

May 24, 2017

**RESOLUTION AUTHORIZING THE ISSUANCE OF GRANT
ANTICIPATION REVENUE NOTES OF THE BOARD OF EDUCATION
OF THE CITY OF CHICAGO, ILLINOIS, IN AN AGGREGATE
PRINCIPAL AMOUNT NOT TO EXCEED \$396,520,000**

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

WHEREAS, pursuant to the School Code, the Board anticipates the receipt of revenues from the State of Illinois (the "*State Grants*") lawfully appropriated by the State for the 2017 fiscal year in the aggregate approximate amount of \$665,189,532. As of the date of adoption of this Resolution, the State of Illinois has paid \$198,693,405 which leaves an estimated \$466,496,127 of State Grants remaining to be paid (the "*Anticipated Grant Amount*"); and

WHEREAS, the State Grants are more particularly described in Exhibit A to this Resolution; and

WHEREAS, as of the date of adoption of this Resolution, the Anticipated Grant Amount has not been paid to the Board; and

WHEREAS, there has been presented to the State Comptroller vouchers approved by the State Superintendent of Education requesting the payment to the Board of a portion of the Anticipated Grant Amount to be derived from the State Grants in an aggregate amount of not less than \$323,895,950 (the "*Approved Voucher Amount*"); and

WHEREAS, the Board expects that additional vouchers approved by the State Superintendent of Education requesting the payment to the Board of the remaining Anticipated Grant Amount in an aggregate amount of not more than \$142,600,177 (the "*Pending Voucher Amount*") and the Board expects that \$133,777,045 of the Pending Voucher Amount will be presented to the State Comptroller prior to June 30, 2017; and

WHEREAS, pursuant to the Revenue Anticipation Act, 50 Illinois Compiled Statutes 425, the Board on behalf of the School District is authorized to issue revenue notes in anticipation of the receipt of the Anticipated Grant Amount (the "Grant Receipts") in an amount not exceeding 85% of the Anticipated Grant Amount; and

WHEREAS, no revenue notes or other obligations of the Board have heretofore been authorized or issued in anticipation of the receipt of Grant Receipts and the Grant Receipts are not pledged as security for the payment of any other bond, note or obligation of the Board; and

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

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

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

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

"Grant Receipts" means the money received or expected to be received by the Board from the Anticipated Grant Amount.

"Note Purchase Agreement" means one or more agreements between the Board and one or more financial institutions pursuant to which such financial institutions will agree to purchase any Notes.

"Notes" means the grant anticipation revenue notes of the Board authorized to be issued under this Resolution.

“*Tax Anticipation Note*” means any tax anticipation note, tax anticipation warrant or similar indebtedness issued by the Board in anticipation of the collection of the taxes levied by the Board for educational purposes for the 2017 tax levy year.

“*Trust Indenture*” means one or more agreements providing for the issuance of the Notes and for their repayment from Grant Receipts, by and between the Board and a bank, trust company or national banking association having trust powers and appointed by one of the Designated Officials to act as trustee under the Trust Indenture. As used in this Resolution the term “Trust Indenture” includes any “Master Trust Indenture” and any “Supplemental Trust Indenture.”

“*Written Assurance*” means a written assurance to the Board with respect to the receipt from a reliable source of a specified amount of the Grant Receipts.

3. *Statutory Findings.* It is found and determined that there are insufficient funds on hand to pay obligations of the School District and the Board hereby deems it to be in the best interest of the School District to provide funds for the payment of its general expenses and other payment obligations that are due or will accrue in the current fiscal year. It shall be a condition precedent to the sale and to the issuance of any series of Notes that (i) the Board shall theretofore have received Written Assurances with respect to Grant Receipts to permit the issuance of the series of Notes proposed to be sold within the debt limitation set forth in Section 7 of the Revenue Anticipation Act and (ii) each such Written Assurance shall have been filed with the County Clerk of The County of Cook and the County Clerk of The County of DuPage.

The purpose of the issuance of the Notes is the funding (including reimbursement) of the operating expenses of the Board and payment obligations of the Board for the 2017 fiscal year. The estimated amount of such expenses and payments is not less than \$396,520,000.

4. *Determination to Authorize Grant Anticipation Revenue Notes.* The Board is hereby authorized to issue Grant Anticipation Revenue Notes (the “Notes”) in anticipation of the receipt of Grant

Receipts to be derived from the Anticipated Grant Amount in an aggregate principal amount of not to exceed \$396,520,000. The Notes are to be issued in accordance with the provisions of the Revenue Anticipation Act and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350.

5. *Security and Payment.* The Notes shall be limited obligations of the Board payable from the Grant Receipts and such Grant Receipts, or portion thereof, may be pledged as security for the payment of the principal of and interest on the Notes. The Notes shall be issued and secured under and pursuant to one or more Trust Indentures. Pursuant to Section 10 and Section 13 of the Local Government Debt Reform Act, the Board may provide for the direct assignment of and direct deposit of the Grant Receipts to the Trustee under any Trust Indenture by filing this Resolution with the appropriate State officials and the Board may seek to participate in the State of Illinois Vendor Payment Program. Each Trust Indenture may contain covenants and agreements of the Board pertaining to the payment of and security for the Notes. Pursuant to any Trust Indenture the Board may covenant to provide for the authorization and issuance of Tax Anticipation Notes and for the delivery of Tax Anticipation Notes in exchange for Notes.

6. *Terms of Notes.* The Notes shall have the terms and provisions required by the Revenue Anticipation Act and the Local Government Debt Reform Act. The Notes shall be issued from time to time in one or more series. Each Note issued shall mature no later than 12 months from its date of original issue and may be subject to redemption prior to maturity, all as determined by any Designated Official. Interest on each Note shall be payable on such interest payment dates as determined by any Designated Official and shall bear interest at a rate (which may be a fixed rate or a variable rate) not exceeding the maximum rate permitted under Section 2 of the Bond Authorization Act, 30 Illinois Compiled Statutes 305.

7. *Sales of Notes.* The Notes shall be sold in the manner provided in Section 3 of the Revenue Anticipation Act and Section 10 of the Local Government Debt Reform Act, provided that authority is delegated to any Designated Officials to sell the Notes at private sale upon a determination that such a sale is in the best interest of the Board taking into account current market conditions and the financial condition of the Board. The purchase price of any Note shall not be less than 98% of the

principal amount of such Note. After the sale of each series of Notes any of the Designated Officials shall prepare, execute and file with the Secretary of the Board a Notification of Sale with respect to such series of Notes setting forth the name of the purchaser, the principal amount sold, the maturity date or dates, the interest rate or rates and the purchase price of such Notes.

8. *Execution.* The Notes shall be executed on behalf of the Board with the manual or duly authorized facsimile signature of the President or Vice President of the Board and countersigned by the manual or authorized facsimile signature of the Treasurer of the Board, all as such officers shall determine. In case any officer whose signature shall appear on any Note shall cease to be such officer before the delivery of such Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. In accordance with Section 5 of the Revenue Anticipation Act, the Treasurer shall endorse a Certificate of Authenticity on each Note.

9. *Approval of Documents.* The form of Master Trust Indenture for the Notes attached hereto as Exhibit B and the form of Supplemental Trust Indenture for a series of Notes attached hereto as Exhibit C, are each hereby approved and, on behalf of the Board, each of the Designated Officials is authorized to enter into one or more such Trust Indentures, in either case with such revisions, insertions, completions and modifications thereof as shall be approved by the Designated Official executing the same, and that are not inconsistent with the terms and provisions of this Resolution, such execution to constitute conclusive evidence of such Designated Official's approval and this Board's approval of such revisions, insertions, completions and modifications thereof.

Any series of the Notes shall be issued pursuant to a Trust Indenture. Each of the Designated Officials is authorized to execute, and the Secretary is authorized to attest, one or more such Trust Indentures in substantially the forms described above, with such revisions, insertions, completions and modifications thereof as shall be approved by the Designated Official executing the same, and that are not inconsistent with the terms and provisions of this Resolution, such execution to constitute conclusive evidence of such Designated Official's approval and this Board's approval of such revisions, insertions, completions and modifications thereof.

Each of the Designated Officials is authorized to enter into a Note Purchase Agreement, as such Designated Official shall deem necessary to facilitate the issuance of the Notes upon terms that are not inconsistent with the terms and provisions of this Resolution.

If determined to be necessary by a Designated Official in connection with the initial sale or subsequent reoffering of any series of Notes, the preparation, use and distribution of a Preliminary Official Statement, Private Placement Memorandum, Limited Offering Memorandum or Notice of Public Sale relating to each issue of Notes (the "*Disclosure Document*") in substantially the respective forms delivered in connection with previous issues, 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 may 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.

10. *Application of Proceeds.* Proceeds of sale of the Notes are appropriated for the payment of general expenses of the Board and payment obligations of the Board due or to accrue in the current fiscal year, including reimbursements of such payments, and for the payment of costs of issuance of the Notes and related fees.

11. *Further Acts.* Each of the Designated Officials, officials or officers of the Board are hereby authorized to execute and deliver the documents approved by this Resolution, and such other documents and agreements and perform such other acts as may be necessary or desirable in connection with the Notes, the Trust Indentures and the Note Purchase Agreements, including, but not limited to, provisions relating to increased costs and indemnification, and the exercise following the delivery date of any series of the Notes of any power or authority delegated to such official under this Resolution with respect to the Notes, but subject to any limitations on or restrictions of such power or authority as herein set forth. The General Counsel is authorized to select and engage attorneys and other professionals to

17-0524-RS2

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.

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.

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.

13. *Repealer.* All Resolutions or parts of resolution in conflict herewith are, to the extent of such conflict, hereby repealed.

14. *Required Vote and Effective Date.* This Resolution shall be adopted upon an affirmative vote of at least two-thirds of the members of the Board. This Resolution is effective immediately upon its adoption.

STATE GRANTS

State Grant Status					Remaining Unvouchered Grants			
Grant	Allocation	Paid	Vouchered Unpaid	Voucher Number	June	August	Total	Total Unpaid
Educational Services Block Grant	\$478,295,000	\$119,573,750	\$239,147,500	2017-00043652	\$119,573,750	0	\$119,573,750	\$358,721,250
				2017-00043653				
				2017-00081108				
				2017-00081109				
General Education Block Grant	148,784,900	71,290,651	65,095,510	2017-00006099	12,398,739		12,398,739	77,494,249
				2017-00006098				
				2017-00050215				
				2017-00060414				
				2017-00068944				
				2017-00084429				
Bilingual Education	21,360,269	0	14,177,474	2017-00038297	0	\$7,182,795	7,182,795	21,360,269
				2017-00059011				
				2017-00090678				
Orphanage	8,078,014	4,418,175	2,019,502	2017-00048849	0	1,640,337	1,640,337	3,659,839
				2017-00078509				
Career & Technical Education	4,061,829	790,458	2,270,600	2017-00018647				
				2017-00026233				
				2017-00034321				
				2017-00050530				
				2017-00054828				
				2017-00059633				
				2017-00068267				
				2017-00083772				
				2017-00092862				
Other	4,609,520	2,620,371	1,185,364	Various	803,785	0	803,785	1,989,149
Total	\$665,189,532	\$198,693,405	\$323,895,950		\$133,777,045	\$8,823,132	\$142,600,177	\$466,496,127

FORM OF MASTER TRUST INDENTURE

MASTER TRUST INDENTURE

by and between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

as Trustee

Dated as of June 1, 2017

SECURING BOARD OF EDUCATION OF THE CITY OF CHICAGO
GRANT ANTICIPATION REVENUE NOTES

TABLE OF CONTENTS

	<u>Page</u>
Parties	1
ARTICLE I Definitions and Construction	3
Section 101. Definitions	3
Section 102. Interpretations.....	9
ARTICLE II Authorization and Issuance of Notes.....	9
Section 201. Authorization of Notes	9
Section 202. General Provisions for Issuance of Notes	10
Section 203. 2017A Notes	11
Section 204. Additional Notes.....	11
Section 205. Certificates of Authorized Officer.....	11
ARTICLE III General Terms and Provisions of Notes	12
Section 301. Medium of Payment; Form and Date; Letters and Numbers	12
Section 302. Legends.....	12
Section 303. Execution and Authentication	12
Section 304. Exchangeability of Notes	13
Section 305. Negotiability, Transfer and Registration.....	13
Section 306. Provisions with Respect to Exchanges and Transfers.....	13
Section 307. Notes Mutilated, Destroyed, Stolen or Lost.....	14
ARTICLE IV Certificate of Authenticity	14
Section 401. Form of Certificate	14
ARTICLE V Pledge of Trust Estate and Debt Service Fund.....	15
Section 501. Pledge Effected by This Indenture	15
Section 502. Establishment of Funds and Accounts	15
Section 503. Required Deposit of Grant Receipts.....	16
Section 504. Application of the Debt Service Fund.....	16
Section 505. Moneys to be Held in Trust.....	17
ARTICLE VI Depositories, Security for Deposits and Investments of Funds	17
Section 601. Depositories	17
Section 602. Deposits	17
Section 603. Investment of Moneys	18

ARTICLE VII Particular Covenants and Representations of the Board	19
Section 701. Authority for Indenture.....	19
Section 702. Indenture to Constitute Contract	19
Section 703. Punctual Payment of Notes	20
Section 704. Extension of Payment of Notes	20
Section 705. Further Assurance.....	20
Section 706. Power to Issue Notes and Pledge Trust Estate	20
Section 707. Indebtedness and Liens.....	21
Section 708. Covenants Regarding Grant Receipts.....	21
Section 709. Exchange of Notes for Tax Anticipation Notes	21
Section 710. Accounts and Reports.....	22
Section 711. Equality of Security	22
Section 712. Equality of Notes	22
ARTICLE VIII Remedies of Owners	23
Section 801. Events of Default.....	23
Section 802. Application of Funds After Default.....	23
Section 803. Proceedings Brought by Trustee	24
Section 804. Restriction on Owners' Action.....	25
Section 805. Remedies Not Exclusive.....	26
Section 806. Effect of Waiver and Other Circumstances.....	26
Section 807. Notices of Default.....	27
ARTICLE IX Concerning the Fiduciaries	27
Section 901. Trustee; Appointment and Acceptance of Duties.....	27
Section 902. Paying Agents; Appointment and Acceptance of Duties	27
Section 903. Registrar; Appointment and Acceptance of Duties	27
Section 904. Responsibilities of Fiduciaries	27
Section 905. Evidence on Which Fiduciaries May Act.....	28
Section 906. Compensation	29
Section 907. Certain Permitted Acts	29
Section 908. Resignation of Trustee.....	30
Section 909. Removal of Trustee	30
Section 910. Appointment of Successor Trustee.....	30
Section 911. Transfer of Rights and Property to Successor Trustee	31
Section 912. Merger or Consolidation.....	31
Section 913. Adoption of Authentication	32
Section 914. Resignation or Removal of Paying Agent and Appointment of Successor.....	32
Section 915. Resignation or Removal of Registrar and Appointment of Successor...	32
Section 916. Trustee Not Deemed to Have Notice of Default	33

Section 917. Monthly Report by Trustee 33

ARTICLE X Supplemental Indentures33

Section 1001. Supplemental Indentures Not Requiring Consent of Owners 33

Section 1002. Supplemental Indentures Effective upon Consent of Owners 34

Section 1003. Filing of Counsel’s Opinion 34

ARTICLE XI Amendments35

Section 1101. Mailing..... 35

Section 1102. Powers of Amendment 35

Section 1103. Consent of Owners 35

Section 1104. Modifications by Unanimous Action 36

Section 1105. Exclusion of Notes 37

Section 1106. Notation on Notes..... 37

ARTICLE XII Miscellaneous37

Section 1201. Defeasance..... 37

Section 1202. Evidence of Signatures of Owners and Ownership of Notes 39

Section 1203. Moneys Held for Particular Notes 40

Section 1204. Preservation and Inspection of Documents 40

Section 1205. Cancellation and Destruction of Notes 40

Section 1206. Parties Interested Herein..... 40

Section 1207. No Recourse 40

Section 1208. Successors and Assigns 41

Section 1209. Severability of Invalid Provisions 41

Section 1210. Notices 41

Section 1211. Construction 42

Section 1212. Multiple Counterparts..... 42

THIS MASTER TRUST INDENTURE dated as of June 1, 2017 (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 _____, an Illinois banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out as trustee (the “*Trustee*”);

W I T N E S S E T H:

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

WHEREAS, pursuant to the Revenue Anticipation Act, 50 Illinois Compiled Statutes 425 and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, the Board is authorized to issue revenue notes in anticipation of the receipt of revenues derived from grants from the State of Illinois to the Board; and

WHEREAS, on May 24, 2017, the Board adopted Resolution 17-0524-RS_ (the “*Note Resolution*”) authorizing the issuance, from time to time, in one or more series, of its Grant Anticipation Revenue Notes in an aggregate principal amount not to exceed \$396,500,000 (the “*Authorized Notes*”) to be issued pursuant to the Revenue Anticipation Act and the Local Government Debt Reform Act for the purposes permitted under the Revenue Anticipation Act and in anticipation of the receipt by the Board of fiscal year 2017 grants from the State of Illinois (the “*Grant Receipts*”); and

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

WHEREAS, no revenue notes or other obligations have heretofore been issued by the Board pursuant to the Revenue Anticipation Act or the Note Resolution or other authority in anticipation of the receipt of the Grant Receipts; and

WHEREAS, the Board has not heretofore pledged the Grant Receipts as security for the payment of any bond, note or other obligation of the Board; and

WHEREAS, pursuant to the Revenue Anticipation Act and Section 13 of the Local Government Debt Reform Act, the Board may assign and pledge the Grant Receipts as security for the payment of the Authorized Notes; and

WHEREAS, the Board has determined to issue Authorized Notes from time to time in one or more series (the “*Notes*”); and

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

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

GRANTING CLAUSES

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

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

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

IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Notes secured by this Indenture, including any Notes hereafter issued, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Note over any other by reason of priority in the issue or negotiation thereof or by reason of the date or dates of maturity thereof, or for any other

reason whatsoever (except as expressly provided in this Indenture), so that each and all of such Notes shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery hereof (all except as expressly provided in this Indenture, as aforesaid).

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

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

ARTICLE I

Definitions and Construction

Section 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:

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

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

“*Anticipated Grant Amount*” means, as of the date of original issuance of a Series, the aggregate amount of Grant Receipts anticipated to be received by the Board on or after such date.

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

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

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

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

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

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

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

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

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

“*Debt Limit Amount*” means, as of the date of original issuance of any Series, the lesser of (A) \$396,500,000 and (B) 85% of the Anticipated Grant Amount.

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

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

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

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

“*Exchange Date*” means, with respect to each Exchange Note, the date such Exchange Note is scheduled to be exchanged for a Note or Notes.

“*Exchange Notes*” means Tax Anticipation Notes issued in exchange for Notes pursuant to Section 709.

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

“*Fitch*” means Fitch Ratings.

“*Forward Supply Contract*” means any contract entered into between the Board and a supplier of Investment Securities selected by or pursuant to the direction of the Board (a “*Counterparty*”) pursuant to which the Counterparty agrees to sell to the Board (or to the Trustee on behalf of the Board) and the Board (or the Trustee on behalf of the Board) agrees to purchase specified Investment Securities on specific dates at specific purchase prices, all as established at the time of the execution and delivery of such contract and as set forth in such contract. Any amounts due and owing from the Board to the Counterparty pursuant to any Forward Supply Contract (other than the specified purchase prices of the Investment Securities set forth therein) shall be treated as current operating expenses of the Board subject to annual appropriation, and shall not constitute indebtedness of the Board.

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

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

“*Grant Receipts*” means the moneys expected to be received by the Board and derived from the Grants.

“*Grants*” means the grants from the State to the Board appropriated by the State for the 2017 fiscal year as listed in Exhibit A of the Note Resolution, as such list may be revised by a Certificate signed by an Authorized Officer and filed with the Trustee prior to the issuance of the 2017A Notes.

“*Indenture*” means this Master Trust Indenture, dated as of June 1, 2017, by and between the Board and the Trustee, as from time to time amended and supplemented.

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

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

- (i) Government Obligations;

(ii) Obligations of any of the following federal agencies which obligations represent the full, faith and credit of the United States of America, including:

- Export Import Bank
- Farm Credit System Financial Assistance Corporation
- Farmers Home Administration
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration;

(iii) Senior debt obligations issued by Fannie Mae or the Federal Home Loan Mortgage Corporation or senior debt obligations of other government agencies;

(iv) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks (including the Trustee and its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of no less than "A-1" by Fitch, or "A-1" or "A-1+" by S&P or "P-1" by Moody's and maturing no more than 360 days after the date of purchase (Ratings on holding companies are not considered as the rating of the bank);

(v) Commercial paper which is rated at the time of purchase no less than "A-1" by Fitch, or "A-1" or "A-1+" by S&P or "P-1" by Moody's and which matures not more than 180 days after the date of purchase;

(vi) Investments in a money market fund which at the time of purchase is rated "AAAm" or "AAAm G" or better by S&P, including those for which the Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise;

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

(viii) Any Forward Supply Contract.

"Moody's" means Moody's Investors Service.

“*Note*” or “*Notes*” means any 2017 Note and any Additional Note, authenticated and delivered under and pursuant to this Indenture.

“*Note Resolution*” means Resolution 17-0524-RS_ of the Board.

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

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

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

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

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

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

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

“*Payment Date*” shall mean any date on which the principal or Redemption Price of or interest on any Series of Notes is payable in accordance with its terms and the terms of this Indenture and the Supplemental Indenture creating such Series.

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

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

“*Record Date*” means the _____ (_____) day (whether or not a Business Day) of the calendar month next preceding each Payment Date or such other day as may be determined in the applicable Supplemental Indenture.

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

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

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

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

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

“*State*” means the State of Illinois.

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

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

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

“*Tax Anticipation Note*” means any tax anticipation note, tax anticipation warrant or similar indebtedness issued by the Board in anticipation of the collection of the taxes levied by the Board for educational purposes for the 2017 tax levy year.

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

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

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

“*2017A Notes*” means the \$ _____ principal amount of Grant Anticipation Revenue Notes, Series 2017A, of the Board authorized to be issued pursuant to the Note Resolution and Section 203.

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

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

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

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

ARTICLE II

Authorization and Issuance of Notes

Section 201. Authorization of Notes. (A) The Board shall not issue any Notes while this Indenture is in effect except in accordance with the provisions of this Article II. All Notes issued under this Indenture shall be designated “Grant Anticipation Revenue Notes” and shall include such further appropriate designations as the Board may determine.

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

(C) The 2017A Notes may be issued for any purpose or purposes authorized by the Revenue Anticipation Act. A Series of Additional Notes may be issued for any purpose or purposes authorized by the Revenue Anticipation Act and pursuant to

Section 11 of the Local Government Debt Reform Act, for the purpose of refunding Outstanding Notes.

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

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

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

(3) A copy of the Note Resolution, certified by the Secretary of the Board.

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

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

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

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

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

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

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

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

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

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

(B) Notes of the same Series and maturity shall be of like tenor except as to interest rate, denomination and form. After the original issuance of Notes of a Series, no Notes of such Series shall be issued except in lieu of or in substitution for other Notes of such Series pursuant to Article III or Section 1106 or as permitted by Supplemental Indenture.

Section 203. 2017A Notes. A Series of Notes designated as the “Grant Anticipation Revenue Notes, Series 2017A” (being the “2017A Notes” is authorized to be issued pursuant to the First Supplemental Indenture and shall be entitled to the benefit, protection and security of this Indenture. The 2017A Notes shall be authenticated and delivered by the Trustee only upon receipt by it of the documents required by Section 202 with respect to 2017A Notes and the Certificate of an Authorized Officer as set forth in Section 205.

Section 204. Additional Notes. One or more Series of Notes entitled to the benefit, protection and security of this Indenture and constituting a Series of Additional Notes may be authorized and delivered upon original issuance. Any such Series shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the documents required by Section 202 with respect to Additional Notes) of a Certificate of an Authorized Officer as set forth in Section 205.

Section 205. Certificates of Authorized Officer. The Certificate of an Authorized Officer to be filed with the Trustee as a condition precedent to the issuance of the Series 2017A Notes pursuant to Section 203 or a Series of Additional Notes pursuant to Section 204 shall (i) set forth the principal amount of the Notes that will be Outstanding as of the time immediately following the issuance of such Series; (ii) set forth the Anticipated Grant Amount as of the date of original issuance of such Series, (iii) demonstrate that the principal amount of Notes that will be Outstanding as of the time immediately following the issuance of such Series does not exceed 85% of such Anticipated Grant Amount, (iv) provide as an exhibit to such Certificate (A) written assurance from the State Comptroller that such Grant Receipts are payable from a reliable source in accordance with Section 2 of the Revenue Anticipation Act and (B) evidence of the filing of such written assurance with each of the County Clerks. In determining the Grant Receipts Amount, the Authorizing Officer executing the Certificate shall only include the amount of expected Grant Receipts with respect to which the State Superintendent of Education has presented a payment voucher to the State Comptroller approving the payment of such amount, and, after December 31, 2017, shall only include the amount of expected Grant Receipts approved by the State Comptroller and the Governor in accordance with Section 25(m) of the State Finance Act, 30 Illinois Compiled Statutes 105.

ARTICLE III

General Terms and Provisions of Notes

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

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

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

Section 303. Execution and Authentication. (A) The Notes shall be executed in the name of the Board by the manual or facsimile signatures of the President of the Board or the Vice President of the Board (or such other officers of the Board as may be authorized by a resolution of the Board) and countersigned by the manual or facsimile signature of the Treasurer of the Board. In accordance with Section 5 of the Revenue Anticipation Act, the Treasurer shall endorse a Certificate of Authenticity on each Note. Each such Certificate of Authenticity shall be in the form required by Section 5 of the Revenue Anticipation Act and Section 401. Any Note may also include the additional manual or facsimile signatures of one or more other officers of the Board. In case any one or more of the officers who shall have signed, countersigned or endorsed any of the Notes shall cease to be such officer before the Notes so signed shall have been authenticated and delivered by the Trustee, such Notes may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed such Notes had not ceased to hold such offices. Any Note may be signed, countersigned or endorsed on behalf of the Board by such persons who at the time of the execution of such Note shall hold the proper office in the Board, although at the date of such Note such persons may not have been so authorized or have held such office.

(B) The Notes shall bear a certificate of authentication, in the form set forth in the Supplemental Indenture authorizing such Notes, executed manually by the Trustee.

Only such Notes as shall bear such certificate of authentication shall be entitled to any right or benefit under this Indenture, and no such Note shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any such Note executed on behalf of the Board shall be conclusive evidence that the Note so authenticated has been duly authenticated and delivered under this Indenture and that the Owner thereof is entitled to the benefits of this Indenture.

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

Section 305. Negotiability, Transfer and Registration. (A) Each Note 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 Note, the Board shall issue in the name of the transferee a new Note or Notes in Authorized Denominations of the same aggregate principal amount, Series, maturity and interest rate as the surrendered Note.

(B) The Board and each Fiduciary may deem and treat the person in whose name any Note shall be registered upon the registration books of the Board as the absolute owner of such Note, whether such Note 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 Note 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 Note to the extent of the sum or sums so paid, and neither the Board nor any Fiduciary shall be affected by any notice to the contrary.

Section 306. Provisions with Respect to Exchanges and Transfers. In all cases in which the privilege of transferring or exchanging Notes is exercised, the Board shall execute and the Trustee shall authenticate and deliver Notes in accordance with the provisions of this Indenture. All Notes surrendered in any such exchanges shall forthwith be canceled by the Trustee. For any exchange or transfer of Notes, whether temporary or definitive, the Board, the Trustee or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid. The Registrar and the Trustee shall not be required to make any registration, transfer or exchange of any Note during the period after such Note has been called for redemption

or, in the case of any proposed redemption of Notes, during the ___ days next preceding the date of first giving notice of such redemption.

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

ARTICLE IV

Certificate of Authenticity

Section 401. Form of Certificate. The Certificate of Authenticity on each Note shall be in substantially the following form:

TREASUER’S CERTIFICATE OF AUTHENTICITY

The amount of revenue from which this Note is payable is \$_____.

The amount of anticipatory obligations heretofore issued and payable out of such revenue is \$_____, and the amount of the issue of Notes of which this is one is \$_____.

Dated: _____, 2017

Treasurer
Board of Education of the City of
Chicago

ARTICLE V

Pledge of Trust Estate and Debt Service Fund

Section 501. Pledge Effected by This Indenture. (A) There are hereby assigned and pledged for the payment of the principal and Redemption Price of, and interest on, the Notes, in accordance with their terms and the provisions of this Indenture, and a lien is hereby granted for such purpose, subject only to the provisions of this Indenture permitting or requiring the application thereof for the purposes and on the terms and conditions set forth in this Indenture, on (i) the Grant Receipts; (ii) all moneys, securities and earnings thereon in all Funds, Sub-Funds, Accounts and Sub-Accounts established under this Indenture or any Supplemental Indenture, and (iii) any and all other moneys and securities furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other persons to be held by the Trustee under the terms of this Indenture.

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

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

(D) No Note shall be deemed to be an obligation of the Board or of the School District within any constitutional or statutory limitation.

Section 502. Establishment of Funds and Accounts. The Board hereby establishes the Debt Service Fund, which shall be a special fund of the Board held in trust by the Trustee as part of the Trust Estate.

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

The Trustee shall, at the written request of the Board and as acceptable to the Trustee, establish such additional Sub-Funds within Funds, and Accounts and Sub-Accounts within any such Sub-Funds, as shall be specified in such written request, for the purpose of identifying more precisely the sources of payments into and disbursements from the Debt Service Fund or such Sub-Funds, Accounts and Sub-Accounts.

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

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

Section 503. Required Deposit of Grant Receipts. For the purpose of providing funds required to pay the principal or Redemption Price of and interest on the Notes when and as the same becomes due, all of the Grant Receipts shall be paid promptly to the Trustee for immediate deposit into the Debt Service Fund. The Board shall do, or cause to be done, all acts and things necessary to cause the Grant Receipts to be deposited into the Debt Service Fund and not to any other fund or account of the Board or any other Person.

Section 504. Application of the Debt Service Fund. (A) On each Payment Date on which Notes are to be redeemed, the moneys in the Debt Service Fund shall be applied to pay the Redemption Price of the Notes to be redeemed and the interest due and payable on such Notes on such Payment Date.

(B) On each Payment Date on which Notes mature, the moneys in the Debt Service Fund shall be applied to pay the principal of and interest on such maturing Notes due and payable on such Payment Date.

(C) On each Payment Date, on which only interest is due and payable on Notes, the moneys in the Debt Service Fund shall be applied to pay such interest.

(D) All withdrawals from the Debt Service Fund shall be made no earlier than three days prior to the Payment Date to which they related, and the amount so withdrawn

shall, for all purposes of this Indenture, be deemed to remain and be a part of the Debt Service Fund until the applicable Payment Date.

Section 505. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for the account of any Fund, Sub-Fund, Account or Sub-Account referred to in any provision of this Indenture, shall be held by the Trustee in trust, and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien or security interest created hereby.

ARTICLE VI

Depositaries, Security for Deposits and Investments of Funds

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

Section 602. Deposits. (A) All moneys held by any Depository under this Indenture may be placed on demand or time deposit, as directed by an Authorized Officer, provided that such deposits shall permit the moneys so held to be available for use when needed. Any such deposit may be made in the commercial banking department of any Fiduciary which may honor checks and drafts on such deposit as if it were not a Fiduciary. All moneys held by a Fiduciary may be deposited in its banking department on demand or, if and to the extent directed by an Authorized Officer, on time deposit, provided that such moneys on deposit be available for use when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size.

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

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

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

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

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

Investment Securities therein shall be valued as provided in Subsection (D) of this Section 604.

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

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

ARTICLE VII

Particular Covenants and Representations of the Board

Section 701. Authority for Indenture. This Indenture is executed and delivered by the Board by virtue of and pursuant to Revenue Anticipation Act, the Local Government Debt Reform Act and the Note Resolution. The Board has ascertained and hereby determines and declares that the execution and delivery of this Indenture is necessary to meet the public purposes and obligations of the Board, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate such purposes of the Board and to carry out its powers and is in furtherance of the public benefit, safety and welfare and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Notes and are contracts or agreements necessary, useful or convenient to carry out and effectuate the corporate purposes of the Board.

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

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

Section 704. Extension of Payment of Notes. If the maturity of any Note or installment of interest shall be extended pursuant to the written consent of the Owner thereof, such Note or installment of interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to payment out of the Trust Estate or Funds, Sub-Funds, Accounts and Sub-Accounts established by this Indenture or moneys held by Fiduciaries or Depositaries (except moneys held in trust for the payment of such Note or installment of interest) until the prior payment of the principal of all Notes Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Notes as shall not be represented by such extended claims for interest. Nothing herein shall be deemed to limit the right of the Board to issue (A) Additional Notes for the purpose of refunding Outstanding Notes or (B) Tax Anticipation Notes in exchange for Notes as provided in Section 709, and each such issuance shall not be deemed to constitute an extension of maturity of Notes.

Section 705. Further Assurance. At any and all times the Board shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming, all and singular, the Trust Estate and the rights hereby pledged or assigned, or which the Board may become bound to pledge or assign. The Board and the Trustee shall take such actions as shall be necessary from time to time to preserve the priority of the Trust Estate under State law.

Section 706. Power to Issue Notes and Pledge Trust Estate. The Board is duly authorized under all applicable laws to issue the Notes and to execute and deliver this Indenture and to pledge the Trust Estate pledged by this Indenture and to grant the lien granted by this Indenture thereon in the manner and to the extent provided in this Indenture. The Trust Estate, so pledged and subject to the lien of this Indenture, as described in Section 501, is and will be free and clear of any other pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created by this Indenture, and all action on the part of the Board to that end has been and will be duly and validly taken. The Notes 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 Notes, all conditions, acts and things required by the

Constitution and laws of the State and this Indenture to exist, to have happened and to have been performed precedent to or in the issuance of such Notes shall exist, have happened and have been performed.

The Board shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and lien on the Trust Estate pledged under this Indenture, the rights of the Board to receive the Grant Receipts and to assign, pledge and apply the Grant Receipts in accordance with this Indenture and all the rights of the Owners under this Indenture against all claims and demands. The Board will not seek or support State legislation which, if enacted into law, could reasonably be expected to materially impair the security for the payment of the Notes or the Board's authority to pay the Notes from the Trust Estate.

Section 707. Indebtedness and Liens. The Board shall not issue any revenue notes or other evidences of indebtedness or incur any indebtedness, which are secured by a pledge of or lien on the Grant Receipts or the moneys, securities or funds held or set aside under this Indenture, and shall not, except as expressly authorized in this Indenture, create or cause to be created any lien or charge on the Grant Receipts or such moneys, securities or funds; *provided, however,* that nothing contained in this Indenture shall prevent the Board from issuing or incurring evidences of indebtedness payable from, or secured by the pledge of, Grant Receipts to be derived on and after such date as the pledge of the Trust Estate provided in this Indenture shall be discharged and satisfied as provided in Section 1201.

Section 708. Covenants Regarding Grant Receipts. The Board will take all actions necessary (i) to confirm, if needed, its right to receive the Grant Receipts on a timely basis and (ii) to cause Grant Receipts, when collected, to be deposited promptly with the Trustee for application in accordance with this Indenture. The Board and its officers will comply with all present and future applicable laws in order to assure that the Grant Receipts are received and paid to the Trustee for application in accordance with this Indenture.

Section 709. Exchange of Notes for Tax Anticipation Notes. (A) On or prior to October 16, 2017, the Board shall have taken all actions necessary (i) to levy real property taxes for the 2017 tax levy year for educational purposes of the School District in an amount not less than \$1,000,000,000, (ii) to extend such taxes for collection in 2018 and (iii) to authorize the issuance of Tax Anticipation Notes in an aggregate principal amount of not less than \$400,000,000.

(B) At all times on or after October 16, 2017 and until all of the Notes have been paid or provision for such payment shall have to made pursuant to Section 1201, the Board shall maintain the authority to issue Tax Anticipation Notes as Exchange Notes in a principal amount not less than the sum of (i) the principal amount of then Outstanding Notes and (ii) the principal amount of then authorized, but unissued Notes. The Board

shall not enter into an agreement or indenture with the holders of or owners of Tax Anticipation Notes or any trustee, escrow agent or fiduciary for such owners or holders that limits the ability of the Board to issue Exchange Notes in exchange for Outstanding Notes or provides for the Exchange Note a lien status or payment priority that is junior or subordinate to the highest lien status and earliest payment priority granted to the owners or holders of Tax Anticipation Notes.

(C) On January 10, 2018 and on any Business Day thereafter the Owner of any then Outstanding Note shall have the right to exchange such Outstanding Note for an Exchange Note of like principal amount, maturity and interest rate by filing with the Trustee a written direction requesting such exchange. No later than the second Business Day next following the receipt of such direction the Trustee shall transmit a notice thereof to the Treasurer. Upon receipt of such notice the Treasurer, on behalf of the Board, shall establish the Exchange Date for the exchange of such Outstanding Notes and the delivery of the Exchange Notes, such Exchange Date shall be not less than three Business Days nor more than seven Business Days after the date that the Treasurer received notice of the written direction of the Noteholder.

(D) The Board shall promptly notify the Trustee of the Exchange Date and the Trustee shall provide prompt notice of the Exchange Date to the tendering Owner together with instructions for the presentation of the Outstanding Notes to be exchanged.

(E) On the Exchange Date, tendered Outstanding Notes shall be exchanged for the Exchange Notes. Each Note exchanged for an Exchange Note shall be surrendered to the Trustee and shall be deemed to have been paid and discharged and shall no longer be Outstanding under the Indenture or the Revenue Anticipation Act.

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

Section 711. Equality of Security. All Notes, regardless of Series, date of issuance or incurrence and date of sale, shall be secured by the pledge contained in Section 501; and the security so pledged shall not be used for any other purpose except as expressly permitted by the terms of this Indenture.

Section 712. Equality of Notes. All Notes issued hereunder shall be on a parity and rank equally without preference, priority or distinction over any other as to security, regardless of the time or times of their issue, and the provisions, covenants and

agreements set forth in this Indenture to be performed by and on behalf of the Board shall be for the equal benefit, protection and security of the Owners of any and all Notes, except as expressly provided in this Indenture.

ARTICLE VIII

Remedies of Owners

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

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

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

(3) if a default shall occur in the performance or observance by the Board of any other of the covenants, agreements or conditions in this Indenture or in the Notes contained, and such default shall continue for a period of 30 days after written notice thereof to the Board by the Trustee or after written notice thereof to the Board and to the Trustee by the Owners of not less than a majority in principal amount of the Outstanding Notes, provided that if the nature of the default is such that it cannot be cured within the 30 day period but can be cured within a longer period, no Event of Default shall occur if the Board institutes corrective action within the 30 day period and diligently pursues such action until the default is corrected (provided such default is correctable); or

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

Section 802. Application of Funds After Default.

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

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

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

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

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

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

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

Section 803. Proceedings Brought by Trustee. (A) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon identical written request of the Owners of

not less than a majority in aggregate principal amount of the Notes then Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Owners of the Notes under this Indenture forthwith by a suit or suits in equity or at law, including by writ of mandamus, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Board as if the Board were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture.

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

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

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

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

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

Section 804. Restriction on Owners' Action. (A) No Owner of any Note shall have any right to institute any suit or proceeding at law or in equity for the enforcement

or violation of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Owners of at least a majority in aggregate principal amount of the Notes then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or by the laws of 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 30 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 Notes shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture or to enforce any right under this Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the equal benefit of all Owners of the Outstanding Notes, subject only to the provisions of Section 704.

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

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 default or be an acquiescence therein.

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

Section 807. Notices of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to the Owners of the Notes.

ARTICLE IX

Concerning the Fiduciaries

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

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

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

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

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

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

Section 904. Responsibilities of Fiduciaries. (A) The recitals of fact herein and in the Notes contained shall be taken as the statements of the Board and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Notes issued hereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur

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

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

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

Section 905. Evidence on Which Fiduciaries May Act. (A) Each Fiduciary shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion (including any Counsel's Opinion), or other paper or document

furnished to it pursuant to and conforming to the requirements of this Indenture, and believed by it to be genuine and to have been signed or presented by the proper party or parties.

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

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

Section 906. Compensation. Unless otherwise determined by agreement between the Board and each Fiduciary, the Board shall pay each Fiduciary from time to time reasonable compensation for services rendered under this Indenture, as well as pay and/or reimburse each Fiduciary for the reasonable fees and expenses related to extraordinary services rendered by each Fiduciary, including without limitation reasonable fees and expenses of such Fiduciary's counsel. Upon an Event of Default, the Fiduciaries shall have a right of payment prior to payment on account of principal of, or premium, if any, or interest on, any Note for the foregoing fees and expenses incurred; provided, that in no event shall the Fiduciaries have any such prior right of payment or claim therefor against any moneys or obligations deposited with or paid to the Fiduciaries for the redemption or payment of Notes, which are deemed to have been paid in accordance with Section 1201.

Section 907. Certain Permitted Acts. Any Fiduciary may become the Owner of any Notes, 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 Notes or this Indenture, whether or not any such committee shall represent the Owners of a majority in aggregate principal amount of the Notes then Outstanding. Any Fiduciary may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or receivers and shall not be answerable for the conduct of the same if appointed with due care hereunder, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation to any attorney, agent, receiver, or employee retained or employed by it in connection herewith. Any Fiduciary may act upon the opinion or advice of an attorney or accountant selected by it in the exercise of reasonable care or, if selected or retained by the Board, approved by the Trustee in the exercise of

such care. A Fiduciary shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

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

Section 908. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving not less than 30 days' written notice to the Board, all Owners of the Notes, the Depositaries and the other Fiduciaries, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the Board or the Owners as provided in Section 910, in which event such resignation shall take effect immediately on the appointment of such successor whether or not the date specified for such resignation to take effect has arrived. If a successor Trustee shall not have been appointed within a period of 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. The Trustee may be removed at any time by an instrument in writing delivered to the Trustee and signed by an Authorized Officer on behalf of the Board; *provided, however*, that if an Event of Default shall have occurred and be continuing, the Trustee may be so removed by the Board only with the written concurrence of the Owners of a majority in aggregate principal amount of Notes then Outstanding. The Trustee may be removed at any time by the Owners of a majority in aggregate principal amount of the Notes then Outstanding, excluding any Notes held by or for the account of the Board, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys-in-fact duly authorized, and delivered to the Board. Copies of each such instrument shall be delivered by the Board to each Fiduciary.

Section 910. Appointment of Successor Trustee. (A) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Owners of a majority in principal amount of the Notes then Outstanding, excluding any Notes held by or for the account of the Board, by an instrument or concurrent instruments in writing signed by such Owners or their attorneys duly authorized in writing and delivered to such successor Trustee, notification thereof being given to the Board, each Fiduciary and the predecessor Trustee. Pending such appointment, the Board shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee (if any) shall be appointed by Owners as herein authorized. The Board shall mail notice to each Fiduciary

and to Owners of any such appointment within 20 days after such appointment. Any successor Trustee appointed by the Board shall, immediately and without further act, be superseded by a Trustee appointed by the Owners. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the Board written notice of resignation as provided in Section 908 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint such successor Trustee.

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

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

Section 912. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all of the corporate trust business of any Fiduciary may be sold or transferred, shall be the successor to such Fiduciary and be bound to the

obligations and duties of such Fiduciary hereunder without the execution or filing of any paper or the performance of any further act, unless such successor delivers written notice of its resignation pursuant to the provisions of this Article; *provided, however*, that such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Indenture.

Section 913. Adoption of Authentication. In case any of the Notes contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Notes and deliver such Notes so authenticated; and in case any of the said Notes shall not have been authenticated, any successor Trustee may authenticate such Notes 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 30 days' written notice to the Board and the other Fiduciaries. Any Paying Agent may be removed at any time by an instrument signed by an Authorized Officer and filed with such Paying Agent and the Trustee. Any successor Paying Agent shall be appointed by the Board and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having a capital and undivided surplus aggregating at least \$20,000,000, willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(B) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee and shall be subject to audit of all of its books, records and accounts with respect to the Notes. 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 30 days' written notice to the Board and the other Fiduciaries. Any Registrar may be removed at any time by an instrument signed by an Authorized Officer and filed with such Registrar and the Trustee. Any successor Registrar shall be appointed by the Board and shall be a bank, trust company or national banking association doing business and having an office in the State or in the Borough of Manhattan, in the City and State of New York, if there be such a bank, trust company or national banking association willing and able to accept the

office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

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

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

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

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

ARTICLE X

Supplemental Indentures

Section 1001. Supplemental Indentures Not Requiring Consent of Owners. The Board and the Trustee may without the consent of, or notice to, any of the Owners, enter into a Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

- (1) to authorize a Series of Notes and to specify, determine or authorize any matters and things concerning any such Series which are not contrary to or inconsistent with this Indenture;
- (2) to close this Indenture against, or impose additional limitations or restrictions on, the issuance of Notes, or of other notes, bonds, obligations or evidences of indebtedness;
- (3) to impose additional covenants or agreements to be observed by the Board;
- (4) to impose other limitations or restrictions upon the Board;
- (5) to surrender any right, power or privilege reserved to or conferred upon the Board by this Indenture;
- (6) to confirm, as further assurance, any pledge of or lien upon the Trust Estate or any other moneys, securities or funds;
- (7) to cure any ambiguity, omission or defect in this Indenture;
- (8) to provide for the appointment of a successor securities depository in the event any Series of Notes is held in book-entry only form;
- (9) to provide for the appointment of any successor Fiduciary;
- (10) to conform the provisions of the Indenture to the provisions of the Revenue Anticipation Act, the Local Government Debt Reform Act, the School Code, the Code and Regulations, or other applicable law; and
- (11) to make any other change which, in the judgment of the Trustee, is not to the prejudice 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 if it is mailed by first class mail, postage prepaid or delivered only to each Owner of Notes then Outstanding at its address, if any, appearing upon the registration books of the Board kept by the Registrar.

Section 1102. Powers of Amendment. Except for Supplemental Indentures described in Section 1001, any modification or amendment of this Indenture and of the rights and obligations of the Board and of the Owners of the Notes hereunder, in any particular, may be made by a Supplemental Indenture with the written consent given as provided in Section 1103 hereof of the Owners of at least a majority in aggregate principal amount of the Notes then Outstanding at the time such consent is given; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Notes of any specified like Series and maturity remain Outstanding, the consent of the Owners of such Notes shall not be required and such Notes shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Notes under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Notes, or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Note, or shall reduce the percentages or otherwise affect the classes of Notes the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

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

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 principal amount of Outstanding Notes, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when effective, will be valid and binding upon the Board, the Owners and the Trustee, and (b) a notice shall have been mailed as hereinafter in this Section provided. A certificate or certificates by the Trustee delivered to the Board that consents have been given by the Owners of the Notes described in such certificate or certificates of the Trustee shall be conclusive. Any such consent shall be binding upon the Owner of the Notes giving such consent and upon any subsequent Owner of such Notes and of any Notes issued in exchange therefor whether or not such subsequent Owner has notice thereof; *provided, however*, that any consent may be revoked by any Owner of such Notes by filing with the Trustee, prior to the time when the Trustee's written statement hereafter in this Section referred to is filed, a written revocation, with proof that such Notes are held by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with it. Any consent, or revocation thereof, may be delivered or filed prior to any mailing or publication required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing.

Within 15 days of any date on which the consents on file with the Trustee and not theretofore revoked shall be sufficient under this Section, the Trustee shall make and deliver to the Board a written statement that the consents of the Owners of the required principal amount of Outstanding Notes have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time thereafter notice, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required principal amount of Outstanding Notes and will be effective as provided in this Section, shall be given by mailing to the Owners (but failure to mail such notice or any defect therein shall not prevent such Supplemental Indenture from becoming effective and binding). The Trustee shall deliver to the Board proof of the mailing of such notice. A record, consisting of the information required or permitted by this Section to be delivered by or to the Trustee, shall be proof of the matters therein stated.

Section 1104. Modifications by Unanimous Action. The Indenture and the rights and obligations of the Board and of the Owners of the Notes thereunder may be modified or amended in any respect by a Supplemental Indenture effecting such modification or amendment and with the consents of the Owners of all the Notes then Outstanding, each such consent to be accompanied by proof of the holding at the date of

such consent of the Notes with respect to which such consent is given. Such Supplemental Indenture shall take effect upon the filing (a) with the Trustee of (i) a copy thereof, (ii) such consents and accompanying proofs and (iii) the Counsel's Opinion referred to in Section 1103 and (b) with the Board of the Trustee's written statement that the consents of the Owners of all Outstanding Notes have been filed with it. No mailing or publication of any Supplemental Indenture (or reference thereto or summary thereof) or of any request or notice shall be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

Section 1105. Exclusion of Notes. Notes owned or held by or for the account of the Board shall not be deemed Outstanding and shall be excluded for the purpose of any calculation required by this Article. At the time of any consent or other action taken under this Article, the Board shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, identifying all Notes so to be excluded.

Section 1106. Notation on Notes. Notes 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 Note Outstanding at such effective date and presentation of its Note to the Trustee, suitable notation shall be made on such Note by the Trustee as to any such action. If the Board or the Trustee shall so determine, new Notes so modified which, in the opinion of the Trustee and the Board, conform to such action may be prepared, authenticated and delivered, and upon demand of the Owner of any Note then Outstanding shall be exchanged, without cost to such Owner, for such Note then Outstanding.

ARTICLE XII

Miscellaneous

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

surrendered for such payment or redemption. If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Notes of a particular Series, maturity within a Series or portion of any maturity within a Series, the principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Indenture, such Notes shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the Board to the Owners of such Notes and to the Trustee shall thereupon be discharged and satisfied.

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

the principal of or Redemption Price and interest on such Notes, at maturity or upon redemption, as the case may be.

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

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

Section 1202. Evidence of Signatures of Owners and Ownership of Notes.

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

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

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

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

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

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

Section 1205. Cancellation and Destruction of Notes. All Notes paid or redeemed, either at or before maturity, and all mutilated Notes surrendered pursuant to Section 307 or Section 709, shall be delivered to the Trustee when such payment or redemption is made or upon surrender, as the case may be, and such Notes, together with all Notes purchased by the Trustee, shall thereupon be promptly cancelled. Notes so cancelled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Notes so destroyed, and one executed certificate shall be delivered to the Board and the other retained by the Trustee.

Section 1206. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Board, the Fiduciaries and the Owners of the Notes, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Fiduciaries and the Owners of the Notes.

Section 1207. No Recourse. (A) No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Notes or for any claim based thereon or on this Indenture against any past, present or future member of the Board, officer, employee or agent of the Board, or any successor, public body or any person executing the Notes, either directly or through the Board, under any rule of law or equity, statute or constitution or otherwise, and all such liability of any such officers, 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 Notes.

(B) No member of the Board, officer, agent or employee of the Board shall be individually or personally liable for the payment of the principal or Redemption Price of

or interest on the Notes; but nothing herein contained shall relieve any such officer, director, agent or employee from the performance of any official duty provided by law.

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

(D) This Section does not limit any liability under Section 11 of the Revenue Anticipation Act.

Section 1208. Successors and Assigns. Whenever in this Indenture the Board is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Indenture contained by or on behalf of the Board shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 1209. 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 1210. Notices. Any notice, demand, direction, request or other instruments authorized or required by this Indenture to be given to, delivered to or filed with the Board or the Trustee shall be deemed to have been sufficiently given, delivered or filed for all purposes of the Indenture if and when sent by registered mail, return receipt requested:

To the Board, if addressed to: Board of Education of the City of Chicago
42 West Madison Street
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

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

To the Trustee, if addressed to:

Chicago, Illinois 606__
Attention: Corporate Trust Department

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

Section 1211. Construction. The Indenture and all Supplemental Indentures shall be construed in accordance with the provisions of State law.

Section 1212. Multiple Counterparts. The Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

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

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

Senior Vice President of Finance

Attest:

Secretary

Authorized Officer

Attest:

Authorized Officer

FORM OF SUPPLEMENTAL TRUST INDENTURE

FIRST SUPPLEMENTAL INDENTURE

by and between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

as Trustee

Dated as of _____, 2017

SECURING BOARD OF EDUCATION OF THE CITY OF CHICAGO
GRANT ANTICIPATION REVENUE NOTES, SERIES 2017A

TABLE OF CONTENTS

	<u>Page</u>
Parties	1
ARTICLE I Definitions and Construction	3
Section 101. Definitions.....	3
Section 102. Interpretations	3
ARTICLE II Authorization and Issuance of 2017A Notes.....	4
Section 201. Authorization of 2017A Notes.....	4
Section 202. General Provisions for Issuance	4
Section 203. Terms of 2017A Notes.....	4
Section 204. Application of Proceeds	6
Section 205. Optional Redemption	6
Section 206. Redemption at the Election or Direction of the Board	6
Section 207. Selection of 2017A Notes to Be Redeemed.....	7
Section 208. Notice of Redemption	7
Section 209. Payment of Redeemed 2017A Notes	8
ARTICLE III Particular Covenants of the Board	8
Section 301. Authority for First Supplemental Indenture.....	8
Section 302. Indenture to Constitute Contract.....	9
Section 303. Limited Obligations	9
Section 304. Tax Covenants	9
ARTICLE IV Miscellaneous	10
Section 401. Trustee Acceptance of Duties	10
Section 402. Appointment of Fiduciaries	10
Section 403. Amendment or Modifications	10
Section 404. Defeasance	10
Section 405. Preservation and Inspection of Documents	10
Section 406. Parties Interested Herein	10
Section 407. Successors and Assigns.....	10
Section 408. Severability of Invalid Provisions.....	11
Section 409. Notices	11
Section 410. Construction.....	12
Section 411. Multiple Counterparts	12
Exhibit A Form of 2017 Notes	A-1

THIS FIRST SUPPLEMENTAL INDENTURE dated as of _____, 2017 (the "*Frist Supplemental Indenture*"), by and between the Board of Education of the City of Chicago, a school district organized and existing under the laws of the State of Illinois (the "*Board*"), and _____, an Illinois banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out, as Trustee (the "*Trustee*") under the Master Trust Indenture dated as of June 1, 2017, by and between the Board and the Trustee securing Board of Education of the City of Chicago Grant Anticipation Revenue Notes (the "*Indenture*").

W I T N E S S E T H:

WHEREAS, on May 24, 2017, the Board adopted Resolution 17-0524-RS_ (the "*Note Resolution*") authorizing the issuance, from time to time, in one or more series, of its Grant Anticipation Revenue Notes in an aggregate principal amount not to exceed \$396,500,000 (the "*2017 Authorized Notes*"); and

WHEREAS, this First Supplemental Indenture is entered into pursuant to clause (1) of Section 1001 of the Indenture and the Note Resolution to authorize the issue of the 2017A Notes as a Series of Notes under the Indenture (each as herein defined) and to specify, determine and authorize any matters and things concerning such Series which are not contrary to or inconsistent with the Indenture; and

WHEREAS, each Series 2017A Note, when issued, will be secured by a pledge of, lien on and security interest in the Trust Estate as defined in the Indenture; and

WHEREAS, the Board has determined to issue the 2017A Notes in the aggregate principal amount of \$_____ pursuant to the Revenue Anticipation Act, 50 Illinois Compiled Statutes 425 and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, the Note Resolution and the Indenture; and

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

WHEREAS, all things necessary to make the 2017A Notes, when authenticated by the Trustee and issued as in the Indenture and in this First Supplemental Indenture provided, the valid, binding and legal limited obligations of the Board according to the import thereof, and to constitute the Indenture and this First Supplemental Indenture as a valid pledge of and grant of a lien on the Trust Estate for the purpose of securing the payment of the principal of, premium, if any, and interest on the 2017A Notes have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of this First Supplemental Indenture and the execution and issuance of the 2017A Notes, subject to the terms hereof, have in all respects been duly authorized;

GRANTING CLAUSES

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

That in order to secure the payment of the principal of, premium, if any, and interest on the 2017A Notes under the Indenture, according to the import thereof, and the performance and observance of each and every covenant and condition herein and in the 2017A Notes contained, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the 2017A Notes by the respective Owners (as hereinafter defined) thereof, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the 2017A Notes shall be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, the Board does hereby confirm the pledge of and lien on the following Trust Estate to the Trustee and its successors in trust and assigns, to the extent provided in the Indenture:

- (a) The Grant Receipts (as defined in the Indenture);
- (b) All moneys and securities and earnings thereon in all Funds, Sub-Funds, Accounts and Sub-Accounts established pursuant to the Indenture and the First Supplemental Indenture for the payment and security of the 2017A Notes; and
- (c) Any and all other moneys and securities furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other persons to be held by the Trustee under the terms of the Indenture or this First Supplemental Indenture.

THIS FIRST SUPPLEMENTAL INDENTURE FURTHER WITNESSETH that, in addition to the terms, conditions and covenants of the Indenture, the Board, the Trustee and the Owners of the 2017A Notes, hereby agree to be bound by the terms, conditions and covenants of this First Supplemental Indenture, as follows:

ARTICLE I

Definitions and Construction

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

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

“*DTC*” means The Depository Trust Company, as securities depository for the 2017A Notes.

“*DTC Participant*” shall mean any securities broker or dealer, bank, trust company, clearing corporation or other organization depositing 2017A Notes with DTC.

“*First Supplemental Indenture*” means this First Supplemental Indenture, dated as of _____, 2017, by and between the Board and the Trustee, as from time to time amended and supplemented.

“*Indenture*” means the Master Trust Indenture, dated as of June 1, 2017, by and between the Board and the Trustee, securing Board of Education of the City of Chicago Grant Anticipation Revenue Notes, as from time to time amended and supplemented.

“*Owner*” means any person who shall be the registered owner of any 2017A Note or Notes.

“*2017A Notes*” means the \$ _____ principal amount of the Grant Anticipation Revenue Notes, Series 2017A, of the Board authorized by the Note Resolution and Section 201.

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

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

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

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

ARTICLE II

Authorization and Issuance of 2017A Notes

Section 201. Authorization of 2017A Notes. A Series of Notes entitled to the benefit, protection and security of the Indenture and this First Supplemental Indenture is hereby authorized in the aggregate principal amount of \$ _____ to finance general expenses and other payment obligations of the School District that are due or will accrue in the current fiscal year and to pay costs in connection with the issuance of the 2017A Notes. Such Series of Notes shall be designated as, and shall be distinguished from the Notes of all other Series, by the title "Grant Anticipation Revenue Notes, Series 2017A."

Section 202. General Provisions for Issuance. The 2017A Notes shall be issued pursuant to Section 203 of the Indenture shall be executed by the Board and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Board or upon its order, but only upon the receipt by the Trustee, at or prior to such authentication, of each of the items listed in clauses (1), (2), (3) and (4) of Section 202(A) of the Indenture and the Certificate of Authorized Officer described in Section 205 of the Indenture.

Section 203. Terms of 2017A Notes. (A) Each 2017A Note shall be in registered form and shall be initially dated _____, 2017.

(B) Each 2017A Note shall bear interest from its date at the rate of _____ per centum (_____ %) per annum, payable on its date of maturity or, if redeemed, the redemption date thereof, computed on the basis of a 360-day year consisting of twelve 30-day months.

(C) Each 2017A Note shall mature on _____, 2018.

(D) Each 2017A Note shall be in denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 and each 2017A Note shall be numbered consecutively but need not be authenticated or delivered in consecutive order. The 2017A Notes, the Treasurer's Certificate of Authenticity and the Trustee's Certificate of Authentication shall be in substantially the form set forth in *Exhibit A* attached hereto and by reference made a part hereof with such variations, omissions or insertions as are required or permitted by the Indenture.

(E) The principal of the 2017A Notes shall be payable at the designated corporate trust offices of the Trustee, in the City of Chicago, Illinois, as Paying Agent, and at such offices of any co-Paying Agent or successor Paying Agent or Paying Agents for the 2017A Notes appointed pursuant to the Indenture. Interest on the 2017A Notes shall be payable by check or bank draft mailed or delivered by the Trustee to the Owners as the same appear on the registration books of the Board maintained by the Registrar as of the Record Date or, at the option of any Owner, by wire transfer of Current Funds to such bank in the continental United States as said Owner shall request in writing to the Registrar.

(F) The 2017A Notes shall be initially issued in the form of a separate single fully registered 2017A Note for each maturity. Upon initial issuance, the ownership of each such 2017A Note shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, and except as hereinafter provided, the ownership of all of the outstanding 2017A Notes shall be registered in the name of Cede & Co., as nominee of DTC.

(G) With respect to 2017A Notes registered in the name of Cede & Co., as nominee of DTC, the Board and the Trustee shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the 2017A Notes. Without limiting the immediately preceding sentence, the Board and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in any 2017A Note, (ii) the delivery to any DTC Participant or any other Person, other than the Owner of any 2017A Note, of any notice with respect to such 2017A Note, (iii) the payment to any DTC Participant or any other Person, other than the Owner of any 2017A Note, of any amount with respect to principal or Redemption Price of or interest on such 2017A Note or (iv) any allocation method for the redemption, including any pro-rata redemption, of 2017A Notes among DTC Participants and the beneficial owners of the 2017A Notes. The Board, the Trustee and each other Paying Agent, if any, shall be entitled to treat and consider the Person in whose name each 2017A Note is registered as the absolute owner of such 2017A Note for the purpose of payment of principal and interest with respect to such 2017A Note, for the purpose of giving notices of redemption, for the purpose of registering transfers with respect to such 2017A Note and for all other purposes whatsoever. The Trustee and each other Paying Agent, if any, shall pay all principal of and interest on the 2017A Notes only to or upon the order of the respective Owners thereof, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the Board's obligations with respect to payment of principal of and interest on the 2017A Notes to the extent of the sum or sums so paid. No Person other than an Owner of a 2017A Note shall receive a 2017A Note certificate evidencing the obligation of the Board to make payments of principal of and interest on the 2017A Notes pursuant to this Indenture.

(H) The Owners of the 2017A Notes have no right to the appointment or retention of a depository for such 2017A Notes. DTC may resign as securities depository under the conditions provided in the Letter of Representations. In the event of any such resignation, the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer or cause the transfer of one or more separate 2017A Note certificates to such successor securities depository or (ii) notify DTC of the availability through DTC of 2017A Note certificates and transfer or cause the transfer of one or more separate 2017A Note certificates to DTC Participants having 2017A Notes credited to their DTC accounts. In such event, the 2017A Notes shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the DTC Participants receiving 2017A Notes shall designate, in accordance with the provisions of this Indenture.

(I) The Board has heretofore executed and delivered the Letter of Representations to DTC. So long as DTC, or its designee, is the Owner of all 2017A Notes, the provisions set forth in the Letter of Representations shall apply to the redemption of any 2017A Notes and to the payment of principal or Redemption Price of and interest on the 2017A Notes, including without limitation, that: (1) presentation of 2017A Notes to the Trustee at maturity shall be deemed made to the Trustee when the right to exercise ownership rights in the 2017A Notes through DTC or DTC's Participants is transferred by DTC on its books; and (2) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Owners of 2017A Notes under this Indenture on a fractionalized basis on behalf of some or all of those Persons entitled to exercise ownership rights in the 2017A Notes through DTC or DTC's Participants.

(J) So long as the 2017A Notes are registered in the name of Cede & Co., as nominee of DTC, the Trustee agrees to comply with the terms and provisions of the Letter of Representations.

Section 204. Application of Proceeds. All of the \$_____ net proceeds of sale of the 2017A Notes shall be paid to the Board.

Section 205. Optional Redemption. The 2017A Notes shall be subject to redemption prior to maturity at the option of the Board, as a whole, or in part by lot as provided in Section 207, and upon notice as provided in Section 206, on _____, 2017 and on any Business Day thereafter, at a Redemption Price equal to the principal amount of the 2017A Notes to be redeemed; plus accrued interest on the 2017A Notes being redeemed to the date fixed for redemption.

Section 206. Redemption at the Election or Direction of the Board. In the case of any redemption of 2017A Notes at the election or direction of the Board, the

Board shall give written notice to the Trustee of its election or direction so to redeem, of the date fixed for redemption, and of the principal amounts of the 2017A Notes to be redeemed. Such notice shall be given at least ___ 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 208 provided, there shall be paid on or prior to the specified redemption date to the Trustee an amount in cash or Government Obligations maturing on or before the specified redemption date which, together with other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem all of the 2017A Notes 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 2017A Notes so called for redemption.

Section 207. Selection of 2017A Notes to Be Redeemed. If less than all the 2017A Notes [of the same maturity] are called for redemption, the particular 2017A Notes or portion of 2017A Notes to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; *provided, however*, that the portion of any 2017A Note of a denomination of more than the minimum Authorized Denomination to be redeemed shall be in the principal amount of an Authorized Denomination and that, in selecting portions of such 2017A Notes for redemption, the Trustee shall treat each such 2017A Note as representing that number of 2017A Notes of the minimum Authorized Denomination which is obtained by dividing the principal amount of such 2017A Note to be redeemed in part by said minimum Authorized Denomination. If all 2017A Notes are held in book-entry only form, the particular 2017A Notes or portions thereof to be redeemed shall be selected by DTC in such manner as DTC shall determine, *provided, however*, that in no event shall any redemption result in unrefunded 2017A Notes of a denomination less than \$100,000.

Section 208. Notice of Redemption. When the Trustee shall receive notice from the Board of its election or direction to redeem 2017A Notes pursuant to Section 206, the Trustee shall give notice, in the name of the Board, of the redemption of such 2017A Notes, [which notice shall specify the maturities and interest rates of the 2017A Notes 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 2017A Notes [of any like maturity and interest rate] are to be redeemed, the letters and numbers or other distinguishing marks of such 2017A Notes so to be redeemed, and, in the case of 2017A Notes to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable the Redemption Price of each 2017A Note to be redeemed, or the Redemption Price of the specified portions of the principal thereof in the case of 2017A Notes to be redeemed in part only, together with interest accrued to the date fixed for redemption, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail copies of

such notice by first-class mail, postage prepaid, not more than ___ days nor less than ___ days before the date fixed for redemption, to the Owners of the 2017A Notes to be redeemed at their addresses as shown on the registration books of the Board maintained by the Registrar. If the Trustee mails notices of redemption as herein provided, notice shall be conclusively presumed to have been given to all Owners.

With respect to an optional redemption of any 2017A Notes, unless moneys sufficient to pay the Redemption Price of, and interest on the 2017A Notes to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice may, at the option of the Board, state that said redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Board shall not redeem such 2017A Notes and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such 2017A Notes will not be redeemed.

Section 209. Payment of Redeemed 2017A Notes. Notice having been given in the manner provided in Section 208, the 2017A Notes or portions thereof so called for redemption shall become due and payable on the date fixed for redemption at the Redemption Price, plus interest accrued and unpaid to such date, and, upon presentation and surrender thereof at any place specified in such notice, such 2017A Notes, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to such date. If there shall be called for redemption less than all of a 2017A Note, the Board shall execute and the Trustee shall authenticate and the appropriate Fiduciary shall deliver, upon the surrender of such 2017A Note, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the 2017A Note so surrendered, fully registered 2017A Notes of like maturity and interest rate in any Authorized Denominations. If, on the date fixed for redemption, moneys for the redemption of all the 2017A Notes or portions thereof of like maturity and interest rate to be redeemed, together with interest to such date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the date fixed for redemption, interest on the 2017A Notes or portions thereof of such maturity and interest rate so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the date fixed for redemption, such 2017A Notes or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE III

Particular Covenants of the Board

Section 301. Authority for First Supplemental Indenture. This First Supplemental Indenture is executed and delivered by the Board by virtue of and pursuant

to the Revenue Anticipation Act, the Local Government Debt Reform Act and the Note Resolution. The Board has ascertained and hereby determines and declares that the execution and delivery of this First Supplemental Indenture is necessary to meet the public purposes and obligations of the Board, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate such purposes of the Board and to carry out its powers and is in furtherance of the public benefit, safety and welfare and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the 2017A Notes and are contracts or agreements necessary, useful or convenient to carry out and effectuate the corporate purposes of the Board.

Section 302. Indenture to Constitute Contract. In consideration of the purchase and acceptance of 2017A Notes by those who shall hold the same from time to time, the provisions of the Indenture and this First Supplemental Indenture shall be a part of the contract of the Board with the Owners of the 2017A Notes and shall be deemed to be and shall constitute a contract between the Board, the Trustee and the Owners from time to time of the 2017A Notes. The Board covenants and agrees with the Owners of the 2017A Notes and the Trustee that it will faithfully perform all of the covenants and agreements contained in the Indenture, this First Supplemental Indenture and in the 2017A Notes.

Section 303. Limited Obligations. The 2017A Notes are limited obligations of the Board payable from amounts on deposit in the Debt Service Fund and secured by a pledge of, lien on and security interest in the Trust Estate pledged for their payment in accordance with the Indenture and this First Supplemental Indenture. Neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of any 2017A Note.

Section 304. 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 2017A Note to become subject to federal income taxes in addition to federal income taxes to which interest on such 2017A Note is subject on the date of original issuance thereof. The Board shall not permit any of the proceeds of the 2017A Notes, or any facilities financed with such proceeds, to be used in any manner that would cause any 2017A Note 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 2017A Notes or other moneys to be invested in any manner that would cause any 2017A Note 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 IV

Miscellaneous

Section 401. Trustee Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created, but only upon the additional terms set forth in Article IX of the Indenture, to all of which the Board agrees and the respective Owners of the 2017A Notes, by their purchase and acceptance thereof, agree. Except during the continuance of an Event of Default, the Trustee undertakes such duties and only such duties as are specifically set forth in the Indenture and this First Supplemental Indenture.

Section 402. Appointment of Fiduciaries. The Trustee is hereby appointed Paying Agent and Registrar for the 2017A Notes. The Trustee accepts the duties and obligations imposed upon it as Paying Agent and Registrar by the Indenture and this First Supplemental Indenture. The Board may at any time or from time to time appoint one or more other Paying Agents for the 2017A Notes having the qualifications set forth in Section 914 of the Indenture for a successor Paying Agent.

Section 403. Amendment or Modifications. This First Supplemental Indenture may be amended or modified in the same manner as the Indenture may be amended or modified in accordance with Article X and Article XI of the Indenture.

Section 404. Defeasance. If the Board shall pay to the Owners of the 2017A Notes, or provide for the payment of the principal, interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated in Section 1201 of the Indenture, then this First Supplemental Indenture shall be fully discharged and satisfied.

Section 405. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this First Supplemental Indenture, shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Board, any other Fiduciary, and any Owner and their agents and their representatives, any of whom may make copies thereof.

Section 406. Parties Interested Herein. Nothing in this First Supplemental Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Board, the Fiduciaries and the Owners of the 2017A Notes, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this First Supplemental Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Fiduciaries and the Owners of the 2017A Notes.

Section 407. Successors and Assigns. Whenever in this First Supplemental Indenture the Board is named or referred to, it shall be deemed to include its successors

and assigns and all the covenants and agreements in this First Supplemental Indenture contained by or on behalf of the Board shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 408. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this First Supplemental Indenture on the part of the Board or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this First Supplemental Indenture.

Section 409. Notices. Any notice, demand, direction, request or other instruments authorized or required by this First Supplemental Indenture to be given to, delivered to or filed with the Board or the Trustee shall be deemed to have been sufficiently given, delivered or filed for all purposes of this First Supplemental Indenture if and when sent by registered mail, return receipt requested:

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

To the Trustee, if addressed to: _____

Chicago, Illinois 606__
Attention: Corporate Trust Department

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

Section 410. Construction. This First Supplemental Indenture shall be construed in accordance with the provisions of State law.

Section 411. Multiple Counterparts. This First Supplemental Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

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

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

Senior Vice President of Finance

Attest:

Secretary

Authorized Officer

Attest:

Authorized Officer

EXHIBIT A

FORM OF 2017A NOTES

[Form of Note-Front Side]

REGISTERED
No. _____

REGISTERED
\$ _____

**BOARD OF EDUCATION OF THE CITY OF CHICAGO
GRANT ANTICIPATION REVENUE NOTE, SERIES 2017A**

See Reverse Side for
Additional Provisions

INTEREST RATE	MATURITY DATE	DATED DATE	CUSIP
_____ %	_____, 20__	_____, 2017	167510 ____

Registered Owner: Cede & Co.

Principal Amount:

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

Principal of this 2017A Note is payable in lawful money of the United States of America at the principal corporate trust office of _____, in the City of Chicago, Illinois, or its successor in trust (the “Trustee”) as Trustee and Paying Agent and payment of the interest hereon shall be made to the person in whose name this 2017A Note is registered at the close of business on the _____ day of the calendar month next preceding each interest payment date (the “Record Date”) by check or bank draft mailed or delivered by the Trustee to such Registered Owner at such Registered Owner’s address as it appears on the registration books of the Board maintained by _____, in the City of Chicago, Illinois, as Registrar (the “Registrar”) or, at the option of the Registered Owner, by wire transfer of

immediately available funds to such bank in the continental United States as said Registered Owner shall request in writing to the Registrar.

Reference is hereby made to the further provisions of this 2017A Note on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

The 2017A Notes are limited obligations of the Board secured by the pledge of the Trust Estate pledged to the payment of the 2017A Notes under the Indenture (as hereinafter defined) and payable from the Debt Service Fund held under the Indenture. The 2017A Notes are not, and shall not be or become, a general obligation of the Board and neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of the principal of or the interest on the 2017A Notes. The 2017A Notes shall be payable only out of and from the Grant Receipts (as defined in the Indenture) and shall not be deemed to be an obligation of the School District (as defined in the Indenture) with any Constitutional or statutory limitation.

It is hereby certified, recited and declared that this 2017A Note 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 2017A Note have been performed in due time, form and manner as required by law; and that the issuance of this 2017A Note and the Series of which it is a part does not exceed or violate any constitutional or statutory limitation.

This 2017A Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this 2017A Note to be signed in its name and on its behalf by the manual or duly authorized facsimile signature of the President of the Chicago Board of Education and countersigned by the manual or duly authorized facsimile signature of the Treasurer of the Board of Education, all as of the Dated Date identified above.

BOARD OF EDUCATION OF THE CITY OF
CHICAGO

President

Countersigned:

Treasurer

[Form of Treasurer's Certificate of Authenticity]

TREASURER'S CERTIFICATE OF AUTHENTICITY

The amount of revenue from which this 2017A Note is payable is
\$_____.

The amount of anticipatory obligations heretofore issued and payable out of such
revenue is \$_____, and the amount of the issue of notes of which this 2017A
Note is one is \$_____.

Dated: _____, 2017

Treasurer,
Board of Education of the City of
Chicago

[Form of Certificate of Authentication]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Note is one of the 2017A Notes described in the within-mentioned Indenture.

Date of Authentication and Delivery: _____,
as Trustee

By: _____
Authorized Signatory

[Form of Note-Reverse Side]

This 2017A Note is one of a duly authorized issue of \$ _____ aggregate principal amount Grant Anticipation Revenue Notes, Series 2017A (the "2017A Notes"), issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, particularly the Revenue Anticipation Act, 50 Illinois Compiled Statutes 425 and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and a Master Trust Indenture dated as of June 1, 2017, as supplemented by a First Supplemental Indenture dated as of _____, _____ (the "Indenture"), each by and between the Board and the Trustee, for the purpose of general expenses and other payment obligations of the School District that are due or will accrued in the current fiscal year. As provided in the Indenture, the principal of and interest on the 2017A Notes are secured by a pledge of, lien on and security interest in the Trust Estate as defined and described in the Indenture, including Grant Receipts as defined in the Indenture. The Indenture provides that Additional Notes may be issued from time to time on a parity with the 2017A Notes to share ratably and equally in the Trust Estate upon compliance with certain requirements contained in the Indenture (the 2017A Notes and any Additional Notes from time to time outstanding are referred to collectively as the "Notes").

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

This 2017A Note 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 2017A Note or Notes, in the same aggregate principal amount, maturity and interest rate, shall be issued to the transferee. The Board, the Trustee, the Registrar and any Paying Agent may deem and treat the person in whose name this 2017A Note is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon and for all other purposes.

The 2017A Notes are issuable in the form of fully registered bonds in the denomination of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000. Subject to the conditions and upon the payment of the charges (if any) provided in the Indenture, 2017A Notes 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 2017A Notes of the same maturity and interest rate of any other authorized denominations.

The 2017A Notes are subject to redemption prior to maturity at the option of the Board, as a whole, or in part by lot, and upon notice as herein provided, on _____, _____ and on any date thereafter, at a redemption price equal to the principal amount of the 2017A Notes to be redeemed, plus accrued interest on the 2017A Notes being redeemed to the date fixed for redemption.

Notice of the redemption of 2017A Notes will be mailed not less than ___ days nor more than ___ days prior to the date fixed for such redemption to the Registered Owners of 2017A Notes to be redeemed at their last addresses appearing on such registration books. The 2017A Notes or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the 2017A Notes or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such 2017A Notes or portions thereof shall cease to accrue and become payable.

The Indenture provides that if the Board shall pay the principal or redemption price, if applicable, and interest due and to become due on all Notes of a particular series, maturity within a series or portions of a maturity within a series at the times and in the manner stipulated therein and in the Indenture, then the pledge, lien and security interest created by the Indenture for such Notes shall thereupon be discharged and satisfied. Notes or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust at or prior to their maturity or redemption date shall be deemed to have been paid if, among other things, the Board shall have delivered to the Trustee either moneys in an amount which shall be sufficient or Defeasance Obligations (as defined in the Indenture), the principal of and interest on which when due will provide

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 note and does hereby irrevocably constitute and appoint _____

_____, Attorney to transfer the said note
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 note 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.