

December 16, 2015

**RESOLUTION
ACCEPTING A SETTLEMENT OFFER FROM LEHMAN BROTHERS, INC.
RELATING TO A MASTER REPURCHASE AGREEMENT WITH LEHMAN BROTHERS INC.**

WHEREAS, the Board of Education of the City of Chicago (the "Board"), acting through the Chicago School Reform Board of Trustees entered into that certain Trust Indenture dated as of April 1, 1996 (the "Indenture"), with Amalgamated Bank of Chicago, as trustee (the "Trustee"); and

WHEREAS, pursuant to the terms of the Indenture, the Board was required to invest a certain portion of monies on deposit with the Trustee from time to time; and

WHEREAS, in fulfillment of the investment requirements of the Indenture, the Board directed the Trustee to enter into that certain Master Repurchase Agreement and related Letter Agreement each dated July 25, 1996 (collectively, the "Repurchase Agreement"), with Lehman Brothers, Inc. ("Lehman"); and

WHEREAS, Lehman has defaulted under the terms of the Repurchase Agreement and is in process of liquidation; and

WHEREAS, the Board and Lehman have reached agreement to a settlement amount in satisfaction of the Lehman default under the Repurchase Agreement;

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE BOARD OF EDUCATION OF THE CITY OF CHICAGO:

1. The settlement claim is approved in the amount of \$3,810,000. A distribution of this claim will be paid out of the bankruptcy estate, which is expected to be approximately \$1,333,500.00.
2. The President, Chief Executive Officer, and Senior Vice President of Finance (each, a "Designated Official") are each authorized to execute and deliver a settlement agreement with Lehman and acceptance of the terms of the agreement, as approved as to legal form by the General Counsel, as well as such other documents and agreements as may be necessary to settle all claims with Lehman, including terms related to indemnification, release of obligations of the parties and costs, including legal fees, related to the settlement.
3. The General Counsel is authorized to select and engage attorneys and other professionals to provide services related to the transactions described in this resolution, and the General Counsel may make such selection of professionals based upon substantial demonstrated prior experience.
4. 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.