

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

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

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

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

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

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

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

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

WHEREAS; pursuant to and in accordance with the provisions of the Bond Issue Notification Act, 30 Illinois Compiled Statutes 352, the Board called a public hearing (the

“**Hearing**”) for August 24, 2016, concerning the intent of the Board to sell up to \$945,000,000 of the 2016 Authorization Bonds from time to time in one or more series; and

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

WHEREAS, the Hearing was held on August 24, 2016 and at the Hearing, the Board explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on August 24, 2016; and

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

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

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

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

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

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

WHEREAS, the Alternate Bonds will be payable from (i) the revenues derived and to be derived by the Board from the imposition of the Capital Improvement Tax in accordance with Section 34-53.5 of the School Code to the extent determined by a Designated Official (as hereinafter defined) at the time of sale of such Alternate Bonds (the “**Pledged Capital Improvement Taxes**”) and (ii) the ad valorem taxes levied or to be levied against all of the taxable property in the School District without limitation as to rate or amount pursuant to Section 3 of this Resolution (the “**Pledged Debt Service Taxes**”), for the purpose of providing

funds in addition to the Pledged Capital Improvement Taxes to pay the principal of and interest on the Alternate Bonds; and

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

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

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

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

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

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

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

WHEREAS, the Bonds of a Series may be sold (i) to an underwriter or a group of underwriters (the “**Underwriters**”) to be designated by the Senior Vice President of Finance with respect to one or more Series of the Bonds pursuant to a separate Contract of Purchase (each, a “**Bond Purchase Agreement**”) between the Underwriters and the Board, (ii) in a private placement with an individual investor or group of investors to be designated by the Senior Vice

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TRUST INDENTURE

by and between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

[_____]
as Trustee

dated as of _____ 1, 2016

securing
\$ __,000,000
Dedicated Capital Improvement Tax Bonds, Series 2016C

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Exhibit A – Form of Series 2016C Bonds

THIS TRUST INDENTURE dated as of _____ 1, 2016 (the “*Indenture*”), by and between the Board of Education of the City of Chicago, a school district organized and existing under the laws of the State of Illinois, and [[_____]] a state banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out as trustee (the “*Trustee*”);

WITNESSETH:

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

WHEREAS, in accordance with the provisions of the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350 (the “*Act*”), the Board, on the 24th day of August, 2016 adopted Resolution No. 16-0824-RS5 (the “*2016 Authorizing Resolution*”) authorizing the issuance of Alternate Bonds (as hereinafter defined), in an amount not to exceed \$935,000,000, and with respect to such Alternate Bonds has completed (i) the backdoor referendum proceedings required by Section 15 of the Act and (ii) the notice and hearing requirements of the Bond Issue Notification Act, 30 Illinois Compiled Statutes 352, thereby authorizing the Board to issue such Alternate Bonds in said amount not to exceed \$935,000,000 (the “*2016 Authorization*”); and

WHEREAS, to avail itself of the 2015 Authorization, the Board adopted Resolution No. 16-1026-RS_ on October 26, 2016 (the “*Bond Resolution*”) authorizing the issuance, from time to time, in one or more series, of its Dedicated Capital Improvement Tax Bonds in an aggregate principal amount not to exceed \$800,000,000 for the purpose of financing capital improvements authorized by the 2016 Authorizing Resolution; and

WHEREAS, pursuant to the Bond Resolution, the Board has duly authorized the issuance of its Dedicated Capital Improvement Tax Bonds, Series 2016C, in the aggregate principal amount of \$_____,000,000 (the “*Series 2016C Bonds*”), for the purpose of providing funds to (i) pay Capital Expenditures (as herein defined) that are Permitted Expenditures (as herein defined) of Projects (as hereinafter defined), (ii) pay certain interest to become due on the Series 2016C Bonds to and including [December 1, 2017] and (iii) pay costs of issuance of the Series 2016C Bonds; and

WHEREAS, pursuant to the Bond Resolution, the Board has appointed [_____] to act as Trustee under this Indenture; and

WHEREAS, the Series 2016C Bonds are secured by and will be payable from a pledge of the Pledged Capital Improvement Taxes and the Pledged Debt Service Taxes (each as hereinafter defined) and will be further secured by the other moneys, securities and funds pledged under this Indenture; and

WHEREAS, no bonds or other obligations have heretofore been issued pursuant to the 2016 Authorizing Resolution or the Bond Resolution; and

WHEREAS, for the 2015 tax levy year and for the 2016 tax levy year the Board has levied taxes upon all taxable property located in the School District for capital improvement purposes as authorized by Section 34-53.5 of the School Code (the “*Capital Improvement Tax*”); and

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

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

WHEREAS, pursuant to Section 34-53.5(f) of the School Code the Board may issue bonds, in accordance with the Local Government Debt Reform Act, including Section 15 of that Act, against any revenues to be collected from the Capital Improvement Tax in any year or years and may pledge, pursuant to Section 13 of the Local Government Debt Reform Act, those revenues as security for the payment of any such bonds; and

WHEREAS, the Board has determined that the Pledged Capital Improvement Taxes will provide in each year an amount not less than 1.25 times the debt service on the Series 2016C Bonds, which determination is supported by the report of Public Financial Management, Inc., an independent feasibility analyst having a national reputation for expertise in the areas of public finance and the financing of capital improvements for public schools, that is not otherwise involved in the projects being financed with the proceeds of the Series 2016C Bonds; and

WHEREAS, all things necessary to make the Series 2016C Bonds, when authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the Board according to the import thereof, and to constitute this Indenture a valid pledge of and lien on and security interest in each of the Pledged Capital Improvement Taxes and the Pledged Debt Service Taxes to secure the payment of the principal of, premium, if any, and interest on the Series 2016C Bonds 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 2016C Bonds, subject to the terms hereof have in all respects been duly authorized.

GRANTING CLAUSES

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

That in order to secure the payment of the principal of, premium, if any, and interest on all Series 2016C Bonds issued hereunder, according to the import thereof, and the performance and observance of each and every covenant and condition herein and in the Series 2016C Bonds contained, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Series 2016C Bonds by the respective Owners (as hereinafter defined) thereof, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2016C Bonds shall be issued, authenticated, delivered, secured and accepted by all Persons (as hereinafter defined) who shall

from time to time be or become Owners thereof, the Board does hereby pledge and grant a lien and security interest upon the following Trust Estate to the Trustee and its successors in trust and assigns, for the benefit of the Owners and any Swap Providers (as hereinafter defined), to the extent provided in this Indenture:

(a) The Pledged Capital Improvement Taxes and the Pledged Debt Service Taxes; provided that the pledge of the Pledged Capital Improvement Taxes to the payment of the Series 2016C Bonds is on a parity with the pledge of such taxes to the payment of any Additional Bonds (as hereinafter defined) that may be hereafter issued;

(b) All moneys and securities and earnings thereon in all Funds, Accounts and Sub-Accounts established pursuant to this Indenture except the Swap Payment Account (as hereinafter defined); and

(c) 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 2016C Bonds 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 2016C Bond over any other or from the others by reason of priority in the issue or negotiation thereof, or for any other reason whatsoever, so that each and all of the Series 2016C Bonds shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery hereof.

PROVIDED, HOWEVER, that the Board has reserved the right, upon compliance with the provisions of Section 704(B) hereof to issue Additional Bonds on a parity with and sharing ratably and equally in the Pledged Capital Improvement Taxes with the Series 2016C Bonds.

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 for the payment of all principal, premium, if any, and interest on the Series 2016C Bonds due or to become due thereon, at the times and in the manner stipulated therein and herein, then this Indenture and the rights hereby granted shall cease, terminate and be void, but shall otherwise be and remain in full force.

AND IT IS HEREBY COVENANTED AND AGREED by and among the Board, the Trustee and the Owners of the Series 2016C Bonds from time to time, that the terms and conditions upon which the Series 2016C Bonds are to be issued, authenticated, delivered, secured and accepted by all Persons who shall from time to time be or become the Owners thereof and the trusts and conditions upon which the moneys and securities hereby pledged are to be held and disposed of which trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I

Definitions and Construction

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

“*Act*” means the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350.

“*Additional Bonds*” means any Alternate Bonds issued in the future in accordance with the provisions of the Act on a parity with and sharing ratably and equally in all or any portion of the Pledged Capital Improvement Taxes with the Series 2016C Bonds as authorized by Section 704(B).

“*Alternate Bonds*” means general obligation bonds payable from any revenue source as provided by the Act, particularly Section 15 thereof.

“*Annual Debt Service Requirement*” means, for any Bond Year, the sum of the interest on and principal of the Series 2016C Bonds that will become due and payable, whether at maturity or upon mandatory sinking fund redemption, during such Bond Year.

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

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

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

“*Bond Counsel*” means any nationally recognized firm(s) of municipal bond attorneys approved by the Board.

“*Bond Payment Account*” means the Bond Payment Account established in Section 503.

“*Bond Resolution*” means Resolution No. 16-1026-RS_ adopted by the Board on October 26, 2016, authorizing the issuance of the Series 2016C Bonds.

“*Bond Year*” means each annual period beginning on December 2 of a calendar year to and including December 1 of the next succeeding calendar year.

“*Bonds*” means the Dedicated Capital Improvement Tax Bonds, Series 2016C, of the Board issued pursuant to this Indenture.

“*Business Day*” means any day which is not a Saturday, a Sunday, a legal holiday or a day on which banking institutions in the city where the designated corporate trust office of any

Fiduciary is located are authorized by law or executive order to close (and such Fiduciary is in fact closed).

“*Capital Expenditure*” means an authorized expenditure of the Board that is or may be capitalized under generally accepted accounting practices applicable to the Board and is made with respect to a project or system of the Board. This definition may be revised to reflect the requisites of “projects and systems” as such term is used in Section 902 of the U.S. Bankruptcy Code (11 U.S. Code 902).

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

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

“*Capital Improvement Program*” means the Capital Improvement Program of the Board, as from time to time approved and amended by the Board and on file in the office of the Secretary of the Board.

“*Code*” means the Internal Revenue Code of 1986, as amended.

“*Code and Regulations*” means the Code 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 General Counsel to the Board) or Bond Counsel.

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

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

“*Debt Service Fund*” means the Debt Service Fund established in Section 503.

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

“*Defeasance Obligations*” means (i) Defeasance Government Obligations and (ii) Pre-refunded Municipal Obligations.

“*Deposit Date*” means February 15 of each year or such earlier date as may be necessary to permit the Board to lawfully make the abatement of taxes described in Section 504(A) and Section 706(B).

“*Designated Official*” (i) the President of the Board, (ii) the Senior Vice President of Finance or (iii) any other officer of the Board authorized to perform specific acts and duties hereunder by resolution duly adopted by the Board.

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

“*DTC Participant*” means any securities broker or dealer, bank, trust company, clearing corporation or other organization depositing Bonds with DTC pursuant to the book entry only system described in Section 202(G).

“*Escrow Agent*” means [_____], as escrow agent under the Escrow Agreement, and any successor or successors appointed thereunder.

“*Escrow Agreement*” means the First Amended and Restated School Capital Improvement Tax Levy Escrow Agreement, dated as of _____, 2016 by and between the Board and the Escrow Agreement, as from time to time hereafter supplemented and amended as provided therein.

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

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

“*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 (i) any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America and (ii) certificates of ownership of the principal of or interest on obligations of the type described in clause (i) of this definition (a) 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, (b) 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 (c) 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.

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

["*Initial Board Funds*"] means the lawfully available funds of the Board in the amount of \$ _____, for application pursuant to Article III].

"*Interest Payment Date*" means each June 1 and December 1, commencing _____ 1, 2017.

"*Interest Sub-Account*" means the Sub-Account of that name in the Bond Payment Account established in Section 503.

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

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

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

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

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

(viii) Pre-refunded Municipal Obligations; and

(ix) Any Forward Supply Contract;

“*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 2016C Bonds described in Section 202(G).

“*Outstanding*” means, as of any date, all Series 2016C Bonds theretofore or thereupon being authenticated and delivered under this Indenture except:

(i) Any Series 2016C Bonds canceled by the Trustee at or prior to such date;

(ii) Series 2016C Bonds (or portions of Series 2016C Bonds) for the payment or redemption of which moneys and/or Defeasance Obligations, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under this Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), provided that if such Series 2016C Bonds (or portions of Series 2016C Bonds) are to be redeemed, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Series 2016C Bonds in lieu of or in substitution for which other Series 2016C Bonds shall have been authenticated and delivered pursuant to Article II, Section 405 or Section 1106; and

(iv) Series 2016C Bonds deemed to have been paid as provided in Section 1201(B).

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

“*Paying Agent*” means the Trustee and any other bank, national banking association or trust company designated by a Designated Official as paying agent for the Series 2016C Bonds, and any successor or successors appointed by a Designated Official under this Indenture.

“*Permitted Expenditures*” means expenditures for capital improvement purposes, including without limitation (i) the construction and equipping of a new school building or

buildings or an addition or additions to an existing school building or buildings, (ii) the purchase of school grounds on which any new school building or an addition to an existing school building is to be constructed or located, (iii) both items (i) and (ii) of this definition, or (iv) the rehabilitation, renovation, and equipping of an existing school building or buildings. This definition may be revised to reflect any amendment of Illinois law pertaining to permitted uses of the Capital Improvement Taxes.

“*Person*” means and includes an association, unincorporated organization, a corporation, a limited liability company, 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 Capital Improvement Taxes*” means the Capital Improvement Taxes, in amounts each year as shall provide for the payment of the Series 2016C Bonds and the provision of not less than an additional 0.25 times such amounts in such years, and pledged under this Indenture as security for the Series 2016C Bonds.

“*Pledged Capital Improvement Taxes Account*” means the account of that name in the Debt Service Fund established in Section 503.

“*Pledged Debt Service Taxes*” means the ad valorem taxes levied against all of the taxable property in the School District without limitation as to rate or amount and pledged under this Indenture as security for the Series 2016C Bonds.

“*Pledged Debt Service Taxes Account*” means the account of that name in the Debt Service Fund established in Section 503.

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

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

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Government Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the Series 2016C Bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

“*Principal Sub-Account*” means the Sub-Account of that name in the Bond Payment Account established in Section 503.

“*Project*” means the construction, acquisition and equipping of school buildings, site improvements and other real and personal property in and for the School District, all in accordance with the Capital Improvement Program.

“*Project Costs*” means the cost of acquisition, construction and equipping of the Project, including the cost of acquisition of all land, rights of way, property, rights, easements and interests acquired by the Board for such construction, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of all machinery and equipment determined to be necessary and desirable by the Board, the costs of issuance of the Series 2016C Bonds, financing charges, financial advisory fees, consultant fees, the cost of engineering and legal expenses, plans, specifications, estimates of cost and revenues and other expenses necessary or incident to determining the feasibility or practicability of constructing any portion of the Project.

“*Project Fund*” means the fund of that name established in Section 502.

“*Rating Services*” means the nationally recognized rating services, or any of them, that shall have assigned ratings to any Series 2016C Bonds Outstanding as requested by or on behalf of the Board, and which ratings are then currently in effect.

“*Record Date*” means, with respect to any Interest Payment Date for the Series 2016C Bonds, the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

“*Redemption Price*” means, with respect to any Series 2016C Bond, the amount 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 2016C Bonds, and its successor or successors.

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

“*Senior Vice President of Finance*” means the Senior Vice President of Finance (including any interim Senior Vice President of Finance) of the Board.

“*Series 2016C Capitalized Interest Account*” means the Account of that name established within the Debt Service Fund pursuant to the provisions of Section 504(B).

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

“*State*” means the State of Illinois.

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

“*Swap Agreement*” means any agreement between the Board and a counterparty or Swap Provider, the purpose of which is to provide to the Board an interest rate basis, cash flow basis or other basis different from that provided in the Series 2016C Bonds for the payment of interest.

“*Swap Payment*” means, with respect to each Swap Agreement, each periodic scheduled net payment owing to the Swap Provider made with respect to the notional amount identified in such Swap Agreement. For purposes of this Indenture, “*Swap Payment*” excludes any non-scheduled payments, including but not limited to termination payments, indemnification payments, tax gross up payments, expensed and default interest payments.

“*Swap Payment Account*” means the Account of that name in the Debt Service Fund established in Section 503.

“*Swap Payment Date*” has the meaning set forth in Section 504(E).

“*Swap Provider*” means any counterparty to a Swap Agreement.

“*Tax Agreement*” means the Tax Exemption Certificate and Agreement by and between the Board and the Trustee relating to the Series 2016C Bonds.

“*Term Bonds*” has the meaning set forth in Section 402(A).

“*Trustee*” means [_____], Chicago, Illinois, and any successor or successors appointed under this Indenture as hereinafter provided. The “designated corporate trust office” of the Trustee means 30 North LaSalle Street, 38th Floor, Chicago, Illinois 60602 or such other address as is provided by the Trustee.]

“*Trust Estate*” means the Pledged Capital Improvement Taxes, the Pledged Debt Service Taxes and all other property pledged to the Trustee pursuant to the Granting Clauses of this Indenture.

“*2016 Authorization*” means the authorization adopted by the Board pursuant to Resolution No. 16-0824-RS5 on August 24, 2016, authorizing the issuance of alternate bonds pursuant to the Act in an amount not to exceed \$935,000,000.

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

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

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

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

Section 103. Authority of Officers. Under this Indenture, the Vice-President of the Board may exercise all of the powers and perform all of the duties of the President of the Board in the case of the absence or disability of the President or if there be a vacancy in the office of the President. The Assistant Secretary of the Board may perform the duties of the Secretary of the Board under this Indenture in the case of the Secretary’s absence or inability to act.

ARTICLE II

Authorization and Issuance of Series 2016C Bonds

Section 201. Authorization of Series 2016C Bonds. The Board shall not issue any Series 2016C Bonds under the provisions of this Indenture except in accordance with the provisions of this Article II. The total principal amount of Series 2016C Bonds that may be issued hereunder is expressly limited to \$ __,000,000 (other than Series 2016C Bonds issued in lieu of or in substitution for which other Series 2016C Bonds shall have been authenticated and delivered pursuant to this Article II, Section 405 or Section 1106).

Section 202. Issuance of Series 2016C Bonds. (A) The Series 2016C Bonds in the aggregate principal amount of \$ __,000,000, which shall be designated as “Dedicated Capital Improvement Tax Bonds, Series 2016C,” entitled to the benefit, protection and security of this Indenture are hereby authorized and shall be issued pursuant to the authority of the Act, the 2016 Authorization and the Bond Resolution.

(B) The Series 2016C Bonds shall mature on December 1 in each year shown in the following table in the respective principal amount set forth opposite each such year and the Series 2016C Bonds maturing in each such year shall be interest at the rate per annum set forth opposite each such year in the following table.

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

(C) The Series 2016C Bonds shall be issued only in fully registered form without coupons and shall be dated the date of issuance thereof. Each Series 2016C Bond shall bear interest from the Interest Payment Date to which interest has been paid as of the date on which it is authenticated or if it is authenticated prior to the first date on which interest is to be paid, from its dated date, which interest shall be payable on June 1 and December 1 of each year, commencing _____ 1, 20__, computed on the basis of a 360-day year consisting of twelve 30-day months.

(D) The Series 2016C Bonds shall be issued in Authorized Denominations and shall be numbered consecutively, but need not be authenticated or delivered in consecutive order. The Series 2016C Bonds and the Trustee's Certificate of Authentication shall be in substantially the form set forth in *Exhibit A* attached hereto and by reference made a part hereof with such variations, omissions or insertions as are required or permitted by this Indenture.

(E) The principal and Redemption Price of the Series 2016C Bonds shall be payable at the designated corporate trust office of the Trustee, as Paying Agent, and at such offices of any co-Paying Agent or successor Paying Agent or Paying Agents appointed pursuant to this Indenture for the Series 2016C Bonds. Interest on the Series 2016C Bonds shall be payable by check or bank draft mailed or delivered by the Trustee to the Owners as the same appear on the registration books of the Board maintained by the Registrar as of the Record Date or, at the option of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2016C Bonds, 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 2016C Bonds 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 net proceeds of the Series 2016C Bonds, upon receipt, shall be applied as provided in Article III hereof.

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

With respect to Series 2016C Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Trustee shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Series 2016C Bonds. Without limiting the immediately preceding sentence, the Board and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in any Series 2016C Bond, (ii) the delivery to any DTC Participant or any other Person, other than the Owner of any Series 2016C Bond, of any notice with respect to such Series 2016C Bond, 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 2016C Bond, of any amount with respect to the principal or Redemption Price of, or interest on, such Series 2016C Bond. 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 2016C Bond is registered as the absolute owner of such Series 2016C Bond for the purpose of payment of the principal or Redemption Price of and interest with respect to such Series 2016C Bond, for the purpose of giving notices of redemption, for the purpose of registering transfers with respect to such Series 2016C Bond 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

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

The Owners of the Series 2016C Bonds have no right to the appointment or retention of a depository for the Series 2016C Bonds. 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 2016C Bond certificates to such successor securities depository or (ii) notify DTC of the availability through the Trustee of Series 2016C Bond certificates and transfer or cause the transfer of one or more separate Series 2016C Bond certificates to DTC Participants having Bonds credited to their DTC accounts. In such event, the Series 2016C Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the DTC Participants receiving Series 2016C Bonds 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 2016C Bonds, the arrangements referred to in the Letter of Representations shall apply to the redemption of any Series 2016C Bonds and to the payment of the principal or Redemption Price of and interest on the Series 2016C Bonds, including without limitation, that: (a) presentation of Series 2016C Bonds 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 2016C Bonds 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 2016C Bonds under this Indenture on a fractionalized basis on behalf of some or all of those Persons entitled to exercise ownership rights in the Series 2016C Bonds through DTC or DTC's Participants.

So long as the Series 2016C Bonds 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 203. Execution and Authentication. (A) The Series 2016C Bonds shall be executed in the name of the Board by the manual or facsimile signatures of its President and Secretary. In case any one or more of the officers who shall have signed any of the Series 2016C Bonds shall cease to be such officer before the Series 2016C Bonds so signed shall have been authenticated and delivered by the Trustee, such Series 2016C Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the Persons who signed

such Series 2016C Bonds had not ceased to hold such offices. Any Series 2016C Bond may be signed on behalf of the Board by such persons who at the time of the execution of such Series 2016C Bond shall hold the proper office of the Board, although at the date of such Series 2016C Bond such persons may not have been so authorized or have held such office.

(B) The Series 2016C Bonds shall bear a certificate of authentication, in the form set forth in *Exhibit A* attached hereto, executed manually by the Trustee. Only such Series 2016C Bonds as shall bear such certificate of authentication shall be entitled to any right or benefit under this Indenture, and no such Series 2016C Bond shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any such Series 2016C Bond executed on behalf of the Board shall be conclusive evidence that the Series 2016C Bond so authenticated has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of this Indenture.

Section 204. Exchangeability of Series 2016C Bonds. Subject to the provisions of Section 206, any Series 2016C Bond, upon surrender at the principal 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 206, be exchanged for an equal aggregate principal amount of fully registered Series 2016C Bonds of the same tenor of any other Authorized Denominations.

Section 205. Negotiability, Transfer and Registration. (A) Each Series 2016C Bond shall be transferable only upon the registration books of the Board, which shall be kept for that purpose by the Registrar, by the Owner in person or by its attorney duly authorized in writing, upon surrender thereof with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney. Upon the transfer of any such Series 2016C Bond, the Board shall issue in the name of the transferee a new Series 2016C Bond or Bonds in Authorized Denominations of the same aggregate principal amount.

(B) The Board and each Fiduciary may deem and treat the person in whose name any Series 2016C Bond shall be registered upon the registration books of the Board as the absolute owner of such Series 2016C Bond, whether such Series 2016C Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on, such Series 2016C Bond and for all other purposes, and all such payments so made to any such Owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Series 2016C Bond to the extent of the sum or sums so paid, and neither the Board nor any Fiduciary shall be affected by any notice to the contrary.

Section 206. Provisions with Respect to Exchanges and Transfers. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Board shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Series 2016C Bonds surrendered in any such exchanges shall forthwith be canceled by the Trustee. For any exchange or transfer of Series 2016C Bonds, whether temporary or definitive, the Board, the Trustee or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid. Neither the Trustee nor any Registrar shall be required to make any registration, transfer or exchange of any

Series 2016C Bond after such Series 2016C Bond has been called for redemption or, in the case of any proposed redemption of Series 2016C Bonds, during the 15 days next preceding the date of first giving notice of such redemption.

Section 207. Bonds Mutilated, Destroyed, Stolen or Lost. In case any Series 2016C Bond shall become mutilated or be destroyed, stolen or lost, the Board shall execute, and thereupon the Trustee shall authenticate and deliver, a new Series 2016C Bond of like principal amount as the Series 2016C Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Series 2016C Bond destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Board and the Trustee that such Series 2016C Bond 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 2016C Bonds so surrendered to the Trustee shall be canceled by the Trustee in accordance with Section 1304 hereof. Any such new Series 2016C Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Board, whether or not the Series 2016C Bonds so alleged to be destroyed, stolen or lost shall be found at any time or be enforceable by anyone, shall be entitled to equal and proportionate benefits with all other Series 2016C Bonds 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 208. Temporary Series 2016C Bonds. (A) Until the definitive Series 2016C Bonds are prepared, the Board may execute, in the same manner as is provided in Section 203, and, upon the request of the Board, the Trustee shall authenticate and deliver, in lieu of definitive Series 2016C Bonds, but subject to the same provisions, limitations and conditions as the definitive Series 2016C Bonds except as to exchangeability, one or more temporary Series 2016C Bonds substantially of the tenor of the definitive Series 2016C Bonds in lieu of which such temporary Series 2016C Bond or Bonds are issued, in Authorized Denominations, and with such omissions, insertions and variations as may be appropriate to such temporary Series 2016C Bonds. The Board shall prepare and execute and, upon the surrender of such temporary Series 2016C Bonds, the Trustee shall authenticate and, without charge to the Owner thereof, deliver in exchange therefor, definitive Series 2016C Bonds of the same aggregate principal amount as the temporary Series 2016C Bonds surrendered in Authorized Denominations. Until so exchanged, the temporary Series 2016C Bonds shall in all respects be entitled to the same benefits and security as definitive Series 2016C Bonds authenticated and issued pursuant to this Indenture.

(B) The Owner of any temporary Series 2016C Bond or Bonds may, at its option, surrender the same to the Trustee in exchange for another temporary Series 2016C Bond or Bonds of like aggregate principal amount of any Authorized Denominations, and thereupon the Board shall execute and the Trustee shall authenticate and, in exchange for the temporary Series 2016C Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 206, shall deliver a temporary Series 2016C Bond or Bonds of like aggregate principal amount in such other Authorized Denominations as shall be requested by such Owner.

(C) All temporary Series 2016C Bonds surrendered in exchange either for another temporary Series 2016C Bond or Bonds or for a definitive Series 2016C Bond or Bonds shall be forthwith canceled by the Trustee.

Section 209. Delivery of Series 2016C Bonds. Upon the execution and delivery of this Indenture, the Board shall execute and deliver to the Trustee and the Trustee shall authenticate the Series 2016C Bonds to be issued in the aggregate principal amount of \$_____,000,000 and shall deliver them to or upon the order of the Board as hereinafter provided in this Section 209.

Prior to the delivery by the Trustee of any of the Series 2016C Bonds there shall be filed with the Trustee:

- (i) copies, duly certified by the Secretary of the Board, of (1) the 2015 Authorization, (2) the Bond Resolution and (3) the Investment Policy;
- (ii) original executed counterparts of this Indenture, the Escrow Agreement and the Tax Agreement;
- (iii) an Opinion of Bond Counsel as to the validity and the tax-exempt status of the interest on the Series 2016C Bonds;
- (iv) an Opinion of Counsel for the Board in form and substance satisfactory to Bond Counsel and the purchasers of the Series 2016C Bonds;
- (v) a written direction from the Board to the Trustee requesting the Trustee to authenticate and deliver the Series 2016C Bonds upon payment to the Board of the sum specified in such written direction; and
- (vi) 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 2016C Bonds.

The proceeds of sale of the Series 2016C Bonds shall be paid over to the Trustee and deposited to the credit of various funds as hereinafter provided under Article III.

ARTICLE III

Application of Funds

At the time of issuance of the Series 2016C Bonds, the Board shall cause the deposit with the Trustee of (i) \$_____ (the "*Bond Proceeds*") reflecting the principal amount of \$_____ less original issue discount used in the marketing of the Series 2016C Bonds of \$_____ and net of the underwriters' discount of \$_____ and (ii) the Initial Board Funds. The Trustee shall deposit the Bond Proceeds as follows:

(1) The amount of \$ _____ shall be deposited to the credit of the Series 2016C Capitalized Interest Account to be applied to the payment of certain interest to accrue on the Series 2016C Bonds as provided in Section 504(B).

(2) The amount of \$ _____ shall be deposited to the credit of the Project Fund to be disbursed by the Trustee as provided in Section 502.

(3) The amount of \$ _____ shall be paid to the Board as reimbursement for the prior payment of Project Costs that are Permitted Expenditures and Capital Expenditures.

[The Initial Board Funds shall be deposited to the credit of the Pledged Capital Improvement Taxes Sub-Account to be applied in accordance with Section 504(A).]

ARTICLE IV

Redemption of Series 2016C Bonds

Section 401. Optional Redemption of Series 2016C Bonds. The Series 2016C Bonds maturing on or after December 1, 20__ are subject to prior redemption at the option of the Board, in whole or in part (and if in part, in an Authorized Denomination), in such principal amounts and from such maturities as the Board shall determine and within any maturity by lot, on any date on or after December 1, 20__, at the Redemption Price of par plus accrued interest thereon to the date fixed for redemption.

Section 402. Mandatory Sinking Fund Redemption. (A) The Series 2016C Bonds maturing on December 1, 20__ are also subject to mandatory redemption prior to maturity, in part, at a Redemption Price equal to the principal amount thereof plus accrued interest, by application by the Trustee in accordance with Section 504(D) of funds on deposit to the credit of the Principal Sub-Account. Deposits shall be made into the Principal Sub-Account in amounts which will make possible the retirement by redemption of Series 2016C Bonds on December 1 of the years and in the aggregate principal amounts set forth in the following table (each constituting a sinking fund installment), as adjusted pursuant to paragraph (B) of this Section:

Redemption Dates (December 1)	Principal Amount
20__	\$
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	

(B) At its option, to be exercised on or before the 60th day next preceding any mandatory sinking fund redemption date for the Series 2016C Bonds, the Board may (i) deliver to the Trustee for cancellation Series 2016C Bonds or portions thereof in Authorized Denominations or (ii) receive a credit in respect of its mandatory sinking fund redemption obligation for such Series 2016C Bonds or portions thereof in Authorized Denominations, which prior to said date have been redeemed (otherwise than through the operation of such mandatory sinking fund redemption) and canceled by the Trustee and not theretofore applied as a credit against any mandatory sinking fund redemption obligation. Each such Series 2016C Bond or portion thereof subject to mandatory sinking fund redemption so delivered or previously redeemed shall be credited against future mandatory sinking fund redemption obligations on Series 2016C Bonds in such order as the Board shall designate, or if no such designation is made, in chronological order, the principal amount of such Series 2016C Bonds to be redeemed by operation of such mandatory redemption to be accordingly reduced.

Section 403. Redemption Procedures. (A) In the case of any redemption of Series 2016C Bonds at the option of the Board, the Board shall give written notice to the Trustee of its election or direction so to redeem, of the date fixed for redemption, and of the principal amount of the Series 2016C Bonds to be redeemed. Such notice shall be given at least 45 days prior to the specified redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 404 provided, (i) there shall be paid on or prior to the specified redemption date to the Trustee an amount in cash and/or Government Obligations maturing on or before the specified redemption date which, together with other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem all of the Series 2016C Bonds to be redeemed on the specified redemption date at their Redemption Price plus interest accrued and unpaid to the date fixed for redemption; such amount and moneys shall be held in a separate, segregated account for the benefit of the Owners of the Series 2016C Bonds so called for redemption, or (ii) in the case of an optional redemption pursuant to Section 401, such redemption notice given under Section 404 may state that any redemption is conditional on such funds being deposited on the redemption date, and that failure to deposit such funds shall not constitute an Event of Default under this Indenture.

(B) Whenever the Trustee is required to redeem the Series 2016C Bonds pursuant to the mandatory sinking fund provisions of Section 402, the Trustee shall select the Series 2016C Bonds to be redeemed, give the notice of redemption and pay the Redemption Price thereof, in accordance with the terms of Articles IV and V hereof, without further direction from the Board.

(C) Whenever Series 2016C Bonds are redeemed, whether pursuant to mandatory sinking fund redemption, or optional redemption, the particular Bonds or portion thereof to be redeemed shall be selected as follows: (i) any Series 2016C Bond of a denomination of more than \$100,000 shall be in the principal amount of an Authorized Denomination and (ii) in selecting portions of such Series 2016C Bonds for redemption, the Trustee shall treat each such Series 2016C Bond as representing that number of Series 2016C Bonds which is obtained by dividing the principal amount of such Series 2016C Bond to be redeemed, in part by \$100,000. No such redemption shall cause the remaining principal amount of Series 2016C Bonds of any maturity outstanding to be less than \$100,000. If all Series 2016C Bonds are held in book-entry only form, the particular Bonds or portions thereof to be redeemed shall be selected by the securities depository for the Series 2016C Bonds in such manner as such securities depository shall determine.

Section 404. Notice of Redemption. When the Trustee shall receive notice from the Board of its election to redeem Series 2016C Bonds pursuant to Section 401, and when the Trustee is required to redeem Series 2016C Bonds pursuant to Section 402, the Trustee shall give notice, in the name of the Board, of the redemption of such Series 2016C Bonds, which notice shall specify the maturities of the Series 2016C Bonds to be redeemed, the date fixed for redemption and the place or places where amounts due upon such date fixed for redemption will be payable and, if less than all of the Series 2016C Bonds of like maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2016C Bonds so to be redeemed, and, in the case of Series 2016C Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state whether the redemption is conditioned upon sufficient moneys being available on the redemption date as provided in Section 403(A), or any other conditions. Such notice shall further state that on such date there shall become due and payable the Redemption Price of each Series 2016C Bond to be redeemed, or the Redemption Price of the specified portions of the principal thereof in the case of Series 2016C Bonds to be redeemed in part only, together with interest accrued to the date fixed for redemption, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail copies of such notice by first-class mail, postage prepaid, not less than 30 days and not more than 60 days before the date fixed for redemption to the Owners of the Series 2016C Bonds to be redeemed at their addresses as shown on the registration books of the Board maintained by the Registrar; provided, that if all Series 2016C Bonds are held in book-entry only form, such notice may be given pursuant to the then-existing agreement with the securities depository for the Series 2016C Bonds. The failure of the Trustee to give notice to an Owner of any Series 2016C Bond or any defect in such notice shall not affect the validity of the redemption of any other Series 2016C Bonds as to which proper notice was given.

Section 405. Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 404, the Series 2016C Bonds or portions thereof so called for redemption shall become due and payable on the date fixed for redemption at the Redemption Price therein

specified and, upon presentation and surrender thereof at any place specified in such notice, such Series 2016C Bonds, or portions thereof, shall be paid at said Redemption Price, plus interest accrued and unpaid to such date. If there shall be called for redemption less than all of a Series 2016C Bond, the Board shall execute and the Trustee shall authenticate and deliver, upon the surrender of such Series 2016C Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Series 2016C Bond so surrendered, fully registered Series 2016C Bonds in any Authorized Denominations; provided, that such exchange need not be made with respect to any Series 2016C Bonds in book-entry only form held by the Trustee pursuant to an agreement with the securities depository for the Series 2016C Bonds. If, on the date fixed for redemption, moneys for the redemption of Series 2016C Bonds or portions thereof to be redeemed, together with interest to such date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the date fixed for redemption, interest on such Series 2016C Bonds or portions thereof called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the date fixed for redemption, such Series 2016C Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE V

Revenues and Establishment of Funds and Applications Thereof

Section 501. The Pledge Effected by this Indenture. (A) There are hereby pledged for the payment of the principal and Redemption Price of, and interest on, the Series 2016C Bonds in accordance with their terms and the provisions of this Indenture, and a lien and security interest 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. There are hereby further pledged for the payment of the Swap Payments, and a lien and security interest is hereby granted for such purpose on, amounts on deposit in the Swap Payment Account on the terms and conditions set forth in this Indenture; provided, however, that the pledge of and lien on any such amounts shall be subordinate to the lien of the Series 2016C Bonds, and, to the extent Pledged Capital Improvement Taxes are on deposit in the Swap Payment Account, subordinate to the lien of any Additional Bonds issued pursuant to Section 704.

(B) The Series 2016 Bonds are general obligations of the Board and the full faith and credit of the Board is irrevocably pledged to the punctual payment of the principal of and interest on the Series 2016C Bonds. Pursuant to Section 13 of the Act, the moneys, securities and funds hereby pledged and received by or on behalf 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.

(C) The Series 2016C Bonds do not represent or constitute a debt of the Board within the meaning of any constitutional or any statutory limitation unless the Pledged Debt Service Taxes shall have been extended for collection, in which case the Outstanding Series 2016C Bonds shall to the extent required by law be included in the computation of indebtedness of the

Board for purposes of all statutory provisions or limitations until such time as an audit of the Board shows that the Series 2016C Bonds have been paid from the Pledged Capital Improvement Taxes for a complete fiscal year of the Board.

Section 502. Establishment of Project Fund. (A) The Project Fund is hereby established with the Trustee to be held and applied in accordance with the terms and provisions of this Indenture. There shall be paid into the Project Fund the amount required to be so paid by the provisions of Article III of this Indenture and such funds as may be deposited therein from time to time by the Board at its option.

(B) Moneys on deposit in the Project Fund may be paid to the Board from time to time for the payment or reimbursement of Project Costs that are Permitted Expenditures and Capital Expenditures, but only upon the filing by the Board with the Trustee of the following items:

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

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

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

(C) The Trustee shall pay from the Project Fund to the Board, upon its requisitions therefor, at one time or from time to time, a sum or sums aggregating not more than \$5,000,000, exclusive of and in addition to reimbursements paid pursuant to paragraph (B) of this Section, such sums and such reimbursements to be used by the Board as a revolving fund for the payment

of Project Costs that are both Capital Expenditures and Permitted Expenditures that cannot conveniently be paid as otherwise provided in paragraph (C) of this Section. Such revolving fund shall be reimbursed by the Trustee from time to time for such expenses so paid, by payments from the Project Fund upon requisitions of the Board accompanied by its certificate specifying the payee and the amount and particular purpose of each payment from such revolving fund for which such reimbursement is requested and certifying that each such amount so paid was necessary for the payment of an expense constituting a Project Cost, a Capital Expenditure and a Permitted Expenditure and that such expense could not conveniently be paid except from such revolving fund. In making such reimbursements the Trustee may rely upon such requisitions and accompanying certificates. The revolving fund maintained by the Board pursuant to this Section shall be held separate and apart from all other funds and accounts of the Board including, but not limited to, the General Fund and the amounts held in the revolving fund may only be used for payments to vendors for Project Costs that are both Capital Expenditures and Permitted Expenditures or for the reimbursement of the Board for prior payments to vendors of Project Costs that are both Capital Expenditures and Permitted Expenditures. Each transfer to the revolving fund maintained by the Board pursuant to this Section 502 may not exceed the aggregate amount of the vendor invoices to be paid or reimbursed with respect to the revolving fund, and may only be made after a careful review by the Board to confirm that all transfers to the revolving fund match invoiced amounts for Project Costs that are both Capital Expenditures and Permitted Expenditures.

(D) Moneys in the Project Fund shall be invested at the written direction of a Designated Official to the fullest extent practicable in Investment Securities maturing in such amounts and at such times as may be necessary to provide funds when needed to pay Project Costs or such other costs as may be required to be paid from such moneys. The Board may, and to the extent required for payments from the Project Fund shall, direct the Trustee in writing to sell any such Investment Securities at any time, and the proceeds of such sale, and of all payments at maturity and upon redemption of such investments, shall be held in the Project Fund. Earnings received on moneys or securities in the Project Fund shall be retained therein and applied to the purposes for which moneys in the Project Fund are otherwise held.

(E) The completion, substantial completion or abandonment of the Project shall be evidenced by a certificate of an Authorized Officer of the Board, which shall be filed promptly with the Trustee, stating the date of such completion, anticipated completion or abandonment and the amount, if any, required in the opinion of the signer of such certificate for the payment of any remaining part of the Project Costs. Upon the filing of such certificate, the balance in the Project Fund in excess of the amount, if any, stated in such certificate of the Board as necessary to complete the Project shall be deposited into such accounts of the Debt Service Fund as shall be directed in such certificate.

(F) The Trustee shall rely fully on any certificate of an Authorized Officer of the Board delivered pursuant to paragraph (B) or paragraph (C) of this Section above and shall not be required to make any investigation in connection therewith.

Section 503. Establishment of Debt Service Fund and Accounts. The Debt Service Fund and the following Accounts within the Debt Service Fund are hereby established with the Trustee to be held and applied in accordance with the provisions of this Indenture:

- (i) Pledged Capital Improvement Taxes Account, consisting of (1) the Interest Deposit Sub-Account and (2) the Pledged Capital Improvement Taxes Sub-Account;
- (ii) Series 2016C Capitalized Interest Account;
- (iii) Pledged Debt Service Taxes Account;
- (iv) Bond Payment Account, consisting of (1) the Interest Sub-Account and (2) the Principal Sub-Account; and
- (v) Swap Payment Account.

Section 504. Debt Service Fund.

(A) *Pledged Capital Improvement Taxes Account.* The Trustee shall deposit to the credit of the Interest Deposit Sub-Account any payments made by Swap Providers, if any, under Swap Agreements to the extent set forth in a certificate of a Designated Official filed with the Trustee.

All Pledged Capital Improvement Taxes received by the Trustee from the Escrow Agent shall be deposited promptly upon receipt into the Pledged Capital Improvement Taxes Sub-Account as shall be necessary and sufficient to cause the amount on deposit in said Sub-Account on the Deposit Date to equal, when combined with amounts on deposit and available to be transferred by the Trustee during the then-current Bond Year from the Series 2016C Capitalized Interest Account pursuant to Section 504(B), the Annual Debt Service Requirement for such Bond Year. Once such deposit has been made, the Board shall, pursuant to Section 706(B), take such actions as are necessary to abate in full the Pledged Debt Service Taxes levied for the calendar year next preceding the calendar year of such Deposit Date. The Board shall make the deposits required pursuant to this paragraph on such earlier date as may be necessary in the future to permit the Board to make the abatement of taxes described in the preceding sentence.

In the event that on any Deposit Date there has been deposited to the credit of the Pledged Capital Improvement Taxes Sub-Account an amount, when combined with amounts available to be transferred from the Series 2016C Capitalized Interest Account as described in the preceding paragraph, insufficient to satisfy the Annual Debt Service Requirement for that Bond Year, the Board shall, pursuant to Section 706(D), take such actions as are necessary to cause the extension of the Pledged Debt Service Taxes levied for the calendar year next preceding the calendar year of such Deposit Date in an amount sufficient, when added to (i) the amount then on deposit in the Pledged Capital Improvement Taxes Sub-Account and (ii) the amounts on deposit and available to be transferred by the Trustee during the then-current Bond Year from the Series 2016C Capitalized Interest Account pursuant to Section 504(B), to provide funds sufficient to satisfy the Annual Debt Service Requirement for such Bond Year.

All amounts on deposit in the Pledged Capital Improvement Taxes Sub-Account on December 2 of each Year, following the transfers required to be made to the Bond Payment Account pursuant to paragraph (D) of this Section and the Swap Payment Account pursuant to paragraph (E) of this Section, may be withdrawn from such Sub-Account and paid to the Board free and clear of the lien of this Indenture for the purpose of the payment or the reimbursement of Capital Expenditures that are Permitted Expenditures in the same manner as moneys are requisitioned and paid from the Project Fund pursuant to Section 502.

(B) *Series 2016C Capitalized Interest Account.* Moneys on deposit in the Series 2016C Capitalized Interest Account shall be withdrawn by the Trustee on the Business Day prior to each of the following Interest Payment Dates and deposited to the credit of the Interest Sub-Account and applied to the payment of the interest due on the Series 2016C Bonds on such Interest Payment Dates in the amounts as follows:

<u>Interest Payment Date</u>	<u>Amount of Interest to be Paid</u>
_____ 1, 20__	\$
_____ 1, 20__	
_____ 1, 20__	

Any amount remaining in the Series 2016C Capitalized Interest Account on December 2, 20__, shall be withdrawn therefrom and, at the direction of the Board, be deposited into (i) the Project Fund for application in accordance with Section 502 or (ii) the Interest Sub-Account of the Bond Payment Account and applied to the payment of the next interest to become due on the Series 2016C Bonds.

(C) *Pledged Debt Service Taxes Account.* As described in Section 706(A), the Board has directed the County Collectors to deposit all collections of the Pledged Debt Service Taxes, if and when extended for collection, directly with the Trustee for application in accordance with the provisions of this Indenture. All Pledged Debt Service Taxes received by the Trustee shall be (i) deposited promptly upon receipt into the Pledged Debt Service Taxes Account and (ii) applied to the payment of the interest on and principal of the Series 2016C Bonds due during the Year in which said Pledged Taxes are collected. All amounts remaining in the Pledged Debt Service Taxes Account on December 2 of any Year shall be transferred to the Board and the Board shall deposit such moneys into the Educational Fund of the Board and apply such moneys to the abatement of the first Educational Fund tax levy for which the County Clerks will accept an abatement.

(D) *Bond Payment Account.* The Trustee shall deposit to the credit of the Interest Sub-Account (i) amounts transferred from the Series 2016C Capitalized Interest Account as required by paragraph (B) of this Section and (ii) any amounts directed by the Board to be deposited into such Sub-Account. The Trustee shall also transfer, from time to time, to the credit of the Interest Sub-Account all other amounts so directed by the Board to be transferred into such Sub-Account.

There shall be transferred *first* from moneys on deposit in the Pledged Debt Service Taxes Account, *second* from moneys on deposit in the Interest Deposit Sub-Account and *third*

from moneys on deposit in the Pledged Capital Improvement Taxes Sub-Account: (i) *first*, to the Interest Sub-Account on or before each Interest Payment Date for any of the Outstanding Series 2016C Bonds, the amount required for the interest payable on such date, less the amount then on deposit in the Interest Sub-Account and available for such payment and (ii) *second*, to the Principal Sub-Account on or before each December 1 on which Bonds mature or are subject to mandatory sinking fund redemption pursuant to Section 402 hereof, the amount required for the payment of the principal or the principal portion of the Redemption Price of such Series 2016C Bonds then to be paid or redeemed less the amount then on deposit in the Principal Sub-Account and available for such payment.

The Trustee shall pay to the respective Paying Agents in immediately available funds on or before each date on which interest or principal is due on the Series 2016C Bonds the respective amounts on deposit in the Interest Sub-Account and the Principal Sub-Account described in clauses (i) and (ii) above necessary to pay such debt service. Such amounts shall be paid to the Owners of the Outstanding Series 2016C Bonds by the Paying Agents for the aforesaid purposes on the due dates thereof.

(E) *Swap Payment Account.* After deducting the amount then required to be transferred to the Principal Sub-Account and provided the Board is not in default with respect to the payment of interest on the Series 2016C Bonds, there shall be transferred into the Swap Payment Account on each June 1 and December 1, or such other dates specified in the relevant Swap Agreements which the Board shall identify in a written notice delivered to the Trustee (each, a “*Swap Payment Date*”), first from moneys on deposit in the Pledged Debt Service Taxes Account, second from moneys on deposit in the Interest Deposit Sub-Account, and third from the Pledged Capital Improvement Taxes Sub-Account, an amount equal to the sum of the Swap Payment then owing under such Swap Agreement on such Swap Payment Date. The Trustee shall pay each Swap Provider on each Swap Payment Date from amounts then on deposit in the Swap Payment Account pursuant to payment instructions specified in the relevant Swap Agreements and provided to the Trustee and the Board by such Swap Provider. On or prior to December 1, 2016 and each December 1 thereafter, the Board shall provide the Trustee with written notice of the amount of each Swap Payment owing to such Swap Provider on each Swap Payment Date for the succeeding Bond Year. The Board shall promptly notify the Trustee in writing if the amount of any Swap Payments shall change from the amounts identified in such notice. Notwithstanding anything in this Indenture to the contrary, all payments of Swap Payments to be paid from Pledged Debt Service Taxes shall be subordinate to the payment of principal of and interest on the Series 2016C Bonds and all payments of Swap Payments to be paid from Pledged Capital Improvement Taxes shall be subordinate to the payment of principal of and interest on the Series 2016C Bonds and any Additional Bonds.

(F) *Board Payments to Cure Deficiencies.* If on any Interest Payment Date the amount held in the Interest Sub-Account is less than the interest payable on the Outstanding Series 2016C Bonds on such Interest Payment Date, then the Board shall immediately pay over to the Trustee for deposit to the credit of the Interest Sub-Account, the sum required to cure such deficiency. If on any December 1, the amount held in the Principal Sub-Account is less than the amount required to pay the principal amount of Outstanding Series 2016C Bonds maturing on that December 1 or the principal portion of the Redemption Price of Outstanding Series 2016C Bonds required to be redeemed on that December 1 by the application of sinking fund

installments pursuant to Section 402, then the Board shall immediately pay over to the Trustee for deposit to the credit of the Principal Sub-Account, the sum required to cure such deficiency. If on any Swap Payment Date (as defined in subsection (E) of this Section) the amount held in the Swap Payment Account is less than the Swap Payments then owing under the Swap Agreements, then the Board shall immediately pay over to the Trustee for deposit to the credit Swap Payment Account, the sum required to cure such deficiency.

Section 505. Purchase of Term Bonds for Cancellation. On or before the 60th day next preceding any mandatory sinking fund redemption date for the Series 2016C Bonds, at the written direction of the Senior Vice President of Finance, moneys held in the Pledged Capital Improvement Taxes Account or the Pledged Debt Service Taxes Account for the mandatory sinking fund redemption of Series 2016C Bonds on such date may be applied to the purchase of Series 2016C Bonds subject to mandatory sinking fund redemption on such date in a principal amount not exceeding the principal amount of Series 2016C Bonds subject to mandatory redemption on such date. Series 2016C Bonds so purchased shall be delivered to the Trustee and canceled. Each such Series 2016C Bond or portion thereof so purchased, delivered and canceled shall be credited against the mandatory sinking fund redemption obligation of the Board on such date.

The purchase price paid by the Trustee (excluding accrued interest but including any brokerage or other charges) for any Series 2016C Bond shall not exceed the principal amount of the Series 2016C Bond and shall be paid first from the Pledged Debt Service Taxes Account, to the extent of any amount then held therein, and then from the Pledged Capital Improvement Taxes Sub-Account.

Subject to the limitations set forth in this Section, the provisions of any Forward Supply Contract relating to the investment of moneys in the Debt Service Fund, and to the further requirement that no Series 2016C Bond may be purchased during any period in which the aggregate sum held in the Debt Service Fund is less than the principal of and interest on the Series 2016C Bonds to become due on or prior to the next December 1, the Trustee shall purchase Series 2016C Bonds at such times, for such prices, in such amounts and in such manner (whether after advertisement for tenders or otherwise) as directed in writing by the Senior Vice President of Finance of the Board.

Accrued interest on the Series 2016C Bonds purchased pursuant to this Section shall be paid first from the Pledged Debt Service Taxes Account, to the extent of any amount then held therein, and then from the Pledged Capital Improvement Taxes Account.

ARTICLE VI

Investment of Funds and Swap Agreements

Section 601. Investment of Moneys. (A) Moneys held in the several Accounts and Sub-Accounts of the Debt Service Fund shall be invested and reinvested by the Trustee at the written direction of a Designated Official in Investment Securities within the parameters of this Indenture and the Investment Policy which mature no later than necessary to provide moneys

when needed for payments to be made from such Fund or Account. The Trustee may conclusively rely upon the Designated Official's written instructions as to both the suitability and legality of the directed investments. Ratings of Investment Securities shall be determined at the time of purchase of such Investment Securities. In the absence of written investment instructions from the Board, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Investment Securities, but shall immediately notify the Board in the event moneys are being held uninvested hereunder. Nothing contained in this Indenture shall be construed to prevent such 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. The Trustee may make any and all such investments through its trust department or the bond department of any bank (including the Trustee) or trust company under common control with the Trustee. The Board has provided a certified copy of the Investment Policy to the Trustee in connection with the initial delivery of the Series 2016C Bonds and the Board covenants and agrees to provide to the Trustee in a timely fashion any amendments to or revisions of such Investment Policy. The Trustee shall be entitled to conclusively rely on the Investment Policy provided to it by the Board as the Investment Policy in effect at the time any investment is made. All investment income shall be retained in the Fund or Account to which the investment is credited from which such income is derived.

(B) All investments made under this Indenture shall be consistent with the expectations expressed in the Tax Agreement.

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

Section 602. Valuation and Sale of Investments. (A) Investment Securities in any Fund, Account or Sub-Account created under the provisions of this Indenture shall be deemed at all times to be part of such Fund, Account or Sub-Account and any profit realized from the liquidation of such investment shall be credited to such Fund, Account or Sub-Account and any loss resulting from liquidation of such investment shall be charged to such Fund, Account or Sub-Account.

(B) Valuations of Investment Securities held in the Funds, Accounts and Sub-Accounts established hereunder shall be made by the Trustee as often as may be necessary or requested by the Board to determine the amounts held therein. In computing the amounts in such Funds, Accounts and Sub-Accounts, Investment Securities therein shall be valued as provided in paragraph (C) of this Section 602.

(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, Account or Sub-Account held by the Trustee whenever it shall be necessary to provide moneys to meet any payment or transfer from such Fund, Account or Sub-Account as the case may be.

Section 603. Swap Agreements. With respect to the Series 2016C Bonds, the Board may enter into one or more of the agreements authorized by Section 7 of the Bond Authorization Act, 30 Illinois Compiled Statutes 305. The Board may designate any such agreement as a Swap Agreement by filing with the Trustee (i) an executed counterpart of such agreement and (ii) a written notice that such agreement has been designated as a Swap Agreement for the purposes of this Indenture. Each Swap Payment under a Swap Agreement shall be payable from the Swap Payment Account. The stated notional amount under all such Swap Agreements shall not in the aggregate exceed the then outstanding principal amount of the Series 2016C Bonds (net of offsetting Swap Agreements). Each Swap Agreement shall satisfy the following conditions precedent: (i) each Rating Service (if such Rating Service also rates the unsecured obligations of the proposed Swap Provider or any Person who guarantees the obligations of the Swap Provider under the Swap Agreement) shall have assigned the unsecured obligations of the Swap Provider or such guarantor, as of the date the Swap Agreement is entered into, a rating that is equal or higher than the rating then assigned to the Outstanding Series 2016C Bonds by such Rating Service, and (ii) the Board shall have notified each Rating Service (whether or not such Rating Service also rates the unsecured obligations of the Swap Provider or its guarantor, if any, under the Swap Agreement) in writing, at least fifteen (15) days prior to executing and delivering the Swap Agreement of its intention to enter into the Swap Agreement and has received from such Rating Service a written indication that the entering into the Swap Agreement by the Board will not in and of itself cause a reduction or withdrawal by such Rating Service of its unenhanced rating on the Outstanding Series 2016C Bonds.

ARTICLE VII

Particular Covenants and Representations of the Board

Section 701. Payment of Series 2016C Bonds. (A) The Board covenants and agrees that it will pay or cause payment to be made of the principal of every Outstanding Series 2016C Bond and the interest thereon, at the places, on the dates and in the manner provided in this Indenture and in the Series 2016C Bonds.

(B) Once issued, the Series 2016C Bonds shall be at all times an Outstanding general obligation of the Board, for the payment of which its full faith and credit are pledged, and shall be payable from, in addition to the Pledged Capital Improvement Taxes, the Pledged Debt Service Taxes, as described herein.

(C) If the maturity of any Series 2016C Bond or installment of interest shall be extended pursuant to the written consent of the Owner thereof, such Series 2016C Bond or installment of interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to payment out of the Trust Estate (except moneys held in trust for the payment of such Series 2016C Bond or installment of interest) until the prior payment of the principal of all Series 2016C Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Series 2016C Bonds as shall not be represented by such extended claims for interest.

Section 702. 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 Capital Improvement Taxes, the Pledged Debt Service Taxes and other moneys, securities and funds hereby pledged or assigned, or which the Board may become bound to pledge or assign.

Section 703. Power to Issue Series 2016C Bonds and Pledge Trust Estate. The Board is duly authorized under all applicable laws to issue the Series 2016C Bonds, to execute and deliver this Indenture, to pledge the Pledged Capital Improvement Taxes, the Pledged Debt Service Taxes and other moneys, securities and funds pledged by this Indenture and to grant the lien and security interest granted by this Indenture thereon in the manner and to the extent provided in this Indenture. Except as provided in Section 704(B) with respect to future parity pledges of the Pledged Capital Improvement Taxes, the Pledged Debt Service Taxes and the Pledged Capital Improvement Taxes and other moneys, securities and funds so pledged, and subject to such liens, are and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created by this Indenture, and all action on the part of the Board to that end has been and will be duly and validly taken. The Series 2016C Bonds and the provisions of this Indenture are and will be valid and legally enforceable obligations of the Board in accordance with their terms and the terms of this Indenture, except to the extent enforceability may be limited by bankruptcy, insolvency and other laws affecting conditions, rights or remedies and the availability of equitable remedies generally. The Board covenants that upon the date of issuance of any of the Series 2016C Bonds, 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 2016C Bonds shall exist, have happened and have been performed. The Board shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and lien on and security interest in the Pledged Capital Improvement Taxes, Pledged Debt Service Taxes and other moneys, securities and funds pledged under this Indenture and all the rights of the Owners in and to such Pledged Capital Improvement Taxes, the Pledged Debt Service Taxes and other moneys, securities and funds pledged under this Indenture against all claims and demands.

Section 704. Indebtedness and Liens. (A) Except as provided in paragraphs (B) and (C) of this Section 704, the Board shall not hereafter issue any bonds or other evidences of indebtedness, other than the Series 2016C Bonds, which are secured by a pledge of or lien on the Pledged Capital Improvement Taxes, the Pledged Debt Service Taxes or the moneys, securities

or funds held or set aside by the Board or by the Trustee under this Indenture, and shall not, except as expressly authorized in this Indenture, create or cause to be created any lien or charge on the Pledged Capital Improvement Taxes, the Pledged Debt Service Taxes or such moneys, securities or funds.

(B) The Board reserves the right to issue Additional Bonds from time to time payable from (i) all or any portion of the Capital Improvement Taxes or (ii) any other source of payment which may be pledged under the Act, and any such Additional Bonds shall share ratably and equally in the Capital Improvement Taxes with the Series 2016C Bonds; provided, however, that no Additional Bonds shall be issued except in accordance with the provisions of the Act as in existence on the date of issuance of the Additional Bonds.

(C) The Board reserves the right to issue bonds payable from Capital Improvement Taxes provided that any application in any year of Capital Improvement Taxes to pay such bonds shall be junior and subordinate to the pledge of, lien on and security interest in the Capital Improvement Taxes securing the payment of the Series 2016C Bonds and any Additional Bonds.

Section 705. Covenants Regarding Pledged Capital Improvement Taxes. (A) Pursuant to the Escrow Agreement, the Board has executed and delivered a written direction to each of the County Collectors to deposit all collections of the Capital Improvement Taxes in each Year, directly with the Escrow Agent for application in accordance with the provisions of the Escrow Agreement. So long as any of the Series 2016C Bonds remain Outstanding, the Board will not agree to amend or supplement the Escrow Agreement so as to authorize the modification or amendment of such direction, except for such modifications or amendments as may be (i) necessitated by changes in State law or (ii) necessary in connection with the issuance of Additional Bonds; *provided*, that no such modification or amendment shall provide for the deposit with the Escrow Agent of less than all of the Capital Improvement Taxes to be paid to the Board during any Year.

(B) Pursuant to Section 15(e) of the Act the Board hereby covenants, so long as there are any Outstanding Series 2016C Bonds, to provide for, collect and apply the Pledged Capital Improvement Taxes to the payment of the Series 2016C Bonds and any Additional Bonds and the provision of not less than an additional .25 times debt service on the Series 2016C Bonds and any Additional Bonds.

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

Section 706. Covenants Regarding Pledged Debt Service Taxes. (A) The Board has directed the County Collectors to deposit all collections of the Pledged Debt Service Taxes, if and when extended for collection, directly with the Trustee for application in accordance with

the provisions of this Indenture. As long as any of the Series 2016C Bonds remain Outstanding, the Board will not modify or amend such deposit direction, 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 Trustee of less than all of the Pledged Debt Service Taxes to be collected in any Year. The Board shall deliver an executed copy of any modification or amendment to such deposit direction permitted by the preceding sentence to the Trustee at the same time such modification or amendment is provided to the County Collectors.

(B) As described in Section 504(A) hereof, the Board shall direct such abatement of the Pledged Taxes in whole or in part as may be required by said Section, and proper notification of any such abatement shall be filed with (i) the County Clerks, in a timely manner to effect such abatement, and (ii) the County Collectors, so as to advise such officers of the amount of the Pledged Debt Service Taxes to be extended for the relevant levy year.

(C) As long as there are any Outstanding Series 2016C Bonds, the Board and its officers will comply with all present and future applicable laws in order to assure that the Pledged Debt Service Taxes may be levied and extended and collected and deposited to the Pledged Taxes Account as described herein.

(D) In furtherance of the general obligation, full faith and credit promise of the Board to pay the principal and Redemption Price of and interest on the Series 2016C Bonds, as described in Section 701(A), and in furtherance of the covenant of the Board to pay the Swap Payments, the Board will take all actions necessary to (i) cause the levy and extension of Pledged Debt Service Taxes, including any Pledged Debt Service Taxes required to be levied in excess of those levied pursuant to the Bond Resolution, for collection on a timely basis to make all such payments and (ii) to cause such Pledged Debt Service Taxes when extended for collection to be deposited directly with the Trustee for application pursuant to this Indenture.

Section 707. Accounts and Reports. The Board shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Pledged Capital Improvement Taxes, the Pledged Debt Service Taxes and the Funds, Accounts and Sub-Accounts established by this Indenture, and which, together with all other books and financial records of the Board, shall at all reasonable times be available for the inspection of the Trustee and the Owners of not less than twenty five percent in aggregate principal amount of Outstanding Series 2016C Bonds or their representatives duly authorized in writing.

Section 708. Tax Covenants. The Board shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any Series 2016C Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Series 2016C Bond is subject on the date of original issuance thereof.

The Board shall not permit any of the proceeds of the Series 2016C Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any Series 2016C Bond to constitute a "*private activity bond*" within the meaning of Section 141 of the

Code. The Board shall not permit any of the proceeds of the Series 2016C Bonds or other moneys to be invested in any manner that would cause any Series 2016C Bond to constitute an “*arbitrage bond*” within the meaning of Section 148 of the Code or a “*hedge bond*” within the meaning of Section 149(g) of the Code. The Board shall comply with the provisions of Section 148(f) of the Code relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

ARTICLE VIII

Defaults and Remedies of Owners

Section 801. Events of Default. Each of the following events is hereby declared to be an “*Event of Default*”:

(A) If a default shall occur in the due and punctual payment of interest on any Series 2016C Bond when and as such interest shall become due and payable;

(B) If a default shall occur in the due and punctual payment of the principal or Redemption Price of any Series 2016C Bond when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;

(C) If a default (other than a default resulting from an action described in Section 801(D) or Section 801(E)) 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 2016C Bonds contained, and such default shall continue for a period of 60 days after written notice thereof to the Board by the Trustee or after written notice thereof to the Board and to the Trustee by the Owners of not less than a majority in aggregate principal amount of the Outstanding Series 2016C Bonds, provided that if the nature of the default is such that it cannot be cured within the 60 day period but can be cured within a longer period, no event of default shall occur if the Board institutes corrective action within the 60 day period and diligently pursues such action until the default is corrected (provided such default is correctable);

(D) If the Board shall modify or amend the deposit direction described in Section 705(A) in a manner contrary to the provisions of Section 705(A);

(E) If the Board shall modify or amend the deposit direction described in Section 706(A) in a manner contrary to the provisions of Section 706(A); or

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

Section 802. Proceedings Brought by Trustee. (A) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon identical written request of the Owners of not less than a majority in aggregate principal amount of the Series 2016C Bonds 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 2016C Bonds under the Series 2016C Bonds on 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 enforcing any of the rights on interests of the Owner of the Series 2016C Bonds under the Series 2016C Bonds on this Indenture.

(B) All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Series 2016C Bonds or the production thereof in any suit or other proceeding, and any such suit or other proceeding instituted by the Trustee shall be brought in its name.

(C) All actions against the Board under this Indenture shall be brought in a state or federal court located in the State.

(D) The Owners of not less than a majority in aggregate principal amount of the Series 2016C Bonds 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 of 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 2016C Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under this Indenture and to preserve or protect its interests and the interest of the Owners.

(G) During the continuance of an Event of Default, the Trustee shall apply all moneys, securities, funds, Pledged Capital Improvement Taxes and Pledged Debt Service Taxes and the income therefrom (other than any amounts not constituting part of the Trust Estate) as follows and in the following order:

(i) 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;

(ii) To the payment of the principal of, Redemption Price and interest on the Series 2016C Bonds then due, as follows:

First: to the payment to the Persons entitled thereto of all installments of interest then due on the Series 2016C Bonds in the order of the maturity of such installments, together with accrued and unpaid interest on the Series 2016C Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments of interest maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: to the payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any Series 2016C Bonds which shall have become due, whether at maturity or by call for redemption and, if the amount available shall not be sufficient to pay in full all the Series 2016C Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference; and

(iii) To the payment of Swap Payments.

(H) If and whenever all overdue installments of principal and Redemption Price of and interest on all Series 2016C Bonds, together with the reasonable and proper charges and expenses of the Trustee, and all other overdue sums payable by the Board under this Indenture, including the overdue principal and Redemption Price of and accrued unpaid interest on all Series 2016C Bonds held by or for the account of the Board, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under this Indenture or the Series 2016C Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Board all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of this Indenture to be deposited or pledged, with the Trustee), and thereupon the Board, the Trustee 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 holder of any Series 2016C Bond until such Series 2016C Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 803. Restriction on Owners' Actions. (A) No Owner of any Series 2016C Bond shall have any right to institute any suit or proceeding at law or in equity for the enforcement or violation of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Owners of at least a majority in aggregate principal amount of the Series 2016C Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or by the laws of the State or to institute such suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or failed to comply with such request within 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Series 2016C Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture or to enforce any right under this Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the equal benefit of all Owners of the Outstanding Series 2016C Bonds.

(B) Nothing in this Indenture or in the Series 2016C Bonds contained shall affect or impair the general obligation of the Board to pay at the respective dates of maturity and places therein expressed the principal of and interest on the Series 2016C Bonds to the respective Owners thereof, or affect or impair the right of action of any Owner to enforce such payment of its Series 2016C Bond from the sources provided herein.

Section 804. Remedies Conferred By the Act. The Board and the Trustee each acknowledge that Section 15(e) of the Act provides that all covenants of the Board relating to the issuance of the Series 2016C Bonds as Alternate Bonds pursuant to Section 15 of the Act and the conditions and obligations imposed by said Section 15 are enforceable by any Owner of the Series 2016C Bonds, any taxpayer of the Board and the people of the State acting through the Attorney General of the State or any designee, and in the event that any such action results in an order finding that the Board has not properly collected and applied the Pledged Capital Improvement Taxes as required by the Act, the plaintiff in any such action shall be awarded reasonable attorneys' fees.

Section 805. 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 806. Effect of Waiver and Other Circumstances. (A) 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.

(B) The Owners of not less than two-thirds in aggregate principal amount of the Series 2016C Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may, on behalf of the Owners of all of the Series 2016C Bonds, waive any past default under this Indenture and its consequences, except a default in the payment of interest on or principal or Redemption Price of any of the Series 2016C Bonds when due. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

ARTICLE IX

Regarding the Fiduciaries

Section 901. Trustee; Appointment and Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the Board agrees and the respective Owners of the Series 2016C Bonds, by their purchase and acceptance thereof agree. Except during the continuance of an Event of Default, the Trustee undertakes such duties and only such duties as are specifically set forth in this Indenture, and no implied duties shall be read into this Indenture against the Trustee.

Section 902. Paying Agents; Appointment and Acceptance of Duties. (A) The Trustee is hereby appointed Paying Agent for the Series 2016C Bonds. The Board may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 914 for a successor Paying Agent.

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

(C) Unless otherwise provided, the principal or corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the Board for the payment of the principal or Redemption Price of the Series 2016C Bonds.

Section 903. Registrar; Appointment and Acceptance of Duties. (A) The Trustee is hereby appointed Registrar for the Series 2016C Bonds. The Board may at any time or from time to time appoint one or more other Registrars having the qualifications set forth in Section 915 for a successor Registrar.

(B) 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 904. Responsibilities of Fiduciaries. (A) The recitals of fact herein and in the Series 2016C Bonds contained shall be taken as the statements of the Board and no Fiduciary

assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Series 2016C Bonds issued hereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for any representation contained in its authentication certificate on the Series 2016C Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Board or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of 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 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 2016C Bonds 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 holders of 25% in aggregate principal amount of the Series 2016C Bonds.

(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, bond, 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 Section 906, such reasonable compensation as it deems proper to all such agents and attorneys reasonably employed or retained by it, and the Trustee shall not be responsible for any misconduct or negligence of any agent or attorney appointed with due care by it.

(F) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(G) 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.

(H) 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 2016C Bonds, 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 2016C Bonds.

(I) None of the provisions of this Indenture shall require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it.

(J) 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. If the Board elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. 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: (i) 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; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the method(s) selected by the Board; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

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

(B) Whenever any Fiduciary shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Indenture, such matter (unless this Indenture specifically requires other evidence thereof) may be deemed to be

conclusively proved and established by a certificate of 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 2016C Bonds, each representing less than a majority in aggregate principal amount of the Series 2016C Bonds Outstanding, pursuant to the provision of this Indenture, the Trustee, in its sole discretion, may determine what actions, if any, shall be taken.

Section 906. Compensation; Indemnification. Each Fiduciary shall be entitled to payment and/or reimbursement for reasonable fees and for its services rendered hereunder and all advances, counsel fees and other expenses reasonably made or incurred by such Fiduciary in connection with such services and in connection with entering into this Indenture; provided, any such fees and expenses are incurred in connection with actions that are customarily taken in the administration of an estate substantially similar to the estate established by this Indenture. Upon an Event of Default, but only upon an Event of Default, each Fiduciary shall have a right of payment prior to payment on account of interest or principal of, or premium, if any, on any Series 2016C Bond for the foregoing advances, fees, costs and expenses incurred. When the Trustee incurs expenses or renders services after the occurrence of an Event of Default, such expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

If the Trustee renders any service hereunder not provided for in this Indenture, or the Trustee is made a party to or intervenes in any litigation pertaining to this Indenture or institutes interpleader proceedings relative hereto, the Trustee shall be compensated reasonably by the Board for such extraordinary services and reimbursed for any and all reasonable expenses, including out-of-pocket and incidental expenses and legal fees and expenses occasioned thereby in accordance with the reasonable and customary administration of this Indenture, if notified in writing prior to the performance of those services or incurring such reasonable expenses so as to allow the Board to appropriate sufficient funds for their payment and; provided, that such compensation, fees and expenses do not result from negligence or willful misconduct on the part of the Trustee.

Section 907. Certain Permitted Acts. Any Fiduciary may become the Owner of any Series 2016C Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to

protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Series 2016C Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in aggregate principal amount of the Series 2016C Bonds then Outstanding.

Section 908. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving not less than 60 days written notice to the Board, all Owners of the Series 2016C Bonds and the other Fiduciaries, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the Board or the Owners as provided in Section 910 and 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 60 days following the giving of notice, then the Trustee shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as provided in Section 910.

Section 909. Removal of Trustee; 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 2016C Bonds then Outstanding (excluding any Series 2016C Bonds 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 2016C Bonds then Outstanding, excluding any Series 2016C Bonds held by or for the account of the Board, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys-in-fact duly authorized, and delivered to the Board. Copies of each such instrument shall be delivered by the Board to each Fiduciary.

Section 910. Appointment of Successor Trustee. (A) In case at any time the Trustee shall resign, 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 2016C Bonds.

(B) If no appointment of a Trustee shall be made by the Board within 60 days following such resignation or renewal pursuant to the foregoing provisions of this Section 910, the Trustee or the Owner of any Series 2016C Bond Outstanding hereunder may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(C) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank, trust company or national banking association, doing business and having a corporate trust office in the State, 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.

Section 911. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Board, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee; but the predecessor Trustee shall nevertheless, on the written request of the Board or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurances and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all its right, title and interest in and to any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument from the Board be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, such deed, conveyance or instrument shall be executed, acknowledged and delivered by the Board. Any such successor Trustee shall promptly notify any other Paying Agent or Registrar of its appointment as Trustee.

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

Section 913. Adoption of Authentication. In case any of the Series 2016C Bonds shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Series 2016C Bonds and deliver such Series 2016C Bonds so authenticated; and in case any of the said Series 2016C Bonds shall not have been authenticated, any successor Trustee may authenticate such Series 2016C Bonds in the name of the predecessor Trustee or in its own name.

Section 914. Resignation or Removal of Paying Agent and Appointment of Successor. (A) Any Paying Agent may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least 60 days written notice to the Board and the other Fiduciaries. Any Paying Agent may be removed at any time by an instrument signed by a Designated Official and filed with such Paying Agent and the Trustee. Any successor Paying Agent shall be appointed by the Board and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having 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.

(B) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee and shall be subject to audit of all of its books, records and accounts with respect to the Series 2016C Bonds. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 915. Resignation or Removal of Registrar and Appointment of Successor.

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

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

Section 916. Trustee Not Deemed to Have Notice of Default. The Trustee shall not be deemed to have notice of any default hereunder except a default under Section 801(A) or Section 801(B) or the failure of the Board to file with the Trustee any document required by this Indenture unless any officer in the designated 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 aggregate principal amount of the Series 2016C Bonds 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 917. Monthly Report by Trustee. Within twenty days after the end of each calendar month, the Trustee shall prepare a written report for each Fund, Account and Sub-Account held by it pursuant to the provisions of this Indenture. Such report shall set out the receipts and disbursements, both principal and income, and shall list the Investment Securities held by the Trustee at the end of the month. A copy of each such report shall be furnished to the Board and any Persons designated by the Board.

In addition, the Trustee shall, at any time when requested, furnish to the Board and any Persons designated by the Board a report of the amount of moneys, including Investment Securities, held in each Fund, Account or Sub-Account by the Trustee. For purposes of this certification, the Investment Securities in each such Fund, Account and Sub-Account shall be treated as having a value equal to their aggregate market value as of the date of the request.

ARTICLE X

Supplemental Indentures

Section 1001. Supplemental Indentures Not Requiring Consent of Owners. The Board and the Trustee may without the consent of, or notice to, any of the Owners, 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 Capital Improvement Taxes, the Pledged Debt Service Taxes or any other moneys, securities or funds;
- (v) To make any necessary amendments to or to supplement this Indenture in connection with the issuance of Additional Bonds as authorized herein;
- (vi) To cure any ambiguity, omission or defect in this Indenture;
- (vii) To provide for the appointment of a successor securities depository;
- (viii) To provide for the appointment of any successor Fiduciary; and
- (ix) To make any other change which, in the judgment of the Trustee, does not materially adversely affect the rights of the Trustee or the Owners.

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

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

ARTICLE XI

Amendments

Section 1101. Mailing. Any provision in this Article for the mailing of a notice or other information to Owners shall be fully complied with (i) if it is mailed by first class mail, postage prepaid or delivered only to each Owner of Series 2016C Bonds then Outstanding at its address, if any, appearing upon the registration books of the Board kept by the Trustee or (ii) if all of the Series 2016C Bonds are at the time held in book-entry only form, if such notice or other information is delivered in accordance with the agreement with the securities depository for the Series 2016C Bonds.

Section 1102. Powers of Amendment. Exclusive of Supplemental Indentures covered by Section 1001 and subject to the terms and provisions contained in this Section 1102, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Series 2016C Bonds then Outstanding shall have the right, from time to time, anything contained in this Indenture to the contrary notwithstanding, 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 1102 or in Section 1001 contained shall permit or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of, 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 2016C Bond, without the consent of the Owner of such Series 2016C Bond, (b) except for the pledge of the Pledged Capital Improvement Taxes in connection with the issuance of Additional Bonds, 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 2016C Bonds at the time Outstanding, (c) a reduction in the aforesaid aggregate principal amount of Series 2016C Bonds, 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 2016C Bonds at the time Outstanding which would be affected by the action to be taken, (d) a modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (e) with respect to the Series 2016C Bonds, the loss of the exclusion from federal gross income of the Owners of the interest paid on such Series 2016C Bonds held by a non-consenting Owner to the extent otherwise afforded under the Code and Regulations.

Section 1103. Consent of Owners. The Board may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 1102, to take effect when and as provided in this Section. 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 2016C Bonds, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when effective, will be valid and binding upon the Board and the Trustee, and (b) a notice shall have been delivered 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 2016C Bonds described in such certificate or certificates of the Trustee shall be conclusive. Any such consent shall be binding upon the Owner of the Series 2016C Bonds giving such consent and upon any subsequent Owner of such Series 2016C Bonds and of any Series 2016C Bonds issued in exchange therefor or replacement thereof whether or not such subsequent Owner has notice thereof; provided, however, that any consent may be revoked by any Owner of such Series 2016C Bonds by filing with the Trustee, prior to the time when the Trustee's written statement hereafter in this Section referred to is filed, a written revocation, with proof that such Series 2016C Bonds are held by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with it. Any consent, or revocation thereof, may be delivered or filed prior to any mailing or publication required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing. Within 30 days of any date on which the consents on file with the Trustee and not theretofore revoked shall be sufficient under this Section, the Trustee shall make and deliver to the Board a written statement that the consents of the Owners of the required aggregate principal amount of Outstanding Series 2016C Bonds have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time thereafter notice, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required principal amount of Outstanding Series 2016C Bonds and will be effective as provided in this Section, shall be given by mailing to the Owners (but failure to mail such notice or any defect therein shall not prevent such Supplemental Indenture from becoming effective and binding). The Trustee shall deliver to the Board proof of the mailing of such notice. A record, consisting of the information required or permitted by this Section to be delivered by or to the Trustee, shall be proof of the matters therein stated.

Section 1104. Modifications by Unanimous Action. The Indenture and the rights and obligations of the Board and of the Owners of the Series 2016C Bonds 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 2016C Bonds then Outstanding, each such consent to be accompanied by proof of the holding at the date of such consent of the Series 2016C Bonds with respect to which such consent is given. Such Supplemental Indenture shall take effect upon the filing (a) with the Trustee of (i) a copy thereof, (ii) such consents and accompanying proofs and (iii) the Counsel's Opinion referred to in Section 1103 and (b) with the Board of the Trustee's written statement that the consents of the Owners of all Outstanding Series 2016C Bonds have been filed with it. No mailing or publication of any Supplemental Indenture (or reference thereto or summary thereof) or of any request or notice shall be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its written consent thereto.

Section 1105. Exclusion of Series 2016C Bonds. Unless all Series 2016C Bonds are owned or held by or for the account of the Board, Series 2016C Bonds owned or held by or for, the account of the Board shall not be deemed Outstanding and shall be excluded for the purpose of any calculation required by this Article. At the time of any consent or other action taken under this Article, the Board shall furnish the Trustee a certificate of a Designated Official, upon which the Trustee may rely, identifying all Series 2016C Bonds so to be excluded.

Section 1106. Notation on Series 2016C Bonds. Series 2016C Bonds authenticated and delivered after the effective date of any action taken as in Article X or this Article provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Board and the Trustee as to such action, and upon demand of the Owner of any Series 2016C Bond Outstanding at such effective date and presentation of its Series 2016C Bond to the Trustee, suitable notation shall be made on such Series 2016C Bond by the Trustee as to any such action. If the Board or the Trustee shall so determine, new Series 2016C Bonds so modified which, in the opinion of the Trustee and the Board, conform to such action may be prepared, authenticated and delivered, and upon demand of the Owner of any Series 2016C Bond then Outstanding shall be exchanged, without cost to such Owner, for such Series 2016C Bond then Outstanding.

ARTICLE XII

Defeasance

Section 1201. Defeasance. (A) If the Board shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Series 2016C Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, then the pledge of the Trust Estate 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 Paying Agent shall pay over or deliver to the Board all moneys and securities held by it pursuant to this Indenture which are not required for the payment of Series 2016C Bonds not previously surrendered for such payment or redemption. If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all or a portion of the Outstanding Series 2016C Bonds (which portion shall be selected by lot by the Trustee in the manner provided in Section 403(C) for the selection of Series 2016C Bonds to be redeemed in part), 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 2016C Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Board to the Owners of such Series 2016C Bonds and to the Trustee shall thereupon be discharged and satisfied.

(B) Series 2016C Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the Trustee at or prior to their

maturity or redemption date shall be deemed to have been paid within the meaning of and with the effect expressed in this Section 1201 if the Board shall have delivered to or deposited with the Trustee (a) irrevocable instructions to pay or redeem all of said Series 2016C Bonds in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their principal, (b) irrevocable instructions to mail the required notice of redemption of any Series 2016C Bonds 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, without further reinvestment to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Series 2016C Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be, and (d) if any of said Series 2016C Bonds are not to be redeemed within the next succeeding 45 days, irrevocable instructions to mail to all Owners of said Series 2016C Bonds a notice that such deposit has been made with the Trustee and that said Series 2016C Bonds are deemed to have been paid in accordance with this Section and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of said Series 2016C Bonds. 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 2016C Bonds. No payments of principal of any such Defeasance Obligations or interest thereon shall be withdrawn or used for any purpose other than the payment of such principal or Redemption Price of or interest on said Series 2016C Bonds; unless after such withdrawal the amount held by the Trustee and interest to accrue on Defeasance Obligations so held shall be sufficient to provide fully for the payment of the principal of or Redemption Price and interest on said Series 2016C Bonds, at maturity or upon redemption, as the case may be.

(C) The Defeasance Obligations (or any portion thereof) held for the payment of the principal and Redemption Price of and interest on said Series 2016C Bonds pursuant to paragraph (B) of this Section may not be sold, redeemed, invested, reinvested or removed from the lien of this Indenture in any manner or other Defeasance Obligations substituted therefor (any such direction to sell, redeem, invest, reinvest, remove or substitute to be referred to as a “*Subsequent Action*”) unless prior to the taking of such Subsequent Action, the Trustee shall have received the following: (i) either (a) a certified copy of the proceedings of the Board authorizing the Subsequent Action, or (b) an Opinion of Counsel for the Board to the effect that such Subsequent Action has been duly authorized by all necessary action on the part of the Board; (ii) an opinion from a nationally recognized firm of independent public accountants to the effect that the Defeasance Obligations and cash available or to be available for payment of the Series 2016C Bonds after the taking of the Subsequent Action will remain sufficient to pay, without any further reinvestment thereof, the principal and Redemption Price of and interest on said Series 2016C Bonds, the Series 2016C Bonds at or prior to their maturity in the manner provided in paragraph (B) of this Section; (iii) an Opinion of Bond Counsel to the effect that the Subsequent Action will not adversely affect any exemption from federal income tax of the interest paid on the Series 2016C Bonds to which such Series 2016C Bonds are otherwise entitled; and (iv) such other documents and showings as the Trustee may reasonably require.

(D) Amounts deposited with the Trustee for the payment of the principal of and interest on any Series 2016C Bonds deemed to be paid pursuant to this Section 1201, if so directed by the Board, shall be applied by the Trustee to the purchase of such Series 2016C

Bonds in accordance with this subsection. Series 2016C Bonds for which a redemption date has been established may be purchased on or prior to the 45th day preceding the redemption date. The principal amount of Series 2016C Bonds to be redeemed shall be reduced by the principal amount of Series 2016C Bonds so purchased. Series 2016C Bonds which mature on a single future date may be purchased at any time prior to the maturity date. All such purchases shall be made at prices not exceeding the applicable principal amount or Redemption Price established pursuant to paragraph (B) of this Section 1201, plus accrued interest, and such purchases shall be made in such manner as the Trustee shall determine. No purchase shall be made by the Trustee pursuant to this subsection if such purchase would result in the Trustee holding less than the moneys and Defeasance Obligations required to be held for the payment of all other Series 2016C Bonds deemed to be paid pursuant to this Section 1201.

(E) The Board may purchase with any available funds any Series 2016C Bonds deemed to be paid pursuant to this Section 1201 in accordance with this subsection. Series 2016C Bonds for which a redemption date has been established may be purchased by the Board on or prior to the 45th day preceding the redemption date. On or prior to the 45th day preceding the redemption date the Board shall give written notice to the Trustee of its intention to surrender such Series 2016C Bonds on the redemption date. The Trustee shall proceed to call for redemption the remainder of the Series 2016C Bonds due on the redemption date and shall pay to the Board on the redemption date the Redemption Price of and interest on such Series 2016C Bonds upon surrender of such Series 2016C Bonds to the Trustee. Series 2016C Bonds which mature on a single future date may be purchased at any time prior to the maturity date. The Trustee shall pay to the Board the principal amount of and interest on such Series 2016C Bonds upon surrender of such Series 2016C Bonds on the maturity date.

(F) Any time after any Series 2016C Bonds are deemed to be paid pursuant to this Section 1201, the Board shall not at any time permit any of the proceeds of the Series 2016C Bonds 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 2016C Bond to be an “*arbitrage bond*” as defined in the Code and Regulations.

(G) Each Fiduciary shall continue to be entitled to reasonable compensation for all services rendered under this Indenture, notwithstanding that any Series 2016C Bonds are deemed to be paid pursuant to this Section 1201. Such compensation shall be paid by the Board from lawfully available funds and no Fiduciary shall have a claim against the Trust Estate for such compensation except as may be expressly provided herein.

(H) Any moneys held by the Trustee or any Paying Agent in trust for the payment and discharge of any of the Series 2016C Bonds which remain unclaimed for two years after the date when such Series 2016C Bonds have become due and payable, either at the stated maturity date or by call for earlier redemption, if such moneys were held by the Trustee or such Paying Agent at such date, or for two years after the date of deposit of such moneys if deposited, with the Trustee or such Paying Agent after the said date when such Series 2016C Bonds become due and payable, shall, at the written request of the Board, be repaid by the Trustee or such Paying Agent to the Board, as its absolute property and free from trust, and the Trustee or such Paying Agent shall thereupon be released and discharged with respect thereto and the Owners of such Series 2016C Bonds shall look only to the Board for the payment of such Series 2016C Bonds.

ARTICLE XIII

Miscellaneous

Section 1301. Evidence of Signatures of Owners and Ownership of Series 2016C Bonds. (A) Any request, consent, revocation of consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of the Series 2016C Bonds shall be sufficient for any purpose of this Indenture (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory, to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

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

(ii) The ownership of Series 2016C Bonds 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 2016C Bond shall bind all future Owners of such Series 2016C Bond in respect of anything done or suffered to be done by the Board or any Fiduciary in accordance therewith.

Section 1302. Moneys Held for Particular Series 2016C Bonds. The amounts held by the Trustee or any Paying Agent for the payment of interest, principal or Redemption Price, due on any date with respect to particular Series 2016C Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Series 2016C Bonds entitled thereto.

Section 1303. 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 1304. Cancellation and Destruction of Series 2016C Bonds. All Series 2016C Bonds paid or redeemed, either at or before maturity, and all mutilated Bonds surrendered

pursuant to Section 207, shall be delivered to the Trustee when such payment or redemption is made or upon surrender, as the case may be, and such Series 2016C Bonds, together with all Series 2016C Bonds purchased by the Trustee, shall thereupon be promptly canceled. Series 2016C Bonds 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 2016C Bonds so destroyed, and one executed certificate shall be delivered to the Board and the other retained by the Trustee.

Section 1305. 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 2016C Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Fiduciaries and the Owners of the Series 2016C Bonds.

Section 1306. No Recourse on the Series 2016C Bonds. (A) No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Series 2016C Bonds 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 2016C Bonds, either directly or through the Board, under any rule of law or equity, statute or constitution or otherwise, and all such liability of any such officers, 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 2016C Bonds.

(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 2016C Bonds; 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 2016C Bonds shall be liable personally on the Series 2016C Bonds 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 1307. 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 1308. 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 1309. Notices. Any notice, demand, direction, request or other instruments authorized or required by this Indenture to be given to, delivered to or filed with the Board or the Trustee shall be deemed to have been sufficiently given, delivered or filed for all purposes of the Indenture if and when sent by registered mail, postage prepaid, return receipt requested:

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

With a copy to: Board of Education of the City of Chicago
42 West Madison Street
2nd Floor
Chicago, Illinois 60602
Attention: Treasurer

and

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

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

To the Trustee, if addressed to: [_____

Attention: Corporate Trust Department]

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

Section 1310. Construction. The Indenture and all Supplemental Indentures shall be construed in accordance with the provisions of Illinois law.

Section 1311. 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 1312. Multiple Counterparts. The 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.

[The Remainder of this Page Intentionally Left Blank]

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 Senior Vice President of Finance and attested by its Secretary and [] has caused this Indenture to be executed in its behalf by its Authorized Officer and attested by its Authorized Officer, all as of the day and year first above written.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: _____
Senior Vice President of Finance
Board of Education of the City of Chicago

Attest:

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

[]

By: _____
Authorized Officer

Attest:

Authorized Officer

EXHIBIT A

FORM OF SERIES 2016C BOND

[Form of Series 2016C Bond – Front Side]

REGISTERED
NO. _____

REGISTERED
\$ _____

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

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Dated Date</u>	<u>CUSIP</u>
_____ %	December 1, 20__	_____, 2016	_____

REGISTERED OWNER:

PRINCIPAL AMOUNT:

THE BOARD OF EDUCATION OF THE CITY OF CHICAGO (the “*Board*”), for value received, hereby promises to pay to the Registered Owner identified above or registered assigns, upon presentation and surrender hereof, the Principal Amount identified above on the Maturity Date specified above, unless this Bond shall have been previously called for redemption and payment of the redemption price shall have been duly made or provided for, and to pay interest on said Principal Amount from the interest payment date next preceding the date of authentication and delivery of this Bond, unless this Bond is authenticated and delivered on an interest payment date to which interest has been paid or provided for, in which event this Bond shall bear interest from such interest payment date, or unless this Bond is authenticated and delivered prior to _____ 1, 20__, in which event this Bond shall bear interest from its Dated Date, or unless, as shown by the records of the hereinafter described Trustee, interest on this Bond shall be in default, in which event this Bond shall bear interest from the last date to which interest has been paid. Interest on this Bond (computed on the basis of a 360-day year consisting of twelve 30-day months) is payable on June 1 and December 1 of each year, commencing _____ 1, 20__, until the payment in full of such Principal Amount, except as provisions hereinafter set forth with respect to redemption prior to maturity become applicable hereto.

The principal of this Bond is payable in lawful money of the United States of America at the designated corporate trust office of [_____], as trustee, or its successor in trust (the “*Trustee*”) and Paying Agent and payment of the interest hereon shall be made to the person in whose name this Bond is registered at the close of business on the fifteenth (15th) day of the calendar month next preceding each interest payment date (the “*Record Date*”) by check or bank draft mailed by the Trustee to such Registered Owner at such Registered Owner’s address as it appears on the registration books of the Board maintained by the Trustee, as Registrar (the “*Registrar*”) or, at the option of any Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2016C Bonds, by wire transfer of immediately available

funds to such bank in the continental United States as said Registered Owner shall request in writing to the Registrar prior to the Record Date.

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

It is hereby certified, recited and declared that this Bond is issued in part pursuant to the Local Government Debt Reform Act, that all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond have been performed in due time, form and manner as required by law; that the indebtedness of the Board, including the issue of Series 2016C Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of the Pledged Capital Improvement Taxes and the Pledged Debt Service Taxes to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

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

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this Bond to be signed in its name and on its behalf by the manual or duly authorized facsimile signatures of its President and its Chief Executive Officer and to be 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, Chicago Board of Education,
Board of Education of the City of Chicago

By: _____
Chief Executive Officer,
Board of Education of the City of Chicago

Attest:

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

[Form of Certificate of Authentication]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Dedicated Capital Improvement Tax Bonds, Series 2016C, described in the within-mentioned Indenture.

Date of Authentication and Delivery: [_____]

By: _____
Authorized Signatory

[Form of Series 2016C Bond – Reverse Side]

This Bond is one of a duly authorized issue of \$____,000,000 aggregate principal amount of Dedicated Capital Improvement Tax Bonds, Series 2016C, of the Board (the “*Series 2016C Bonds*”), issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, including the Local Government Debt Reform Act (the “*Act*”) and a Trust Indenture dated as of _____ 1, 2016 (the “*Indenture*”), by and between the Board and the Trustee, for the purpose of raising moneys to (i) pay Permitted Expenditures (as defined in the Indenture), (ii) fund certain interest to become due on the Series 2016C Bonds and (iii) pay costs of issuance of the Series 2016C Bonds. The Series 2016C Bonds are “*alternate bonds*” issued pursuant to Section 15 of the Act. Copies of the Indenture are on file at the designated corporate trust office of the Trustee and reference is hereby made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Series 2016C Bonds and the rights, duties and obligations of the Board, the Trustee and the Owners of the Series 2016C Bonds.

The Series 2016C Bonds are payable ratably and equally from (i) the Pledged Capital Improvement Taxes (as defined in the Indenture) and (ii) ad valorem taxes levied against all of the taxable property in the school district governed by the Board without limitation as to rate or amount for the payment of the Series 2016C Bonds (defined in the Indenture as the “*Pledged Debt Service Taxes*”). The Series 2016C Bonds are further secured by the other moneys, securities and funds pledged under the Indenture. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the Board are hereby irrevocably pledged. The Indenture provides that Additional Bonds may be issued from time to time in the future on a parity with this Bond to share ratably and equally in all or any portion of the Pledged Capital Improvement Taxes upon compliance with certain requirements contained in the Indenture and the Act.

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

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

The Series 2016C Bonds maturing on or after December 1, 20__ are subject to prior redemption at the option of the Board, in whole or in part (and if in part, in an Authorized Denomination), in such principal amounts and from such maturities as the Board shall determine and within any maturity by lot, on any date on or after December 1, 20__, at the Redemption Price of par plus accrued interest thereon to the date fixed for redemption.

The Series 2016C Bonds maturing on December 1, 20__ are also subject to mandatory redemption prior to maturity, in part, at a redemption price equal to the principal amount thereof, plus accrued interest, in the aggregate principal amounts set forth in the following table:

Redemption Dates (December 1)	Principal Amount
20__	\$
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	
20__	

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

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

[Form of Assignment]

ASSIGNMENT

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

(Name and Address of Assignee)

(Please insert Social Security or other identifying number of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

Attorney to transfer the said Series 2016C Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated:

Signature Guaranteed:

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

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