of less than all of the Pledged Taxes. The Board shall provide to JPMS a copy of any such modification or amendment. As long as there are any Outstanding Series 2014C Notes, the Board and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be collected, deposited and applied as described in the Indenture.

*Section 6.6. Accounts and Reports.* The Board shall keep and cause the Escrow Agent to 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 Pledged Tax Receipts, 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 (25%) in aggregate principal amount of Outstanding Series 2014C Notes or their representatives duly authorized in writing.

*Section 6.7. Arbitrage.* The Board shall not at any time permit any of the proceeds of the Series 2014C Notes or any other funds of the Board to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Series 2014C Note to be an "arbitrage bond" as defined in Section 148 of the Internal Revenue Code of 1986, as amended.

## ARTICLE VII

### DEFAULTS AND REMEDIES

*Section 7.1. Events of Default.* Each of the following events is hereby declared to be an "Event of Default":

- (1) if a default shall occur in the due and punctual payment of interest on any Series 2014C Note when and as such interest shall become due and payable;
- (2) if a default shall occur in the due and punctual payment of the principal or Redemption Price of any Series 2014C Note when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise not otherwise an Event of Default;

(3) 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 Series 2014C Notes contained, and such default shall continue for a period of sixty (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 aggregate principal amount of the Outstanding Series 2014C Notes, *provided* that if the nature of the default is such that it cannot be cured within the initial 60-day cure period but can be cured within an additional period of not to exceed 60 days from the end of the initial 60-day cure period, no event of default shall occur if the Board institutes corrective action within the initial 60-day cure period and diligently pursues such action until the default is corrected (provided such default is corrected within the additional 60-day period described above);

(4) 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 of Illinois; or

(5) if the Board shall (i) default on the payment of the principal of or interest on any Tax Anticipation Notes, beyond the period of grace, if any, provided in the instrument or agreement under which such Tax Anticipation Notes were issued; or (ii) an event of default following the lapse of any applicable cure in the observance or performance of any agreement or condition relating to the Tax Anticipation Notes or contained in any instrument or agreement evidencing, securing or relating thereto, or any other default, event of default or similar event shall occur or condition exist.

*Section 7.2. Proceedings Brought by Trustee.* (a) If an Event of Default shall occur 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 Series 2014C Notes Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Owners of the Series 2014C Notes under the Series 2014C Notes or this Indenture forthwith by a suit or suits in equity or at law, 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 or enforce any of the rights or interests of the Owners of the Series 2014C Notes under the Series 2014C Notes or this Indenture.

(b) All rights of action (including without limitation, the right to file proof of claims) under this Indenture may be enforced by the Trustee without the possession of any of the Series 2014C Notes 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 State.

(d) The Owners of not less than a majority in aggregate principal amount of the Series 2014C Notes at the time 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 for the exercise 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 Series 2014C Notes then Outstanding and furnished with security or indemnity to its satisfaction, 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.

(g) During the continuance of an Event of Default, the Trustee shall apply all Pledged Tax Receipts paid to the Trustee and the income therefrom 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; it being understood that payment of such charges and expenses shall not be made from any moneys already held for the payments of the principal of, interest on and or purchase price of Series 2014C Notes that were not presented for payment when due.

(2) to the payment of the principal of, Redemption Price and interest on the Series 2014C Notes then due, as follows:

*First:* to the payment to the persons entitled thereto of all installments of interest then due on the Series 2014C Notes in the order of the maturity of such installments, together with accrued and unpaid interest on the Series 2014C Notes 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 (*provided, however,* that no payment shall be made with respect to Series 2014C Notes owned by the Board); and

*Second:* to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Series 2014C Notes 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 Series 2014C Notes 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 (*provided, however*, that no payment shall be made with respect to Series 2014C Notes owned by the Board); and

(h) If and whenever all overdue installments of principal and Redemption Price of and interest on, Series 2014C Notes, 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 Series 2014C Notes held by or for the account of the Board, or provision satisfactory to the Trustee shall be made for such payments, all defaults under this Indenture or the Series 2014C Notes 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 and the Owners shall be restored, respectively, to their former positions and rights under this Indenture. No such payment 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.

(i) Whenever moneys are to be applied pursuant to the provisions of this Section, the Trustee may, in its discretion, establish and maintain a reserve for future fees and expenses, and may apply moneys to be distributed at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix a date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates, and for which moneys are available, shall cease to accrue. The Trustee shall also select a Record Date for such payment date. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any moneys and of the fixing of any such Record Date and payment date, and shall not be required to make payment to the Owner of any Series 2014C Note until such Series 2014C Note shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(j) Under no circumstance may the Trustee declare the principal of or interest on the Series 2014C Notes to be due and payable prior to the Maturity Date following the occurrence of an Event of Default under this Indenture.

(k) If an Event of Default shall occur and shall not have been remedied, then the Series 2014C Notes shall bear interest at the Default Rate.

*Section 7.3. Restriction on Owners' Actions.* (a) No Owner of any Series 2014C Note 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 Series 2014C Notes 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 Illinois 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 sixty (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 Series 2014C Notes 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 Series 2014C Notes.

(b) Nothing in this Indenture or in the Series 2014C Notes contained shall affect or impair the right of action of any Owner to enforce such payment of its Series 2014C Note from the sources provided herein.

*Section 7.4. Remedies Not Exclusive.* No remedy by the terms of this Indenture conferred upon or reserved to the Trustee 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 7.5. Effect of Waiver and Other Circumstances.* No delay or omission of the Trustee 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 Event of Default or be an acquiescence therein. The Owners of not less than two-thirds in aggregate principal amount of the Series 2014C Notes at the time Outstanding, or their attorneys-in-fact duly authorized may on behalf of the Owners of all of the Series 2014C Notes 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 Series 2014C Notes when due. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

## ARTICLE VIII

### REGARDING THE FIDUCIARIES

*Section 8.1. 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 Series 2014C Notes, 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 8.2. Paying Agents; Appointment and Acceptance of Duties.* The Trustee is hereby appointed Paying Agent for the Series 2014C Notes. The Board may at any time or from time to time appoint one or more other Paying Agents. Any Paying Agent shall be a bank with trust powers or a trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least \$15,000,000, or shall be a wholly-owned subsidiary of such an entity, 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. 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.

*Section 8.3. Registrar; Appointment and Acceptance of Duties.* The Trustee is hereby appointed Registrar for the Series 2014C Notes. The Board may at any time or from time to time appoint one or more other Registrars. Any Registrar shall be a bank, trust company or national banking association doing business and having an office in the United States, 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. The Trustee hereby accepts the duties and obligations imposed upon it as Registrar by this Indenture. Each other 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 8.4. Responsibilities of Fiduciaries.* (a) The recitals of fact herein and in the Series 2014C Notes 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 Series 2014C Notes 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 Series 2014C Notes. 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 to its reasonable satisfaction. Subject to the provisions of paragraph (b) of this Section, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

(b) In case an Event of Default has occurred and has not been remedied, 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, any other capacity the Trustee may serve hereunder or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

(c) The Trustee is under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Owners of the Series 2014C Notes unless such Owners have offered to the Trustee security or indemnity satisfactory to the Trustee as to its terms, coverage, duration, amount and otherwise with respect to the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction, and the provision of such indemnity shall be mandatory for any remedy taken upon direction of the Owners of 25% in aggregate principal amount of the Series 2014C Notes.

(d) The Trustee is not required to make any inquiry or investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, Series 2014C Note, debenture or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee determines to make such further inquiry or investigation, it is entitled to examine the books, records and premises of the Board, in person or by agent or attorney.

(e) The Trustee may execute any of its trusts or powers or perform any duties under this Indenture either directly or by or through agents or attorneys, and may in all cases pay, subject to reimbursement as provided in this Indenture, such reasonable compensation as it deems proper to all such agents and attorneys reasonably employed or retained by it.

(f) Notwithstanding the effective date of this Indenture or anything to the contrary in this Indenture, the Trustee shall have no liability or responsibility for any act or event relating to this Indenture which occurs prior to the date the Trustee formally executes this Indenture and commences acting as Trustee hereunder.

(g) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Series 2014C Notes, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Series 2014C Notes. The Trustee shall not be liable or responsible in connection with the issuance of the Series 2014C Notes as obligations the interest on which is excludable from gross income for Federal income tax purposes or for the subsequent maintenance of the tax-exempt status of such interest.

(h) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty.

*Section 8.5. Evidence on Which Fiduciaries May Act.* (a) Each Fiduciary shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion (including a Counsel's Opinion), Series 2014C Note 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 a Designated Official, 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 a Designated Official.

(d) The Trustee may consult with counsel and the written advice of such counsel or an Opinion of Counsel shall be full and complete authorization and protection for any action taken, suffered or omitted by it in good faith and in accordance with such advice or opinion.

(e) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Owners of Series 2014C Notes, each representing less than a majority in aggregate principal amount of the Series 2014C Notes Outstanding, pursuant to the provision of this Indenture, the Trustee, in its sole discretion, may determine what actions, if any, shall be taken.

(f) The Trustee shall have the right to accept and act upon instructions or directions pursuant to this Indenture sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, *provided, however*, that the Board shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions and containing specimen signatures of such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Board agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

*Section 8.6. Compensation.* Unless otherwise determined by contract between the Board and each Fiduciary, the Board shall pay to each Fiduciary from time to time reasonable compensation as may be mutually agreed upon by the Board and the Fiduciary for all services rendered under this Indenture. The Board shall pay each Fiduciary for any extraordinary services or expenses performed or incurred by the Trustee in connection with its duties under this Indenture if, to the extent reasonably possible, notified in writing prior to the performance of those services or the incurring of those expenses so as to allow the Board to appropriate sufficient funds for their payment.

*Section 8.7. Certain Permitted Acts.* Any Fiduciary may become the Owner of any Series 2014C Notes, with the same rights it would have if it did not act in any capacity hereunder. 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 Series 2014C Notes or this Indenture, whether or not any such committee shall represent the Owners of a majority in aggregate principal amount of the Series 2014C Notes then Outstanding.

*Section 8.8. 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 sixty (60) days' written notice to the Board, all Owners of the Series 2014C Notes 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 8.10 and shall have accepted such appointment, in which event such resignation shall take effect immediately on the acceptance of such appointment by 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 and accepted such appointment within a period of sixty (60) days following the giving of notice, then the Trustee, at the expense of the Board, shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as provided in Section 8.10.

*Section 8.9. Removal of Trustee; Consent of Owners.* The Trustee may be removed at any time by an instrument in writing approved by and executed in the name of the Board and delivered to the Trustee; *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 Series 2014C Notes then Outstanding (excluding Series 2014C Notes held by or for the account of the Board). The Trustee may be removed at any time by the Owners of a majority in aggregate principal amount of the Series 2014C Notes then Outstanding, excluding any Series 2014C Notes 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 8.10. Appointment of Successor Trustee.* (a) In case at any time the Trustee shall resign, be removed or 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 made by it to be mailed to all Owners of the Series 2014C Notes.

(b) If no appointment of a Trustee shall be made by the Board within sixty (60) days following such resignation or removal pursuant to the foregoing provisions of this Section 8.10, the Trustee or the Owner of any Series 2014C Note 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 bank association, doing business and having a corporate trust office in the State of Illinois, and having capital stock and surplus aggregating at

least \$15,000,000, or shall be a wholly-owned subsidiary of such an entity, if there be such a bank, trust company, national banking association or subsidiary 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.

(d) Notwithstanding any of the provisions of this Article VIII to the contrary concerning the resignation or removal of the Trustee or the appointment of a successor Trustee, no such resignation, removal or appointment shall be effective until the successor Trustee accepts its appointment.

*Section 8.11. 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 any other Fiduciary of its appointment as Trustee.

*Section 8.12. 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 8.13. Adoption of Authentication.* In case any of the Series 2014C Notes shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Series 2014C Notes and deliver such Series 2014C Notes so authenticated; and in case any of the said Series 2014C Notes shall not have been authenticated, any successor Trustee may authenticate such Series 2014C Notes in the name of the predecessor Trustee or in its own name.

*Section 8.14. Trustee Not Deemed to Have Notice of Default.* The Trustee shall not be deemed to have notice of any default hereunder except a default under Section 7.1(1), (2) or (3) 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, or by the Owners of not less than a majority in principal amount of the Series 2014C Notes Outstanding; and 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 8.15. Monthly Report by Trustee.* Within twenty (20) days after the end of each calendar month, the Trustee shall prepare a written report for each Fund and 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, JPMS and any persons designated by the Board a report of the amount of moneys, including Investment Securities, held in each Fund by the Trustee. For purposes of this certification, the Investment Securities in each such Fund shall be treated as having a value equal to their aggregate market value as of the date of the request.

## ARTICLE IX

### SUPPLEMENTAL INDENTURES

*Section 9.1. Supplemental Indentures Not Requiring Consent of Owners.* The Board and the Trustee may without the consent of, or notice to, any of the Owners, 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:

- (i) To impose additional covenants or agreements to be observed by the Board;
- (ii) To impose other limitations or restrictions upon the Board;
- (iii) To surrender any right, power or privilege reserved to or conferred upon the Board by this Indenture;
- (iv) To confirm, as further assurance, any pledge of or lien upon the Pledged Tax Receipts or any other moneys, securities or funds;
- (v) To provide for the appointment of a successor securities depository; and
- (vi) To provide for the appointment of any successor Fiduciary.



*Section 9.2. Supplemental Indentures Effective Upon Consent of Owners.* Any Supplemental Indenture not effective in accordance with Section 9.1 shall take effect only if permitted and approved and in the manner prescribed by Article X.

*Section 9.3. Filing of Counsel's Opinion.* Each Supplemental Indenture described in Section 9.1 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.

## ARTICLE X

### AMENDMENTS

*Section 10.1. 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, to each Owner of Series 2014C Notes then Outstanding at its address, if any, appearing upon the registration books of the Board kept by the Trustee.

*Section 10.2. Powers of Amendment.* Exclusive of Supplemental Indentures covered by Section 9.1 and subject to the terms and provisions contained in this Section 10.2, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Series 2014C Notes then Outstanding shall each have the right, from time to time, to (i) consent to and approve the execution by the Board and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture, or (ii) waive or consent to the taking by the Board of any action prohibited, or the omission by the Board of the taking of any action required, by any of the provisions of this Indenture or of any indenture supplemental hereto; *provided, however,* that nothing in this Section 10.2 or in Section 9.1 contained shall permit or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the payment or redemption of any Series 2014C Note, (b) except for the pledge of the Pledged Tax Receipts in connection with the issuance of Additional Notes, the creation of any lien prior to or on a parity with the lien of this Indenture, without the consent of the Owners of all the Series 2014C Notes at the time Outstanding, (c) a reduction in the aforesaid aggregate principal amount of Series 2014C Notes, the Owners of which are required to consent to any such waiver or Supplemental Indenture, without the consent of the Owners of all the Series 2014C Notes at the time Outstanding which would be affected by the action to be taken, or (d) a modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (e) the loss of the exclusion from federal gross income of the Owners of the interest paid on the Series 2014C Notes held by a non-consenting Owner to the extent otherwise afforded under the Code and Regulations.

*Section 10.3. 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 10.2, to take effect when and as provided in 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 aggregate principal amount of Outstanding Series 2014C Notes, 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 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 Series 2014C Notes described in such certificate or certificates of the Trustee shall be conclusive. Any such consent shall be binding upon the Owner of the Series 2014C Notes giving such consent and upon any subsequent Owner of such Series 2014C Notes and of any Series 2014C Notes issued in exchange therefor or replacement thereto whether or not such subsequent Owner has notice thereof; *provided, however*, that any consent may be revoked by any Owner of such Series 2014C Notes 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 Series 2014C Notes 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 thirty (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 aggregate principal amount of Outstanding Series 2014C Notes 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 Series 2014C Notes 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 10.4. Modifications by Unanimous Action.* This Indenture and the rights and obligations of the Board and of the Owners of the Series 2014C Notes 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 Series 2014C Notes then Outstanding, each such consent to be accompanied by proof of the holding at the date of such consent of the Series 2014C Notes 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 10.3 and (b) with the Board of the Trustee's written statement that the consents of the Owners of all Outstanding Series 2014C Notes have been filed with it. No mailing 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 consent thereto.

*Section 10.5. Exclusion of Series 2014C Notes.* Unless all Series 2014C Notes are owned or held by or for the account of the Board, Series 2014C Notes 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 a Designated Official, upon which the Trustee may rely, identifying all Series 2014C Notes so to be excluded.

*Section 10.6. Notation on Series 2014C Notes.* Series 2014C Notes authenticated and delivered after the effective date of any action taken as in Article IX 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 Series 2014C Note Outstanding at such effective date and presentation of its Series 2014C Note to the Trustee, suitable notation shall be made on such Series 2014C Note by the Trustee as to any such action. If the Board or the Trustee shall so determine, new Series 2014C Notes 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 Series 2014C Note then Outstanding shall be exchanged, without cost to such Owner, for such Series 2014C Note then Outstanding.

## ARTICLE XI

### MISCELLANEOUS

*Section 11.1. Defeasance.* (a) If the Board shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Series 2014C Notes 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 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 Series 2014C Notes 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 Series 2014C Notes of a particular maturity or portion of any maturity, 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

Series 2014C Notes 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 Series 2014C Notes and to the Trustee shall thereupon be discharged and satisfied.

(b) Series 2014C Notes 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 Date or Redemption Date shall be deemed to have been paid within the meaning of and with the effect expressed in this Section 11.1 if the Board shall have delivered to or deposited with the Trustee (a) irrevocable instructions to pay or redeem all of said Series 2014C Notes in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their principal, (b) irrevocable instructions to mail the required notice of redemption of any Series 2014C Notes so to be redeemed, (c) 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 shall be sufficient, in the opinion of a nationally recognized firm of independent public accountants, without further reinvestment, to pay when due the principal, Redemption Price, if applicable, and interest due and to become due on said Series 2014C Notes on and prior to each specified Redemption Date or maturity date thereof, as the case may be, and (d) if any of said Series 2014C Notes are not to be redeemed within the next succeeding sixty (60) days, irrevocable instructions to mail to all Owners of said Series 2014C Notes a notice that such deposit has been made with the Trustee and that said Series 2014C Notes are deemed to have been paid in accordance with this Section and stating the Maturity Date or Redemption Date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of said Series 2014C Notes. 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 Series 2014C Notes. 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, 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 said Series 2014C Notes, at maturity or upon redemption, as the case may be.

(c) Anything in this Indenture to the contrary notwithstanding, any moneys held by any Fiduciary in trust for the payment and discharge of any of the Series 2014C Notes which remain unclaimed for two years after the date when such Series 2014C Notes 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 such Fiduciary after the said date when such Series 2014C Notes 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 Series 2014C Notes shall look only to the Board for the payment of such Series 2014C Notes.

*Section 11.2. Evidence of Signatures of Owners and Ownership of Series 2014C Notes.*

(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 Series 2014C Notes 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 board or association or a member of a partnership, on behalf of such board, association or partnership, such signature guarantee, certificate or affidavit shall also constitute sufficient proof of authority.

(2) The ownership of Series 2014C Notes and the amount, numbers and other identification and date of holding the same shall be proved by the registration book maintained by the Trustee or any Registrar.

(b) Any request or consent by the Owner of any Series 2014C Note shall bind all future Owners of such Series 2014C Note in respect of anything done or suffered to be done by the Board or any Fiduciary in accordance therewith.

*Section 11.3. Moneys Held for Particular Series 2014C Notes.* The amounts held by any Fiduciary for the payment of interest, principal or Redemption Price due on any date with respect to particular Series 2014C Notes 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 Series 2014C Notes entitled thereto.

*Section 11.4. 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 11.5. Cancellation and Destruction of Series 2014C Notes.* All Series 2014C Notes paid or redeemed, either at or before maturity, and all mutilated Series 2014C Notes surrendered pursuant to Section 2.6, shall be delivered to the Trustee when such payment or redemption is made or upon surrender, as the case may be, and such Series 2014C Notes, together with all Series 2014C Notes purchased by the Trustee, shall thereupon be promptly canceled. Series 2014C Notes so canceled 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 Series 2014C Notes so destroyed, and one executed certificate shall be delivered to the Board and the other retained by the Trustee.

*Section 11.6. Parties' Interest 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 and the Owners of the Series 2014C Notes, 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 and the Owners of the Series 2014C Notes.

*Section 11.7. No Recourse on the Series 2014C Notes.* (a) No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Series 2014C Notes or for any claim based thereon or on this Indenture against any past, present or future member, director, officer, employee or agent of the Board, or any successor, public body or any person executing the Series 2014C Notes, 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, directors, 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 Series 2014C Notes.

(b) No member, officer, director, 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 Series 2014C Notes; but nothing herein contained shall relieve any such member, 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 of Illinois, 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, officer, director, agent or employee of the Board in his or her individual capacity, and no officer executing the Series 2014C Notes shall be liable personally on the Series 2014C Notes or be subject to any personal liability or accountability by reason of the issue thereof. No member, 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 11.8. 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 or not so expressed.

*Section 11.9. 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 11.10. 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, the

Trustee or JPMS shall be deemed to have been sufficiently given, delivered or filed for all purposes of the Indenture if and when sent by registered mail, postage prepaid, return-receipt requested:

To the Board, if addressed to: Board of Education of the City of Chicago  
42 West Madison Street  
Second Floor  
Chicago, Illinois 60602  
Attention: Chief Financial Officer  
Telephone: (773) 553-2790  
Email: jjhuang1@cps.edu

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

To the Trustee, if addressed to: Zions First National Bank  
111 West Washington Street, Suite 1860  
Chicago, Illinois 60602  
Attention: Daryl Pomykala  
Telephone: (312) 489-9486  
Email: Daryl.Pomykala@ZionsBank.com

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

To JPMS, if addressed to: J.P. Morgan Securities LLC  
383 Madison Avenue, 8th Floor  
New York, New York 10179  
Mail Code: NY1-M077  
Attention: Charlie Giffin  
Telephone: (212) \_\_\_\_\_

*Section 11.11. Construction.* This Indenture and all Supplemental Indentures shall be construed in accordance with, and governed by, the provisions of Illinois law irrespective of its conflict of laws principles.

*Section 11.12. Headings Not a Part of This Indenture.* 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.

*Section 11.13. Multiple Counterparts.* This Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and all such counterparts shall constitute but one and the same instrument.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF, the Board of Education of the City of Chicago, has caused this Indenture to be executed in its name and its behalf by its President and attested by its Secretary and Zions First National Bank has caused this Indenture to be executed in its behalf by an Authorized Officer and its corporate seal to be impressed hereon and attested by an Authorized Officer, all as of the day and year first above written.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: \_\_\_\_\_  
President, Board of Education of the City  
of Chicago

ATTEST:

\_\_\_\_\_  
Secretary, Board of Education of the  
City of Chicago

ZIONS FIRST NATIONAL BANK, as Trustee

By: \_\_\_\_\_  
Authorized Officer

[SEAL]

ATTEST:

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



**EXHIBIT A  
TO  
TRUST INDENTURE**

**FORM OF SERIES 2014C NOTE**

No. R-1 \$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
BOARD OF EDUCATION OF THE CITY OF CHICAGO  
EDUCATIONAL PURPOSES TAX ANTICIPATION NOTES, SERIES 2014C

Dated Date: June \_\_, 2015

Registered Owner:

Principal Amount:

The BOARD OF EDUCATION OF THE CITY OF CHICAGO (the "*Board*"), a school district organized and existing under the laws of the State of Illinois, for value received, hereby promises to pay (but only out of the sources hereinafter provided) to the registered owner identified above, or registered assigns, on the maturity date specified herein, unless this Series 2014C Note shall have been called for redemption and payment of the redemption price shall have been duly made or provided for, upon presentation and surrender hereof, the Principal Amount specified above, and to pay (but only out of the sources hereinafter provided) interest on the balance of said principal sum from time to time remaining unpaid from and including the original issue date specified above, until payment of said Principal Amount has been made or duly provided for.

*Payments.* Interest on Series 2014C Notes shall be payable on each Interest Payment Date (as defined in the hereinafter-defined Indenture). The principal of the Series 2014C Notes shall be payable in applicable amounts on each Principal Payment Date (as defined in the hereinafter-defined Indenture).

The principal and interest on the Series 2014C Notes shall be payable 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.

Payment of interest on Series 2014C Notes shall be paid on each Interest Payment Date by check or bank draft mailed or delivered by Zions First National Bank, as trustee (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 of \$1,000,000 or more in aggregate principal amount of Series 2014C Notes, by wire transfer of immediately available funds to such bank in the continental United States as said Owner shall request in writing to the Registrar no later than the Record Date.

Interest accrued on the Series 2014C Notes shall be paid in arrears on each Interest Payment Date. Interest on the Series 2014C Notes shall be computed upon the basis of a 360-day year and the actual number of days elapsed.

*Interest Rates.* The Series 2014C Notes shall bear interest at the Fixed Rate as provided in the Indenture. Under circumstances specified in the Indenture the Series 2014C Notes may bear interest at a Taxable Rate or a Default Rate.

*General.* This Series 2014C Note is one of a duly authorized issue of not to exceed \$200,000,000 aggregate principal amount Educational Purposes Tax Anticipation Notes, Series 2014C, of the Board (the "*Series 2014C Notes*"). The Series 2014C Notes are issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, including the School Code and the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Act*") and a Trust Indenture dated as of June 1, 2015 (the "*Indenture*"), by and between the Board and the Trustee. The Series 2014C Notes are being issued in anticipation of property taxes levied by the Board for educational purposes for the year 2014.

*Limited Obligations.* The Series 2014C Notes are limited obligations of the Board and are payable solely from Pledged Tax Receipts, as defined in the Indenture, *provided* that the pledge of Pledged Tax Receipts with respect to the Series 2014C Notes is on a parity with the pledge thereof as security for the payment of other Tax Anticipation Notes of the Board. Neither the full faith and credit nor the taxing power of the Board is pledged to the payment of the principal of or interest on the Series 2014C Notes.

*Maturity Date.* The maturity date of this Series 2014C Note is October 1, 2015.

*Redemption and Prepayment.* The Series 2014C Notes are subject to redemption at the option of the Board prior to maturity, as a whole or in part, on any Business Day occurring on or after August 3, 2015 at par and without premium upon the terms and conditions set forth in the Indenture. In lieu of optionally redeeming Series 2014C Notes the Board, reserves the right to direct the Trustee to purchase on any Business Day for immediate cancellation, any Series 2014C Notes or beneficial interests therein from any Series 2014C Noteholder or from the Beneficial Owner of any Series 2014C Notes, as provided in the Indenture.

*Registration.* This Series 2014C Note is transferable by the registered owner hereof in person or by such registered owner's attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Indenture.

*Defeasance.* Provision for payment of all or any portion of the Series 2014C Notes may be made, and the Indenture may be discharged, prior to payment of the Series 2014C Notes in the manner provided in the Indenture.

*Miscellaneous.* The registered owner of this Series 2014C Note 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.

Copies of the Indenture are on file at the designated office of the Trustee, and reference to the Indenture and any and all supplements thereto and modifications and amendments thereof is made for a description of the pledge and covenants securing the Series 2014C Notes, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the Series 2014C Notes, and the limitations on such rights and remedies.

Terms used in this Series 2014C Note shall have the same meanings as set forth in the Indenture.

It is hereby certified, recited and declared that this Series 2014C Note is issued in part pursuant to the Local Government Debt Reform Act and that all acts and conditions required to be done, exist and be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2014C Note have been performed in due time, form and manner as required by law; that the indebtedness of the Board, including the issue of Series 2014C Notes of which this is one, does not exceed any limitation imposed by law.

This Series 2014C Note 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 2014C Note to be signed in its name and on its behalf by the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Secretary, all as of the Dated Date identified above.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: \_\_\_\_\_  
President, Board of Education of the City  
of Chicago

ATTEST:

\_\_\_\_\_  
Secretary, Board of Education of the  
City of Chicago

[Form of Certificate of Authentication]

**TRUSTEE'S CERTIFICATE OF AUTHENTICATION**

This Series 2014C Note is one of the Series 2014C Notes described in the within-mentioned Indenture.

Date of Authentication and Delivery:

ZIONS FIRST NATIONAL BANK, as Trustee

\_\_\_\_\_, 20\_\_

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

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:

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

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

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

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

this Series 2014C Note of the Board of Education of the City of Chicago and does hereby irrevocably constitute and appoint \_\_\_\_\_

to transfer said Series 2014C Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of this Series 2014C Note in every particular, without alteration or enlargement or any change whatever.

**EXHIBIT B**  
**TO**  
**TRUST INDENTURE**

**FORM OF INVESTOR LETTER**

\_\_\_\_\_, 20\_\_

Board of Education of the City of Chicago  
Office of Chief Financial Officer  
42 West Madison Street  
Second Floor  
Chicago, IL 60602

Re: \$200,000,000  
Board of Education of the City of Chicago  
Educational Purposes Tax Anticipation Notes, Series 2014C

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of the above-referenced Series 2014C Notes (the "*Series 2014C Notes*"), dated their date of issuance. The Series 2014C Notes are issued under and secured in the manner set forth pursuant to (i) a Trust Indenture dated as of June 1, 2015, between the Board of Education of the City of Chicago (the "*Issuer*") and Zions First National Bank (the "*Trustee*") (the "*Indenture*"). J.P. Morgan Securities LLC ("*JPMS*," the "*undersigned*," "*us*" or "*we*," as applicable) is purchasing the Series 2014C Notes pursuant to a Note Purchase Agreement dated June \_\_, 2015 (the "*Note Purchase Agreement*"), between the Issuer and JPMS. We hereby represent and warrant to you and agree with you as follows:

1. We understand that the Series 2014C Notes have not been registered pursuant to the Securities Act of 1933, as amended (the "*1933 Act*"), the securities laws of any state, nor has the Indenture been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Series 2014C Notes (i) are not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (ii) will not be listed on any securities exchange, (iii) will not carry a rating from any rating service, and (iv) will not be delivered in a form that is readily marketable.

2. We have not offered, offered to sell, offered for sale or sold any of the Series 2014C Notes by means of any form of general solicitation or general advertising, and we are not an underwriter of the Series 2014C Notes within the meaning of Section 2(11) of the 1933 Act.

3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Series 2014C Notes.

4. We have authority to purchase the Series 2014C Notes and to execute this letter and any other instruments and documents required to be executed by us in connection with the purchase of the Series 2014C Notes.

5. The undersigned is a duly appointed, qualified and acting representative of JPMS and is authorized to cause JPMS to make the certifications, representations and warranties contained herein by execution of this letter on behalf of JPMS.

6. The undersigned is either (a) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act (a “*QIB*”) or (b) an “accredited investor” as defined in Rule 501 of Regulation D under the 1933 Act (an “*Accredited Investor*”) and, as such, is able to bear the economic risks of such investment in the Series 2014C Notes. JPMS understands that, in certain circumstances, it may be required to hold the Series 2014C Notes until the maturity thereof.

7. The undersigned understands that no official statement, prospectus, offering circular, or other comprehensive offering statement is being provided with respect to the Series 2014C Notes. The undersigned has made its own inquiry and analysis with respect to the Issuer, the Series 2014C Notes and the security therefor, and other material factors affecting the security for and payment of the Series 2014C Notes.

8. We understand and acknowledge that the Series 2014C Notes are limited obligations of the Issuer payable solely from the tax revenue collected from the tax levy of the Board for educational purposes for the year 2014 (the “*2014 Educational Fund Levy*”), and that neither the full faith and credit nor the taxing power of the Issuer is pledged to the payment of the principal of or interest on the Series 2014C Notes.

9. The undersigned acknowledges that it is familiar with the condition, financial or otherwise, of the Issuer and it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Issuer, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Series 2014C Notes and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Series 2014C Notes. The undersigned acknowledges that it does not require further information from the Board for purposes of purchasing the Series 2014C Notes.

10. JPMS has made its own inquiry and analysis with respect to the Series 2014C Notes and the security therefor, and other material factors affecting the security and payment of the Series 2014C Notes. JPMS has assumed responsibility for obtaining such information and making such review as JPMS deemed necessary or desirable in

connection with its decision to purchase the Series 2014C Notes. JPMS is aware that the business of the Issuer involves certain economic variables and risks that could adversely affect the security for the Series 2014C Notes.

11. The Series 2014C Notes are being acquired by JPMS for investment for its own account and not with a present view toward resale or distribution and JPMS intends to hold the Series 2014C Notes for its own account; *provided, however*, that JPMS reserves the right to sell, transfer or redistribute the Series 2014C Notes, subject to the provisions of the Note Purchase Agreement and the Indenture, but agrees that any such sale, transfer or distribution by JPMS shall be in accordance with the Note Purchase Agreement and the Indenture.

12. JPMS agrees to comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Series 2014C Notes by it, and further acknowledges that any current exemption from registration of the Series 2014C Notes does not affect or diminish such requirements.

Very truly yours,

J.P. MORGAN SECURITIES LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



15-0624-RS12 FINAL

**EXHIBIT B**

**FORM OF SERIES 2014C NOTE PURCHASE AGREEMENT**

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

**[\$200,000,000] Educational Purposes Tax Anticipation Notes, Series 2014C**

**NOTE PURCHASE AGREEMENT**

June 26, 2015

Board of Education of the City of Chicago  
Office of the Chief Financial Officer  
42 West Madison Street, 2nd Floor  
Chicago, Illinois 60602  
Attention: Treasury Department

Ladies and Gentlemen:

The undersigned, J.P. Morgan Securities LLC, (the “*Initial Purchaser*”), offers to enter into the following agreement with the Board of Education of the City of Chicago (the “*Board*”) for the school district constituted by the City of Chicago and governed by the Board (the “*School District*”), established and existing under the Constitution and laws of the State of Illinois, which, upon the Board’s acceptance of this offer, will be binding upon the Board and upon the Initial Purchaser. This offer is made subject to the Board’s acceptance of this Note Purchase Agreement, including the Exhibit hereto (this “*Note Purchase Agreement*”), on or before 4:00 P.M., Central Daylight Time, on June 26, 2015. Except as expressly otherwise defined herein, capitalized terms used herein shall have the same meanings as defined in that certain Trust Indenture, dated as of June 1, 2015 (the “*Indenture*”), by and between the Board and The Bank of New York Mellon, N.A. as trustee (the “*Trustee*”).

1. Agreement to Sell and Purchase. Upon the terms and conditions and in reliance upon the representations, warranties and covenants set forth herein, the Initial Purchaser hereby agrees to purchase from the Board, when and if issued, all (but not less than all) of its [\$200,000,000] Educational Purposes Tax Anticipation Notes, Series 2014C (the “*Notes*”), being issued under and pursuant to the provisions of the School Code of the State of Illinois, as amended (the “*School Code*”), the Local Government Debt Reform Act of the State of Illinois, as amended (the “*Debt Reform Act*”), Resolution 15-0624-RS\_\_ adopted by the Board on June 24, 2015 authorizing the issuance of Educational Purposes Tax Anticipation Notes in an aggregate principal amount not to exceed \$200,000,000 (the “*Note Resolution*”), and the Indenture, and having the dated date, maturity and optional redemption provisions and bearing interest at the rates set forth in Exhibit A hereto. The purchase price for the Notes is \$[200,000,000], which shall be payable at the time of delivery of the Notes as more fully described in Paragraph 6 hereof and referred to herein as the “*Closing*”.

2. The Act, the Note Resolution and the Indenture. The Notes are authorized and issued pursuant to the School Code, the Debt Reform Act, the Note Resolution, and the Indenture. The Notes will be as described in, and secured pursuant to, the Indenture.

3. Representations and Warranties of the Board. The Board represents and warrants to the Initial Purchaser as of the date hereof (and it shall be a condition of the obligations of the Initial Purchaser to purchase and accept delivery of the Notes at the Closing (as defined in paragraph 6), that the Board shall so represent and warrant as of the date of the Closing) that:

(a) The Board is (i) a body politic and corporate of the State of Illinois and governs the School District having boundaries coterminous with the boundaries of the City of Chicago, (ii) established under and governed by Article 34 of the School Code and (iii) not a home rule unit of government.

(b) The Board has (i) duly adopted the Note Resolution and authorized and approved the execution and delivery of the Notes and the Indenture; (ii) duly authorized and approved the execution and delivery of this Note Purchase Agreement; and (iii) duly authorized and approved the performance by the Board of its obligations contained in the Note Resolution, the Indenture, the Notes, this Note Purchase Agreement, the Tax Agreement and the 2014 Tax Escrow Agreement dated as of December 19, 2014 (the "*Escrow Agreement*"), by and between the Board, [certain trustees with respect to indentures pertaining to Parity Indebtedness (as defined herein),] and Zions First National Bank, as Escrow Agent, as amended and supplemented to the date of the Closing (the Note Resolution, the Indenture, the Notes, this Note Purchase Agreement, the Tax Agreement and the Escrow Agreement are collectively referred to herein as the "*Board Documents*"). The Note Resolution remains in full force and effect on the date hereof.

(c) The Board has full legal right, power and authority (i) to adopt the Note Resolution; (ii) to enter into this Note Purchase Agreement, (iii) to execute and deliver the Notes, the Tax Agreement and the Indenture and to direct the Trustee to deliver the Notes to the Initial Purchaser pursuant to the Note Resolution, the Indenture and this Note Purchase Agreement; and (iv) to carry out and consummate the transactions contemplated by the Board Documents to be performed by the Board.

(d) No condition has occurred which would constitute a breach or default by the Board under any of the Board Documents, and the Board is not in breach of or default in any respect under the Note Resolution or in any material respect under any applicable law or administrative regulation of the State of Illinois or the United States of America or any department, division, agency or instrumentality of either, or any applicable judgment or decree to which the Board is subject, or any loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Board is a party or is otherwise subject, which breach or default would in any way materially adversely affect the Notes, the operation of the School District or the authorization or issuance of the Notes, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute such a breach or default.

(e) Neither the adoption of the Note Resolution and compliance with the provisions thereof nor the execution and delivery of and performance by the Board of its obligations under the other Board Documents violate any applicable law or administrative regulation

of the State of Illinois or the United States of America or any department, division, agency or instrumentality of either, or any applicable judgment or decree to which the Board is subject, or conflicts, in a material manner with, or constitutes a material breach of or a material default under any loan agreement, bond, note, resolution, ordinance, indenture, agreement or other instrument to which the Board is a party or is otherwise subject. The Board has not received any judicial or administrative notice, which in any way questions the Federal tax-exempt status of interest on the Notes.

(f) The Board is not, to the best of the Board's knowledge, in default with respect to any bond, note or other evidence of indebtedness, whether of a general obligation, revenue or other nature which would materially and adversely affect the Notes, the ability of the Board to authorize the issuance of the Notes or the Board's ability to pledge and assign the Trust Estate or operate the School District.

(g) All authorizations, approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the issuance of the Notes or the performance by the Board of its obligations under the Board Documents and which are required to be obtained prior to the execution and delivery of each of the foregoing instruments have been obtained and remain in full force and effect or will be obtained prior to the Closing.

(h) The Notes are the valid and binding limited obligations of the Board, and are payable both as to principal and interest from the Pledged Tax Receipts and all moneys and securities and earnings thereon in all Funds and Accounts established pursuant to the Indenture, all as described in the Indenture, as well as from any and all other moneys, securities and property 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 (all such security and sources of repayment are collectively referred to herein as the "*Trust Estate*"). The Board has levied ad valorem taxes upon all taxable property located in the School District for educational purposes for the year 2014. All other obligations hereunder owing to the Initial Purchaser not constituting principal of and interest on the Notes shall be payable from legally available funds of the Board. The Board covenants and agrees to include any amount necessary to pay such obligations in the annual budget of the Board and to use its best efforts to assure such annual appropriations are made.

(i) Each of this Note Purchase Agreement and the Escrow Agreement constitutes a legal, valid and binding obligation of the Board enforceable in accordance with its terms, and the other Board Documents, when duly executed and delivered, will constitute the legal, valid and binding obligations of the Board enforceable in accordance with their respective terms, in all cases, except as the enforceability of such agreement or other document may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and from the application of general principles of equity and from public policy limitations on the exercise of any rights to indemnification and contribution.

(j) The financial statements of, and other financial information regarding, the Board fairly present the financial positions and result of operations of the Board as of the dates

and for the periods therein set forth, and (i) to the best of the Board's knowledge the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied and (ii) there has been no material adverse change in the financial condition of the Board since the last audit of the Board.

(k) Except as disclosed to the Initial Purchaser in writing, there is no litigation pending or, to the best of the Board's knowledge, threatened in any court which in any way affects the existence of the Board, the Board's operation of the School District, or seeks to restrain or enjoin the issuance, sale and delivery of the Notes, or the right, power and authority of the Board to collect the Pledged Taxes, or the pledge of the Pledged Tax Receipts or the validity or enforceability of the Note Resolution or any of the other Board Documents, or contesting the power of the Board or its authority with respect to the Notes or any of the other Board Documents or contesting in any way the exclusion of interest on the Notes from the gross income of the owners thereof for Federal income tax purposes.

(l) There is no public vote or referendum pending, proposed or concluded, the results of which would in any way affect the transactions contemplated by, or the validity or enforceability of, the Board Documents.

(m) The Board is not in payment or other monetary default on any of its outstanding bonds, notes, certificates or other evidences of indebtedness.

(n) Neither the existence of the Board nor the right of the members of the Board to their offices nor the right or title of the officers of the Board to their respective offices is being contested and no authority or proceeding for the issuance of the Notes has been repealed, revoked or rescinded.

(o) Except for the pledge of the Pledged Tax Receipts in connection with the Series 2014A Notes, the Series 2014B Notes and the issuance of Additional Notes, the moneys pledged pursuant to the granting clauses of the Indenture for payment of the Notes have not been, and will not be, pledged by the Board to the payment of any other obligations, except as permitted by the Indenture.

(p) The lien granted under the Indenture on the Trust Estate is a valid and enforceable lien securing the payment of the Note and any indebtedness heretofore or hereafter issued or incurred by the Board that is secured by the Pledged Tax Receipts ("*Parity Indebtedness*"), and there is no Lien on the Trust Estate securing Indebtedness on a basis senior to the Notes.

(q) Except as disclosed to the Initial Purchaser in writing, there is no amendment, or to the knowledge of the Board, proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation that has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to have a Material Adverse Effect. For purposes of this Note Purchase Agreement, a Material Adverse Effect means (a) a material adverse change in, or material adverse effect upon, the financial condition, operations, Property, condition (financial or otherwise) or assets of the Board, (b) a

material impairment of the ability of the Board to perform its obligations under any Board Document or the security for the Notes, or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Board of any Board Document or the rights and remedies of the Initial Purchaser thereunder.

(r) The Board hereby makes to the Initial Purchaser the same representations and warranties as were made by it in each Board Document to which it is a party, which representations and warranties, together with the related definitions of terms contained therein, are hereby incorporated by reference with the same effect as if each and every such representation and warranty and definition were set forth herein in its entirety. No amendment to or waiver of such representations and warranties or definitions made pursuant to the relevant Board Document or incorporated by reference shall be effective to amend such representations and warranties and definitions as incorporated by reference herein without the prior written consent of the Initial Purchaser.

(s) Under existing law, sovereign immunity does not prevent the enforcement by the Initial Purchaser of this Agreement, any Board Document to which the Board is a party or the Notes.

(t) The Board has not entered into any Swap Agreement relating to indebtedness (i) wherein any termination payment thereunder is senior to or on a parity with the payment of the Notes or (ii) which requires the Board to post cash collateral to secure its obligations thereunder. For purposes of this Note Purchase Agreement, a "Swap Agreement" is defined as (a) any and all rate swap transactions, basis swaps, total return swaps, credit derivative transactions, forward rate transactions, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, cap transactions, floor transactions, collar transactions, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

(u) The levy of taxes for property tax levy year 2014 for educational purposes of the Board, the proceeds of which have not been dedicated to other indebtedness (other than Parity Indebtedness) or pension obligations, is \$2,205,000,000; the taxes for property tax levy year 2014 for educational purposes of the Board, the proceeds of which have not been dedicated to other indebtedness (other than Parity Indebtedness) or pension obligations which remain to be collected is not less than \$ \_\_\_\_\_.

4. Representations and Warranties of the Initial Purchaser. The Initial Purchaser hereby agrees with, and makes the following representations and warranties to, the Board, as of the date hereof and as of the Closing date, which representations and warranties shall survive the Closing:

(a) The Initial Purchaser is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and is authorized to conduct business in the State.

(b) This Note Purchase Agreement has been duly authorized, executed and delivered by the Initial Purchaser and, assuming the due authorization, execution and delivery by the Board, is the legal, valid and binding obligation of the Initial Purchaser enforceable in accordance with its terms, except as the enforceability of this Note Purchase Agreement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally from time to time in effect and from the application of general principles of equity and from public policy limitations on the exercise of any rights to indemnification and contribution.

5. Covenants of the Board. In connection with the purchase and sale of the Notes pursuant to this Note Purchase Agreement, the Board hereby covenants that:

(a) The Board will cooperate to make available such information, execute such instruments and take such other action in cooperation with the Initial Purchaser and the Trustee as they may reasonably request to assist them in attempting to qualify the Notes with The Depository Trust Company ("DTC").

(b) The Board shall apply the proceeds of the Notes in accordance with the Note Resolution and the Indenture.

(c) Between the date of this Note Purchase Agreement and the Closing, the Board will not issue any bonds, certificates, notes or other obligations for borrowed money payable from Pledged Taxes other than the Series 2014A Notes and the Series 2014B Notes.

6. Covenant of the Initial Purchaser. The Initial Purchaser may at any time and from time to time in its sole discretion and control sell some or all of the Notes to not more than 35 purchasers each of whom meet the definition of an Accredited Investor and/or a "*Qualified Institutional Buyer*" as set forth in Rule 144A of the Securities Act (a "*Qualified Institutional Buyer*") or is a trust or other custodial arrangement established by the Initial Purchaser or one of its affiliates, the owners of any beneficial interest in which are limited to Qualified Institutional Buyers and Accredited Investors (any such trust or custodial arrangement, Accredited Investor and Qualified Institutional Buyer are each referred to herein as a "*Qualified Note Purchaser*") and each of whom is not purchasing for more than one account or with a view to distributing the Notes. The Purchaser shall comply with all applicable federal and state securities laws in connection with any subsequent distribution or sale of the Notes. The Initial Purchaser covenants that it will not sell the Notes to any person or entity that is not a Qualified Note Purchaser; and will exercise reasonable diligence in determining that any purchaser of the Notes is a Qualified Note Purchaser. The Initial Purchaser acknowledges that the Notes have not been and will not be registered under the Securities Act.

7. Closing. The payment for the Notes (the "*Closing*") shall take place on June 29, 2015, at the offices of Chapman and Cutler LLP, 111 West Monroe Street, Chicago, Illinois, or on such other date or at such other place as shall have been mutually agreed upon by the Board and the Initial Purchaser as the date on or place at which the Closing shall occur. Prior to the Closing, the

Board will cause the Notes in definitive form, duly authenticated, to be delivered to the Trustee to facilitate a “FAST” closing through DTC. At or about 10:00 A.M., Central Daylight Time, on the date of Closing and, provided that all conditions to the obligations of the Initial Purchaser set forth in Section 8 hereof have been satisfied, the Initial Purchaser shall cause the purchase price of the Notes to be paid in federal funds to the order of the Trustee for the account of the Board in accordance with the Indenture. The Notes, bearing a proper CUSIP number, shall be in the definitive form of one fully registered Note and in the name of which DTC requests that the Notes be registered, and shall be made available for inspection and checking by the Initial Purchaser on the Business Day prior to the Closing. The parties hereto shall notify the Trustee to release or authorize the release of the Notes from safe custody at the Closing upon receipt of payment for the Notes as aforesaid.

8. Reliance and Further Conditions of the Initial Purchaser. The Initial Purchaser has entered into this Note Purchase Agreement in reliance upon the representations, warranties and covenants of the Board contained herein and to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Board of its obligations hereunder and under the aforesaid documents and instruments at or prior to the date of the Closing. Accordingly, the Initial Purchaser’s obligations under this Note Purchase Agreement to purchase, to accept delivery of and to pay for the Notes are subject to the performance by the Board of its obligations to be performed hereunder and under such aforesaid documents and instruments at or prior to the Closing, and are also subject to the following conditions:

(a) The representations and warranties of the Board contained herein and in the Note Resolution and the Indenture are complete and correct on the date hereof and will be true, complete and correct on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(b) At the time of the Closing, (i) the Board Documents will be in full force and effect and will not have been amended, modified or supplemented since the date hereof, unless agreed to in writing by the Initial Purchaser as provided herein; and (ii) all necessary action on the part of the Board relating to the issuance of the Notes will have been taken and will be in full force and effect and will not have been amended, modified or supplemented, except with the written consent of the Initial Purchaser.

(c) The Initial Purchaser has the right to terminate the Initial Purchaser’s obligations under this Note Purchase Agreement to purchase, to accept delivery of and to pay for the Notes by notifying the Board of its election to invoke one of the following clauses and the basis underlying such invocation if, after the execution hereof and prior to the Closing, any of the following shall occur which in the Initial Purchaser’s sole and reasonable judgment, materially adversely affects the market price of the Notes:

(i) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee of either body, or shall have been recommended to the Congress for passage by the President of the United States, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the



Internal Revenue Service, or other federal authority with appropriate jurisdiction, with respect to federal taxation upon interest received on obligations of the general character of the Notes; or

(ii) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, or (2) any other calamity or crisis in the financial markets of the United States or elsewhere; or

(iii) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission of the United States (the “SEC”) or any other governmental authority having jurisdiction; or

(iv) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee, or shall have been recommended to the Congress for passage by the President of the United States, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Notes or any comparable securities of the Board, are not exempt from the registration, qualification or other requirements of the Securities Act, the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws; or

(v) except as disclosed in the Official Statement of the Board dated April 21, 2015 (the “*Board Official Statement*”), with respect to its Unlimited Tax General Obligation Project Bonds (Dedicated Revenues) Series 2015C and Series 2015E, any material adverse change in the affairs of the Board shall have occurred.

(d) The Initial Purchaser has the right to temporarily suspend the Initial Purchaser’s obligations under this Note Purchase Agreement to accept delivery of and to pay for the Notes by notifying the Board, in writing, of the occurrence of (i) a material disruption in securities settlement, payment or clearance services in the United States or (ii) any change in financial markets or any calamity or crisis, that, in the Initial Purchaser’s reasonable judgment, is material and adverse with respect to the acceptance, delivery of and payment for the Notes and as a result of such change, calamity or crisis, the Initial Purchaser is unable to fulfill its obligation hereunder. The Initial Purchaser’s notice shall include a description of the factual basis underlying such temporary suspension of the Initial Purchaser’s obligations under this Note Purchase Agreement. Any suspension of the Initial Purchaser’s obligations pursuant to this Section 8(d) shall remain in effect for the earlier of five (5) business days or such date by which, in the Initial Purchaser’s reasonable judgment, such factual basis has expired or passed and the Initial Purchaser is capable of performing its obligations under this Note Purchase Agreement.

- (e) No action, suit, proceeding, inquiry or investigation, at law or equity, before or by any court or public body, is pending or, to the best knowledge of the Board, threatened against the Board which has any of the effects described in Section 3(k) hereof.
- (f) At or prior to the Closing, the Initial Purchaser shall receive each of the following documents:
  - (i) Two copies, duly certified by the Secretary of the Board, of the Note Resolution as adopted by the Board.
  - (ii) The approving opinion dated the date of the Closing of Chapman and Cutler LLP, as Bond Counsel ("*Bond Counsel*").
  - (iii) The supplemental opinion of Bond Counsel, dated the date of the Closing and addressed to the Initial Purchaser and the Board, to the effect that (A) this Note Purchase Agreement has been duly authorized, executed and delivered by the Board and assuming the due authorization, execution and delivery thereof by the Initial Purchaser, constitutes the binding agreement of the Board enforceable in accordance with its terms, except as may be limited by bankruptcy, liquidation, insolvency, reorganization, or other similar laws and by general principles of equity if equitable remedies are sought; and (B) the Notes constitute exempt securities within the meaning of Section 3(a)(2) of the Securities Act and Section 304(a)(4)(A) of the Trust Indenture Act and it is not necessary, in connection with the public offering and sale of the Notes, to register the Notes under the Securities Act or to qualify the Indenture or the Note Resolution under the Trust Indenture Act.
  - (iv) An opinion of the General Counsel of the Board given, in an official capacity and not personally and to which no personal liability will derive from its delivery, dated the date of the Closing and addressed to the Initial Purchaser, to the effect that (A) the Board is duly organized and existing under the Constitution and laws of the State of Illinois and the Board has full power and authority, among other things, to adopt and perform its duties and obligations under the Note Resolution and to execute, deliver and perform its duties and obligations under the Indenture, the Escrow Agreement, the Tax Agreement and this Note Purchase Agreement, to authorize the issuance and sale of the Notes and to operate the School District; (B) the Indenture, the Tax Agreement and this Note Purchase Agreement, when duly executed by the respective parties thereto, will be, valid and binding obligations of the Board, enforceable in accordance with their respective terms (except to the extent that enforceability may be limited by bankruptcy, insolvency and other laws affecting creditors' rights or remedies and the availability of equitable remedies generally); (C) the Escrow Agreement is a valid and binding obligation of the Board, enforceable in accordance with their respective terms (except to the extent that enforceability may be limited by bankruptcy, insolvency and other laws affecting creditors' rights or remedies and the availability of equitable remedies generally); (D) to the knowledge of such counsel, compliance with the provisions of the Note Resolution, and the execution, delivery and performance of the Indenture, the Notes, the Escrow

Agreement, the Tax Agreement and this Note Purchase Agreement do not in a material manner conflict with, or constitute a material breach of or material default under, any applicable law, administrative regulation, court order or consent decree of the State of Illinois or the United States of America or any department, division, agency, or instrumentality of either or any loan agreement, note, ordinance, indenture, mortgage, deed of trust, agreement or other instrument to which the Board is a party or may otherwise be subject; (E) all approvals, consents and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute conditions precedent to the performance by the Board of its obligations under the Board Documents and which are required to be obtained prior to the execution and delivery of the foregoing instruments have been obtained and are in full force and effect; and (F) except as described in writing to the Initial Purchaser, there is no litigation or proceeding pending or, to the knowledge of such counsel, threatened in any way affecting the existence of the Board, or seeking to restrain or to enjoin the issuance, sale or delivery of the Notes, or the right, power and authority of the Board to collect the Pledged Taxes generally, or the pledge of the Pledged Tax Receipts, or in any way contesting or affecting the validity or enforceability of the Board Documents, or contesting the powers of the Board or its authority with respect to the Board Documents.

(v) The opinion of McGuireWoods LLP, Counsel for the Initial Purchaser, dated the date of the Closing and addressed to the Initial Purchaser, to the effect that the Notes are exempt from registration pursuant to the Securities Act, and no resolution or indenture in respect of the Notes is required to be qualified under the Trust Indenture Act.

(vi) A certificate of the President of the Board, Chief Financial Officer or other designated officer of the Board given in his or her official capacity and not personally and to which no personal liability will derive from its delivery, dated the date of the Closing, to the effect that: (A) the representations and warranties of the Board contained herein are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing; (B) the Board has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing; (C) the consummation of any of the transactions contemplated by the Board Documents or this Note Purchase Agreement will not violate any material law, rule or regulation applicable to the Board or the Board's obligations under this Note Purchase Agreement; (D) other than the Ratings Actions, there has been no event or circumstance except as disclosed in the Board Official Statement, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect; (E) no default or event of default shall have occurred and be continuing under any of the Board Documents as of the date of the Closing or will result from the execution and delivery by the Board of this Note Purchase Agreement or the Notes; (F) the Board is fully in compliance with the terms of the Bank Agreements to which it is a party as of the date of the Closing, and no default or event of default exists thereunder as of the date of the Closing or will result from the execution and delivery by the Board of this Note

Purchase Agreement or the Notes; and (G) there is no action, suit, proceeding or investigation before or by any court or public board or body pending or threatened against the Board to restrain or enjoin the issuance, execution or delivery of the Notes or in any manner questioning the proceedings or authority for the issuance of the Notes or affecting directly or indirectly the validity of the Notes or of any provisions made or authorized for their payment or contesting the existence of the Board or the title of any of its officers to their respective offices. For purposes of the foregoing, "*Ratings Actions*" means the following: On May 13, 2015, the rating on the Board's long-term general obligation bonds was downgraded by Moody's Investors Service to "Ba3; on March 17, 2015, the rating on the Board's long-term general obligation bonds was downgraded by Standard and Poor's Rating Service to "A-; and on March 20, 2015, the rating on the Board's long-term general obligation bonds was downgraded by Fitch Rating Service to "BBB-;" and "*Bank Agreements*" means any agreement entered into with any lender, creditor or holder of indebtedness under which the Board has pledged the Pledged Taxes to secure its obligations, including, without limitation, the Credit Agreement dated as of December 1, 2014 between the Board and PNC Bank, National Association and the Credit Agreement dated as of December 19, 2014 between the Board and BMO Harris Bank, N.A.

- (vii) An executed original copy of the Escrow Agreement.
- (viii) Information Return for Tax-Exempt Governmental Bond Issues, Form 8038-G, executed by the President of the Board or Chief Financial Officer.
- (ix) An executed original copy of the Tax Agreement.
- (x) An executed original copy of the Indenture.
- (xi) A certificate from the Trustee, acceptable to the Board and the Initial Purchaser, dated the date of Closing, to the effect that the Trustee has full legal right, power and authority to act as Trustee under the Indenture.
- (xii) A certificate dated the date of the Closing of an authorized officer of the Board demonstrating that the principal amount of the Notes, when added to the aggregate principal amount of all outstanding Tax Anticipation Notes, does not exceed 72.5% of the uncollected Pledged Taxes.
- (xiii) An incumbency certificate of the Board, in form and content acceptable to the Initial Purchaser, dated the date of the Closing, with respect to the officers or other signatories of the Board who have executed, authenticated and delivered the Board Documents, and all other financing or operative documents relating to the Notes to be signed by the Board.
- (xiv) A copy of the Blanket Letter of Representations to DTC relating to the Notes signed by the Board.
- (xv) Such additional legal opinions, certificates, instruments and other documents as Bond Counsel may reasonably deem necessary or desirable, or as

the Initial Purchaser may reasonably request to evidence the truth and accuracy of, as of the date hereof and as of the date of the Closing, the representations, warranties and covenants of the Board contained herein and the due performance or satisfaction by the Board at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Board.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Note Purchase Agreement will be deemed to be in compliance with the provisions hereof if, but only if, (i) they are in substance reasonably satisfactory to the Initial Purchaser, or (ii) the Initial Purchaser accepts delivery of and pays for the Notes, as provided herein. Payment for the Notes and acceptance of the Notes by the Initial Purchaser shall constitute acknowledgment by the Initial Purchaser of the Board's full performance hereunder.

If the Board is unable to satisfy the conditions to the obligations of the Initial Purchaser to purchase, to accept delivery of and to pay for the Notes contained in this Note Purchase Agreement, or if the obligations of the Initial Purchaser to purchase, to accept delivery of and to pay for the Notes are terminated for any reason permitted by this Note Purchase Agreement, this Note Purchase Agreement will terminate and neither the Initial Purchaser nor the Board will be under further obligation or have any further liability hereunder, and provided further that in such event the respective obligations set forth in Section 10 hereof shall continue in full force and effect.

9. No Advisory or Fiduciary Role. The Board acknowledges and agrees that (i) the purchase and sale of the Notes pursuant to this Note Purchase Agreement is an arm's-length, commercial transaction between the Board and the Initial Purchaser in which the Initial Purchaser is acting solely as a principal and is not acting as a municipal advisor (within the meaning of Section 15B of the Exchange Act), financial advisor or fiduciary to the Board, (ii) the Initial Purchaser has not assumed any advisory or fiduciary responsibility to the Board with respect to this Note Purchase Agreement, the offering of the Notes and the discussions, undertakings and procedures leading thereto (irrespective of whether the Initial Purchaser, or any affiliate of the Initial Purchaser, has provided other services or is currently providing other services to the Board on other matters), (iii) the only obligations the Initial Purchaser has to the Board with respect to the transactions contemplated hereby are set forth in this Note Purchase Agreement, (iv) the Initial Purchaser has financial and other interests that differ from those of the Board and (v) the Board has consulted with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

10. Expenses. The Initial Purchaser shall be under no obligation to pay, and the Board shall pay, all expenses incident to the performance of the obligations of the Board hereunder, including but not limited to: (i) the cost of the preparation and reproduction and mailing or delivery of the Note Resolution, the Indenture or the other Board Documents; (ii) the cost of the preparation and printing, if any, of the Notes; (iii) the fees and disbursements of Bond Counsel to the Board; (iv) the fees and disbursements of the advisors to the Board; (v) the fees of DTC and with respect to obtaining CUSIP numbers; (vi) the fees of the Board's outside counsel and any other expenses reasonably incurred in connection with the issuance of the Notes and not specifically assumed by the Initial Purchaser hereunder; (vii) the fees and expenses of the Trustee; and (viii) the fees and expenses of Counsel for the Initial Purchaser. The Board shall be

under no obligation to pay, and the Initial Purchaser shall pay all other expenses incurred by them or any of them in connection with its purchase of the Notes.

11. Notices. Any notice or other communication to be given to the Board under this Note Purchase Agreement must be given by delivering the same in writing at the address of the Board, Attention: Chief Financial Officer, Office of the Chief Financial Officer, 42 West Madison Street, 2nd Floor, Chicago, Illinois 60602, and any notice or other communication to be given to the Initial Purchaser under this Note Purchase Agreement must be given by delivering the same in writing to: J.P. Morgan Securities LLC, 383 Madison Avenue, 8th Floor, New York, New York 10179, Mail Code: NY1-M077, Attention: Charlie Giffin, as Initial Purchaser, or such other address as the Initial Purchaser shall specify in writing.

12. No Third-Party Beneficiaries, Survival, Etc. This Note Purchase Agreement is made solely for the benefit of the Board and the Initial Purchaser (including the successors or assigns of the Initial Purchaser), and no other person may acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and covenants of the Board contained in this Note Purchase Agreement shall remain operative and in full force and effect regardless of (i) any investigations made by or on behalf of the Initial Purchaser or (ii) delivery of and payment for the Notes pursuant to this Note Purchase Agreement.

13. Timeliness. Time is of the essence in consummation of the transactions contemplated by this Note Purchase Agreement.

14. Governing Law. This Note Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, including, without limitation, those laws applicable to contracts made and to be performed in the State of Illinois, but excluding its conflict of laws principles. This Note Purchase Agreement shall not be assigned by the Board.

15. Counterparts. This Note Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

16. Effective Date. This Note Purchase Agreement will become effective upon the execution and the acceptance hereof by the appropriate officers of the Board and will be valid and enforceable as of the time of such acceptance.

17. Entire Agreement. This Note Purchase Agreement supersedes all prior or contemporaneous agreements and understandings of the parties hereto, verbal or written, relating to the subject matter hereof.

18. Enforceability. If any provision of this Note Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions, because it conflicts with any provisions of any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision invalid, inoperative or unenforceable in any other

case or circumstances, or of rendering any other provision or provisions of this Note Purchase Agreement invalid, inoperative or unenforceable to any extent whatsoever.

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Very truly yours,

**J.P MORGAN SECURITIES LLC,**  
as Initial Purchaser

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

The foregoing is hereby accepted as of  
the date first written above:

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

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Its: \_\_\_\_\_

[Signature page to  
Note Purchase Agreement]



**EXHIBIT A****TERMS OF THE NOTES****[\$200,000,000] Educational Purposes Tax Anticipation Notes, Series 2014C****CUSIP:**

<b><u>Principal Amount</u></b>	<b><u>Maturity (September 30)</u></b>	<b><u>Interest Rate</u></b>	<b><u>Offering Price or Yield</u></b>
[\$200,000,000]	2015	74% of LIBOR plus the Applicable Margin	100%

**Optional Redemption:**

The Notes are subject to redemption by the Board in whole or in part at any time prior to maturity at the option of the Board on or after [August 1], 2015 at the principal amount thereof and interest accrued thereon to the date fixed for redemption without premium.