

LIMITED OFFERING MEMORANDUM

NEW ISSUE - BOOK ENTRY ONLY

NOT RATED

On the date of delivery of the Series 2016A-3 Notes, Ice Miller LLP, Chicago, Illinois and Pugh, Jones & Johnson, P.C., Chicago, Illinois, ("**Co-Bond Counsel**") will issue their approving opinions which state that, subject to compliance by the Board with certain covenants, in the opinion of Co-Bond Counsel, under present law, interest on the Series 2016A-3 Notes is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Series 2016A-3 Notes is not exempt from present State of Illinois income taxes. See "**TAX MATTERS**" herein for a more complete discussion.

BOARD OF EDUCATION OF THE CITY OF CHICAGO



\$475,000,000
Educational Purposes
Tax Anticipation Notes,
Series 2016A-3



The Educational Purposes Tax Anticipation Notes, Series 2016A have been and will be issued and delivered by the Board of Education of the City of Chicago (the "**Board**") in three Sub-series: (i) the previously issued and outstanding Series 2016A-1 and 2016A-2 Notes (as defined herein), and (ii) \$475,000,000 Educational Purposes Tax Anticipation Notes, Series 2016A-3 (the "**Series 2016A-3 Notes**") being delivered on the date hereof.

The proceeds of the Series 2016A-3 Notes will be used, together with certain funds legally available to the Board, to (i) provide funds to pay ordinary and necessary expenditures for educational purposes, (ii) provide funds to reimburse the Board for certain termination payments on the Board's prior swap agreements, and (iii) pay the costs of issuance of the Series 2016A-3 Notes.

The maturity, amount, interest rate, price and CUSIP number of the Series 2016A-3 Notes are set forth on the inside cover. The Series 2016A-3 Notes are subject to redemption prior to maturity as described herein.

The Series 2016A-3 Notes will be issued under an Amended and Restated Trust Indenture dated as of November 1, 2016 (the "**Amended and Restated Indenture**"), by and between the Board and Zions Bank, a Division of ZB, National Association, Chicago, Illinois, as trustee (the "**Trustee**"). The Series 2016A-3 Notes will be issued in Authorized Denominations (as defined in the Indenture), will be fully registered notes and will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("**DTC**"). DTC will act as securities depository for the Series 2016A-3 Notes. Purchasers of the Series 2016A-3 Notes will not receive certificates representing their interests in such Notes purchased. Principal of and interest on the Series 2016A-3 Notes will be paid by the Trustee to DTC, which in turn will remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of such Notes. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Series 2016A-3 Notes will be made to such registered owner, and disbursement of such payments to beneficial owners will be the responsibility of DTC and its participants. See "**THE SERIES 2016A NOTES – Book-Entry-Only System.**"

The Series 2016A-3 Notes are limited obligations of the Board and are payable solely from the receipts derived from the collection of the annual tax levied by the Board upon all taxable property in the hereinafter defined School District for educational purposes for the year 2016 (the "**Pledged Taxes**"), to the extent such money has not been released to the Board free and clear of the lien of the Indenture pursuant to the terms thereof (the "**Pledged Tax Receipts**"), provided that the pledge of Pledged Tax Receipts with respect to such Notes is on a parity with the pledge thereof securing the payment of other Tax Anticipation Notes of the Board. Neither the full faith and credit nor the taxing power of the Board is pledged to the payment of the principal of or interest on the Series 2016A-3 Notes. The Series 2016A-3 Notes are also payable from all funds, accounts and sub-accounts established as security for such Notes pursuant to the Amended and Restated Indenture. See "**SECURITY FOR THE SERIES 2016A NOTES.**"

EACH PURCHASER OF ANY SERIES 2016A-3 NOTES OFFERED HEREBY BY ITS PURCHASE WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS AND AGREEMENTS TO THE BOARD AS SET FORTH IN THE "FORM OF INVESTOR LETTER" ATTACHED AS EXHIBIT D TO THE AMENDED AND RESTATED INDENTURE, TO THE SAME EXTENT AND WITH THE SAME EFFECT AS IF SUCH PURCHASER HAD SIGNED SUCH LETTER, INCLUDING, WITHOUT LIMITATION, A REPRESENTATION THAT SUCH PURCHASER IS EITHER (A) A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A PROMULGATED UNDER THE 1933 ACT, OR (B) AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501 OF REGULATION D UNDER THE 1933 ACT, AND, AS SUCH, IS ABLE TO BEAR THE ECONOMIC RISKS OF SUCH INVESTMENT IN SUCH NOTES AND THAT SUCH PURCHASER HAS MADE ITS OWN INQUIRY AND ANALYSIS WITH RESPECT TO THE BOARD, SUCH NOTES AND THE SECURITY THEREFOR. THE PURCHASER FURTHER UNDERSTANDS THAT, IN CERTAIN CIRCUMSTANCES, IT MAY BE REQUIRED TO HOLD PURCHASED SERIES 2016A-3 NOTES UNTIL THE MATURITY THEREOF.

The Series 2016A-3 Notes are being offered when, as and if issued by the Board and received by the Initial Purchaser on their delivery date, subject to the delivery of the approving legal opinions of Co-Bond Counsel. Certain legal matters have been passed upon for the Board in connection with the delivery of the Series 2016A-3 Notes by its General Counsel, Ronald Marmer, its special counsel, Thompson Coburn LLP, Chicago, Illinois, and by Burke Burns & Pinelli, Ltd., Chicago, Illinois, as Disclosure Counsel to the Board.

Delivery of the Series 2016A-3 Notes is being made on the date hereof through the facilities of DTC in New York, New York.

**CLOSING DATE, PRINCIPAL AMOUNT, MATURITY DATE, INTEREST RATE, PRICE
AND CUSIP* NUMBER**

\$475,000,000 Educational Purposes Tax Anticipation Notes, Series 2016A-3

<u>Closing Date</u>	<u>Sub-series</u>	<u>Principal Amount</u>	<u>Maturity</u> ⁽¹⁾	<u>Interest Rate</u> ⁽²⁾	<u>Offering Price</u>	<u>CUSIP* Number</u>
November 10, 2016	Series 2016A-3	\$475,000,000	As set forth in the Indenture	Variable Rate	100%	167505 RG3

(1) See "THE SERIES 2016A NOTES – General."

(2) See "THE SERIES 2016A NOTES – Interest on the Series 2016A Notes."

* Copyright 2016, American Bankers Association. CUSIP data used herein are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw Hill Companies, Inc. The CUSIP numbers listed are being provided solely for the convenience of the Owners only at the time of issuance of the Series 2016A Notes and neither the Board nor the Initial Purchaser make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2016A Notes as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2016A Notes.

REGARDING USE OF THIS LIMITED OFFERING MEMORANDUM

This Limited Offering Memorandum is being furnished by the Board only to “qualified institutional buyers” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “**1933 Act**”) and “accredited investors” as defined in Rule 501 of Regulation D under the 1933 Act solely for the purpose of each investor’s consideration of the purchase of the Series 2016A-3 Notes described herein, and is not to be used for any other purpose or made available to anyone not directly concerned with the decision regarding such purchase. This Limited Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2016A-3 Notes by any person, in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized by the Board or the Initial Purchaser to give any information or to make any representation with respect to the Series 2016A-3 Notes, other than those contained in this Limited Offering Memorandum, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum is neither an offer to sell nor the solicitation of an offer to buy, nor shall there be any sale of the Series 2016A-3 Notes offered hereby, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion set forth herein have been furnished by the Board and include information from other sources that the Board believes to be reliable. Such information is not guaranteed as to accuracy, fairness or completeness, and is not to be construed as a representation by the Initial Purchaser. Such information and expressions of opinion are subject to change without notice, and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall under any circumstances create any implication that there has been no change since the date hereof. Neither this Limited Offering Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the Series 2016A-3 Notes.

This Limited Offering Memorandum should be considered in its entirety. All references herein to laws, agreements and documents are qualified in their entirety by reference to the definitive forms thereof and all references to the Series 2016A-3 Notes are further qualified by reference to the information with respect thereto contained in the Indenture for such Notes. A copy of the Indenture, as defined under “INTRODUCTION – Authorization” in this Limited Offering Memorandum (including the forms of Note and Investor Letter), is attached hereto.

The information contained herein is provided as of the date hereof and the Board has no obligation to update such information.

THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATING AUTHORITY. THE SERIES 2016A-3 NOTES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2016A-3 NOTES IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH SUCH NOTES HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE SERIES 2016A-3 NOTES OR THE ACCURACY OR COMPLETENESS OF THIS LIMITED OFFERING MEMORANDUM. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THE SERIES 2016A-3 NOTES HAVE RISK CHARACTERISTICS WHICH REQUIRE CAREFUL ANALYSIS AND CONSIDERATION BEFORE A DECISION TO PURCHASE IS MADE. THE SERIES 2016A-3 NOTES SHOULD BE PURCHASED BY INVESTORS WHO HAVE ADEQUATE EXPERIENCE TO EVALUATE THE MERITS AND RISKS OF SUCH NOTES. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE CONTENTS OF THIS LIMITED OFFERING MEMORANDUM OR ANY PRIOR OR SUBSEQUENT COMMUNICATION FROM THE BOARD, ITS OFFICERS AND EMPLOYEES OR ANY PROFESSIONAL ASSOCIATED WITH THIS OFFERING AS INVESTMENT OR LEGAL ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN COUNSEL, ACCOUNTANT AND OTHER ADVISORS AS TO FINANCIAL, LEGAL AND RELATED MATTERS CONCERNING THE INVESTMENT DESCRIBED HEREIN.

There can be no guarantee that there will be a market for the Series 2016A-3 Notes or, if a market exists, that it would continue to exist or that such Notes could in any event be sold for any particular price.

EACH PURCHASER OF ANY SERIES 2016A-3 NOTES OFFERED HEREBY BY ITS PURCHASE WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS AND AGREEMENTS TO THE BOARD AS SET FORTH IN THE “FORM OF INVESTOR LETTER” ATTACHED AS EXHIBIT D TO THE INDENTURE, TO THE SAME EXTENT AND WITH THE SAME EFFECT AS IF SUCH PURCHASER HAD SIGNED SUCH LETTER, INCLUDING, WITHOUT LIMITATION, A REPRESENTATION THAT SUCH PURCHASER IS EITHER (A) A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A PROMULGATED UNDER THE 1933 ACT, OR (B) AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501 OF REGULATION D UNDER THE 1933 ACT, AND, AS SUCH, IS ABLE TO BEAR THE ECONOMIC RISKS OF SUCH INVESTMENT IN SUCH NOTES AND THAT SUCH PURCHASER HAS MADE ITS OWN INQUIRY AND ANALYSIS WITH RESPECT TO THE BOARD, SUCH NOTES AND THE SECURITY THEREFOR. THE PURCHASER FURTHER UNDERSTANDS THAT, IN CERTAIN CIRCUMSTANCES, IT MAY BE REQUIRED TO HOLD PURCHASED SERIES 2016A-3 NOTES UNTIL THE MATURITY THEREOF.

THIS LIMITED OFFERING MEMORANDUM SPEAKS AS OF THE DATE HEREOF AND, OTHER THAN DURING THE PERIOD FROM THE DATE HEREOF UNTIL DECEMBER 31, 2016 AS DESCRIBED UNDER “CONTINUING DISCLOSURE” IN THIS LIMITED OFFERING MEMORANDUM, THE BOARD IS UNDER NO OBLIGATION TO REVISE OR SUPPLEMENT ANY OF THE INFORMATION CONTAINED HEREIN WITH RESPECT TO ANY FACTS OR CIRCUMSTANCES THAT MAY HEREAFTER OCCUR.

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

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BOARD OF EDUCATION OF THE CITY OF CHICAGO

\$475,000,000 Educational Purposes Tax Anticipation Notes, Series 2016A-3

INTRODUCTION

General

The purpose of this Limited Offering Memorandum, including the cover page, the inside cover page and the Appendices hereto, is to set forth information in connection with the offering and sale by the Board of Education of the City of Chicago (the “**Board**” or “**CPS**”) of a Sub-series of its Educational Tax Anticipation Notes, Series 2016A (as defined below): (i) \$475,000,000 aggregate principal amount Educational Purposes Tax Anticipation Notes, Series 2016A-3, being delivered on the date hereof (the “**Series 2016A-3 Notes**”). The Board has previously issued its \$325,000,000 aggregate principal amount Educational Purposes Tax Anticipation Notes, Series 2016A-1, delivered on September 8, 2016 (the “**Series 2016A-1 Notes**”), and its \$150,000,000 aggregate principal amount Educational Purposes Tax Anticipation Notes, Series 2016A-2, delivered on October 3, 2016 (the “**Series 2016A-2 Notes**”). The Series 2016A-1 Notes, the Series 2016A-2 Notes and the Series 2016A-3 Notes are collectively referred to herein as the “**Series 2016A Notes**” or the “**Notes**.” All capitalized terms used in this Limited Offering Memorandum and not otherwise defined in the body of this Limited Offering Memorandum have the same meanings as assigned thereto in the Indenture (as defined below) which is attached hereto as **APPENDIX A – “Indenture.”**

Authorization

The Series 2016A-3 Notes are being issued pursuant to (i) the School Code of the State of Illinois, as amended, and the Local Government Debt Reform Act of the State of Illinois, as amended; and (ii) a resolution of the Board adopted on August 24, 2016 (the “**Note Resolution**”). The Note Resolution authorizes the Board to enter into one or more lending or note purchase agreements to enable the Board to borrow money in anticipation of the tax revenue to be derived from the 2016 tax levy of the Board for educational purposes, and to issue and have outstanding tax anticipation notes (the “**Tax Anticipation Notes**”) in anticipation of such tax revenue in an aggregate principal amount outstanding from time to time of not to exceed \$1,550,000,000 (such notes evidencing the Board’s obligations under such lending agreements).

Pursuant to authorization contained in the Note Resolution, the Board authorized a Trust Indenture dated as of September 1, 2016 (the “**Original Indenture**”), between the Board and Zions Bank, a Division of ZB, National Association, Chicago, Illinois, as trustee (the “**Trustee**”), pursuant to which the Board issued and delivered the Series 2016A-1 Notes and the Series 2016A-2 Notes. Further, pursuant to authorization in the Note Resolution, the Board has entered into an Amended and Restated Trust Indenture dated as of November 1, 2016 (the “**Amended and Restated Indenture**”), by and between the Board and the Trustee, amending and restating the Original Indenture (the Original Indenture, as so amended and restated is referred to herein as the “**Indenture**”), under which it is issuing the Series 2016A-3 Notes.

Although the Board may issue additional Tax Anticipation Notes from time to time, as of the date of this Limited Offering Memorandum, there are no Tax Anticipation Notes other than the Series 2016A Notes Outstanding under the Indenture.

SECURITY FOR THE SERIES 2016A NOTES

Notes Are Limited Obligations of the Board

The Series 2016A Notes are limited obligations of the Board and are payable solely from the collection of the annual tax levied by the Board upon all taxable property in the School District (as hereinafter defined) for educational purposes for the year 2016 (the “**Pledged Taxes**”), to the extent the Pledged Taxes have not been released to the Board free and clear of the lien of the Indenture pursuant to the terms thereof (the “**Pledged Tax Receipts**”), *provided* that the pledge of Pledged Tax Receipts with respect to the Series 2016A Notes is on a parity with the pledge thereof securing the payment of other Tax Anticipation Notes of the Board that may be Outstanding from time to time. The Pledged Taxes have been levied in the amount of \$2,342,492,519. In addition to the Pledged Tax Receipts, the Indenture pledges and grants a lien as security for the Series 2016A Notes on all funds, accounts and sub-accounts maintained under the Indenture and any other monies that the Board deposits under the Indenture for such purpose. The Board may hereafter authorize and issue “**Additional Notes**” as provided in the Indenture. Neither the full faith and credit nor the taxing power of the Board is pledged to the payment of the principal of or interest on the Series 2016A Notes. The Series 2016A Notes are not the obligations of the City of Chicago, the State of Illinois (the “**State**”) or any other political subdivision of the State (other than the Board). See **APPENDIX A – “Indenture.”**

Source of Payment for the Series 2016A Notes – Pledged Taxes

Under an Amended and Restated Tax Escrow Agreement dated as of November 1, 2016 (the “**Tax Escrow Agreement**”) by and between the Board and Zions Bank, a Division of ZB, National Association, as escrow agent (the “**Escrow Agent**”), the Board has directed the County Collectors to deposit all collections of the Pledged Taxes directly with the Escrow Agent, for application in accordance with the provisions of the Tax Escrow Agreement. The Board has covenanted with holders of the Series 2016A Notes that, as long as any of the Series 2016A Notes remain Outstanding, the Board will not modify or amend such direction or the terms of the Tax Escrow Agreement, except for such modifications or amendments as may be necessitated by changes in State law, procedures, rules or regulations thereunder with respect to the collection and distribution of ad valorem property taxes; provided, that no such modification or amendment shall provide for the deposit with the Escrow Agent of less than all of the Pledged Taxes. See **APPENDIX B – “Tax Escrow Agreement.”**

THE SERIES 2016A NOTES

General

The Series 2016A Notes initially are registered through a book-entry-only system operated by The Depository Trust Company, New York, New York (“**DTC**”). Details of payments of the Series 2016A Notes and the book-entry-only system are described below under the subcaption “– **Book-Entry-Only System.**” Except as described under the subcaption “– **Book-Entry-Only System**” below, beneficial owners of the Series 2016A Notes will not receive or have the right to receive physical delivery of Series 2016A Notes, and will not be or be considered to be the registered owners thereof. Accordingly, beneficial owners must rely upon (i) the procedures of DTC and, if such beneficial owner is not a DTC “*Participant*” (as defined below), the Participant who will act on behalf of such beneficial owner to receive notices and payments of principal, redemption price of, premium, if any, and interest on the Series

2016A Notes, and to exercise voting rights and (ii) the records of DTC and, if such beneficial owner is not a Participant, such beneficial owner's Participant, to evidence its beneficial ownership of the Series 2016A Notes. So long as DTC or its nominee is the registered owner of the Series 2016A Notes, references herein to Noteholders or registered owners of such Notes mean DTC or its nominee and do not mean the beneficial owners of such Series 2016A Notes. See "– Book-Entry Only System" below.

The Series 2016A Notes shall be issued only in fully registered form without coupons and shall be dated the date of their respective issuance. The Series 2016A-3 Notes shall mature in the principal amount shown on the inside cover page hereof. The Series 2016A Notes shall mature on the earlier of (i) December 15, 2017 or (ii) (A) September 30, 2017, if the Tax Penalty Date is on or prior to August 1, 2017 or (B) the 60th day following the Tax Penalty Date, if the Tax Penalty Date is later than August 1, 2017 (each such date, as defined in the Indenture, a "**Maturity Date**"). The "**Tax Penalty Date**" is the last day on which the second installment of the Pledged Taxes may be paid without penalty with respect to taxable property located in The County of Cook, Illinois (the "**County**"). The Series 2016A Notes shall be issued in Authorized Denominations as defined in the Indenture. See **APPENDIX A – "Indenture."**

Interest on the Series 2016A Notes

Each Series 2016A Note bears interest from and including its respective date of issuance. The Series 2016A Notes bear interest at the Variable Rate, except upon the occurrence of a Taxable Date or an Event of Default as provided in the Indenture. Interest on the Series 2016A Notes shall be computed upon the basis of a 360-day year and actual days elapsed.

The "**Variable Rate**" is defined in the Indenture as the per annum variable interest rate borne by the Series 2016A Notes, upon the issuance of the Series 2016A-3 Notes and thereafter, equal to the lesser of: (i) the sum of (A) the product of (I) 0.70 multiplied by (II) the LIBOR Quoted Rate, as determined for each LIBOR Interest Period, plus (B) the Applicable Spread; and (ii) 9.00%. For the purposes of the previous sentence:

- (i) "**LIBOR Quoted Rate**" means the London interbank offered rate as administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate) based on the rate for United States dollar deposits for delivery on the Interest Reset Date for a period equal to three months as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Purchaser in its reasonable discretion) at approximately 11:00 a.m., London time, on the Interest Determination Date. In the event that such rate does not appear on such page (or on any such successor or substitute page), the LIBOR Quoted Rate shall be determined by reference to such other publicly available service for displaying interest rates for dollar deposits in the London interbank market as may be selected by the Purchaser in its reasonable discretion or, in the absence of such availability, by reference to the rate at which dollar deposits of \$5,000,000 and for a maturity comparable to such three-month period are offered by the principal London office of the Purchaser in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, on the Interest Determination Date. If the LIBOR Quoted Rate as so determined is ever less than zero, then for purposes of determining the Variable Rate, the LIBOR Quoted Rate shall be deemed to be zero.

- (ii) **“Interest Determination Date”** means the date that is two London Business Days preceding the applicable Interest Reset Date.
- (iii) **“Interest Reset Date”** means the first Business Day of each calendar month.
- (iv) **“LIBOR Interest Period”** means: (a) initially, the period beginning on (and including) the date of issue of any Series 2016A Notes and ending on (but excluding) the first business day of the calendar month immediately following (the day on which any LIBOR Interest Period so ends being referred to as an **“End Date”**); and (b) thereafter, each period commencing on (and including) the End Date of the immediately preceding LIBOR Interest Period and ending on (but excluding) the first (1st) business day of the following calendar month; *provided, however*, that no LIBOR Interest Period may end later than the Maturity Date.
- (v) **“Applicable Spread”** means four hundred basis points (4.00%), which Applicable Spread is subject to the maintenance of the current long-term unenhanced debt ratings assigned by Fitch Ratings (**“Fitch”**), S&P Global Ratings (**“S&P”**) or Kroll Bond Rating Agency, Inc. (**“Kroll”**) to the bonds or other obligations of the Board secured by the unlimited-tax general obligation of the Board (the **“Board Debt Ratings”**). In the event of a change in any Board Debt Rating, the Applicable Spread shall be the number of basis points associated with such new long-term unenhanced Board Debt Rating as set forth in the following table:

	Credit Rating			Applicable Spread
Level	Fitch	S&P	Kroll	
1	B- or above	B- or above	B- or above	4.00%
2	CCC+	CCC+	CCC+	4.75%
3	CCC	CCC	CCC	5.50%
4	CCC- or below	CCC- or below	CCC- or below	6.00%

In the event the Board Debt Ratings fall within different levels, the Applicable Spread will be based on the lowest Board Debt Rating (with level 1 being the highest level and level 4 being the lowest level). Each change in the Applicable Spread shall take effect simultaneously with the corresponding change or changes in the Board Debt Rating. References in this definition to Board Debt Rating are to the rating categories as presently determined by Fitch, S&P and Kroll, and in the event of the adoption of any new or changed rating system or a “global” rating scale by any such Rating Agency, the rating categories shall be adjusted accordingly to a new rating which most closely approximates the requirements as set forth herein. Upon and during the continuance of an Event of Default, as defined in the Indenture, the Series 2016A Notes shall bear interest at the Default Rate, as defined in the Indenture.

The Variable Rate as effective from time to time shall be calculated by J.P. Morgan Securities LLC and communicated to the Board and the Trustee, which calculations shall be deemed to be conclusive in the absence of manifest error. Interest accrued on any Series 2016A Note shall be paid in arrears to the person in whose name such Series 2016A Note is registered on any **“Interest Payment Date”** with respect to such Series 2016A Note; defined in the Indenture as (i) each date that principal on such Series 2016A Note is paid pursuant to the terms of the Indenture requiring a principal payment when the aggregate principal amount of all outstanding obligations secured by Pledged Tax Receipts, including all outstanding Tax Anticipation Notes, is equal to or greater than 80% of the Uncollected Pledged Taxes, (ii) each redemption date with respect to such Series 2016A Note and (iii) the Maturity Date.

Notwithstanding the foregoing, the Board has agreed in the Indenture that the Series 2016A Notes shall bear interest at a rate not less than the interest rates payable on any Additional Notes which are issued by the Board while the Series 2016A Notes remain outstanding and which are issued from time to time in an aggregate amount up to (and including) \$1,550,000,000. In the event that the Board shall issue such Additional Notes, which such Additional Notes bear interest at rates which are higher than are then borne by the Series 2016A Notes, such interest rate shall automatically be deemed to be incorporated into the Series 2016A Notes. The Board shall promptly enter into an amendment to the Series 2016A Notes to include such higher interest rate; provided that the Series 2016A Notes shall have and maintain the benefit of such higher interest rate even if the Board fails to provide such amendment.

Redemption Provisions

Optional Redemption. The Series 2016A Notes are subject to redemption by the Board in whole or in part at any time prior to maturity at the option of the Board on or after July 15, 2017, at the principal amount thereof and interest accrued thereon to the date fixed for redemption without premium.

Extraordinary Redemption. If an Event of Default or, for purposes of this paragraph only, a default under Section 6.3, Section 6.4 or Section 6.5 of the Indenture, without regard to any notice or cure period provided for in the Indenture, has occurred under the Series 2016A Notes or under the Indenture, the Board shall redeem the Series 2016A Notes in whole on or before April 15, 2017, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the date fixed for redemption, by applying or causing to be applied to the payment of such Series 2016A Notes, all proceeds of the Pledged Tax Receipts collected as part of the first installment of Pledged Taxes expected to be received in March 2017, whether or not such proceeds are then held by the Board or are otherwise on deposit in the Escrow Account in accordance with the terms and provisions of the Tax Escrow Agreement; *provided*, that such funds shall be applied on a parity basis to the payment or redemption of such Series 2016A Notes and such other parity lien Tax Anticipation Notes entitled to payment from such funds.

If a default or an event of default has occurred and is continuing under any other agreement relating to any other Tax Anticipation Notes payable from Pledged Tax Receipts and such default or event of default (i) is not waived by the bank, holder or any other required Person with respect to such other Tax Anticipation Notes and (ii) results in a mandatory redemption, acceleration, prepayment, a hold on disbursement of Pledged Tax Receipts from the Escrow Agent to the Board or termination of the Tax Anticipation Notes or stoppage of additional loans or draws on the line of credit related to such other Tax Anticipation Notes, then the Board shall redeem the Series 2016A Notes in whole on or before April 15, 2017, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the date fixed for redemption, by applying or causing to be applied to the payment of such Series 2016A Notes, all proceeds of the Pledged Tax Receipts collected as part of the first installment of Pledged Taxes expected to be received in March 2017, whether or not such proceeds are then held by the Board or are otherwise on deposit in the Escrow Account in accordance with the terms and provisions of the Tax Escrow Agreement.

If in any case or proceeding involving the Board, a court or other governmental authority shall rule or otherwise make a determination that the Board is not legally entitled to levy or collect Pledged Taxes, or that Pledged Tax Receipts shall not be available to pay the expenses of the Board or the Series 2016A Notes at any time, in either case, at the discretion of the Board, or any such court or other governmental authority shall make any other ruling or determination that adversely affects or limits the security for the Series 2016A Notes, then the Board shall redeem the Series 2016A Notes in whole on or before April 15, 2017, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to such redemption date, by applying or causing to be applied to the payment of

such Series 2016A Notes, all proceeds of the Pledged Tax Receipts collected as part of the first installment of Pledged Taxes expected to be received in March 2017, whether or not such proceeds are then held by the Board or are otherwise on deposit in the Escrow Account in accordance with the terms and provisions of the Amended and Restated Tax Escrow Agreement.

Redemption Procedures. If less than all the Series 2016A Notes of a Sub-series shall be called for redemption, the particular Series 2016A Notes or portions thereof to be redeemed shall be redeemed on a pro rata basis among all Outstanding Series 2016A Notes, and the portion of any Series 2016A Note to be redeemed shall be in a principal amount equal to an Authorized Denomination.

If it is determined that one or more, but not all, of the integral multiples of the Authorized Denomination of principal amount represented by any Series 2016A Note is to be called for redemption, then, upon notice of intention to redeem such integral multiple of an Authorized Denomination, the Owner of such Series 2016A Note shall forthwith surrender such Series 2016A Note to the Trustee for (a) payment to such Owner of the redemption price of the integral multiple of the Authorized Denomination of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2016A Note or Series 2016A Notes of such Sub-series in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2016A Note. New Series 2016A Notes of a Sub-series representing the unredeemed balance of the principal amount of such Series 2016A Note shall be issued to the Owner thereof without charge therefor.

Notice of Redemption. For a description of the giving of notices while the Series 2016A Notes are in the book-entry only system, see “— **Book-Entry Only System**” below. A copy of the notice of the call for any redemption identifying the Series 2016A Notes of a Sub-series to be redeemed shall be given by first class mail, postage prepaid, or by facsimile transmission, not less than twenty days prior to the date fixed for redemption. Such notice shall specify the Sub-series of the Series 2016A Notes to be received, the Redemption Date, the redemption price, the place and manner of payment, and that from the Redemption Date interest will cease to accrue on the Series 2016A Notes which are the subject of such notice, and shall include such other information as the Trustee shall deem appropriate or necessary at the time such notice is given to comply with any applicable law, regulation or industry standard.

In addition, notice of the redemption of Series 2016A Notes of a Sub-series or any portion thereof identifying the Series 2016A Notes or portions thereof to be redeemed shall specify (i) the Sub-series designation and certificate numbers of Series 2016A Notes being redeemed, (ii) the principal amount of Series 2016A Notes of such Sub-series being redeemed and the redeemed amount for each certificate (for partial calls), (iii) the Redemption Date, and (iv) the redemption price. The failure of the Trustee to give notice to a registered owner of any Series 2016A Note or any defect in such notice shall not affect the validity the redemption of any other Series 2016A Notes as to which proper notice was given.

Purchase of Series 2016A Notes for Cancellation. The Board, acting through a Designated Official, reserves the right to direct the Trustee to cause the purchase for immediate cancellation, on any Business Day, but solely on or after July 15, 2017, of any Series 2016A Notes of a Sub-series or beneficial interests therein from any Series 2016A Noteholder or Beneficial Owner of such Series 2016A Notes agreeing at its sole discretion to sell such Series 2016A Notes or beneficial interests therein. Each such purchase shall be made in Authorized Denominations and shall be made in a principal amount of \$5,000,000 or greater. Such direction from the Board shall be evidenced by a written notice delivered to the Trustee not later than the third Business Day preceding the related Purchase Date (i) directing the Trustee to cause DTC to process such purchase of Series 2016A Notes of a Sub-series or beneficial interests therein and (ii) stating the principal amount of and purchase price for such Series 2016A Notes or beneficial interests therein to be so purchased and the applicable Purchase Date. Any such purchase shall be at a price of not more than par plus accrued interest to the Purchase Date and shall be made from

funds on deposit in the Debt Service Fund. Upon such purchase, the Series 2016A Notes or beneficial interests therein shall be immediately cancelled and shall no longer be deemed to be Outstanding for purposes of the Indenture.

Note Registration and Transfers

For a description of the procedure to transfer ownership of a Note of any series while in the book-entry only system, see “– **Book-Entry Only System**” below. The Initial Purchaser has executed and delivered an Investor Letter. Any transferee or purchaser of the Series 2016A Notes, or any beneficial interest therein, by such transfer or purchase shall be deemed to have made all of the acknowledgments, representations and agreements contained in the Form of Investor Letter attached as Exhibit D to the Indenture as of the date of such transfer or purchase as if such transferee or purchaser had executed the Investor Letter. See **APPENDIX A – “Indenture.”**

Book-Entry Only System

The following information concerning The Depository Trust Company, New York, New York (“**DTC**”), has been furnished by DTC for use in this Limited Offering Memorandum. Neither the Board nor the Initial Purchaser are responsible for its accuracy or completeness.

DTC will act as securities depository for the Series 2016A Notes. The Series 2016A Notes will be issued as fully-registered Series 2016A Notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2016A Note certificate will be issued for the Series 2016A Notes in the aggregate principal amount of the issue, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “*banking organization*” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “*clearing corporation*” within the meaning of the New York Uniform Commercial Code, and a “*clearing agency*” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934 (the “**Exchange Act**”). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“**Direct Participants**”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“**DTCC**”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“**Indirect Participants**,” Direct or Indirect Participants sometimes referred to in this Limited Offering Memorandum as a “**Participant**”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the “**SEC**”). More information about DTC can be found at www.dtcc.com.

Purchases of Series 2016A Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016A Notes on DTC’s records. The ownership

interest of each actual purchaser of each Series 2016A Note (“**Beneficial Owner**”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016A Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2016A Notes, except in the event that use of the book-entry system for the Series 2016A Notes is discontinued. See “**THE SERIES 2016A NOTES - General.**”

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016A Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2016A Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016A Notes, such as redemptions, tenders, defaults, and proposed amendments to the Series 2016A Note documents. For example, Beneficial Owners of Series 2016A Notes may wish to ascertain that the nominee holding the Series 2016A Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Trustee under the Indenture securing such Series 2016A Notes and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2016A Notes are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC’s Operational Arrangements and the Issuing/Paying Agent General Operating Procedures (“**MMI Procedures**”). Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest payments on the Series 2016A Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the Board or its Agent, on the payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “*street name*,” and will be the responsibility of such Participant and not of DTC, the Board or the Trustee, as applicable, subject to any statutory or regulatory requirements as may

be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board, or the Trustee under the Indenture securing such bonds, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2016A Notes at any time by giving reasonable notice to the Board or the Trustee under the Indenture securing such Notes. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Board may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2016A Note certificates are required to be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

NEITHER THE BOARD NOR THE TRUSTEE UNDER THE INDENTURE HAS ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, CEDE & CO. OR ANY PARTICIPANT; THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2016A NOTES; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BENEFICIAL OWNERS UNDER THE INDENTURE; THE SELECTION BY DTC OR ANY PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE SERIES 2016A NOTES; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC.

EACH PURCHASER OF THE SERIES 2016A NOTES OFFERED HEREBY IN MAKING ITS PURCHASE WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS AND AGREEMENTS TO THE BOARD AS SET FORTH IN "FORM OF INVESTOR LETTER" ATTACHED AS EXHIBIT D TO THE INDENTURE, TO THE SAME EXTENT AND WITH THE SAME EFFECT AS IF SUCH PURCHASER HAD SIGNED SUCH LETTER, INCLUDING, WITHOUT LIMITATION, A REPRESENTATION THAT SUCH PURCHASER IS EITHER (A) A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A PROMULGATED UNDER THE 1933 ACT, OR (B) AN "ACCREDITED INVESTOR" AS DEFINED IN RULE 501 OF REGULATION D UNDER THE 1933 ACT, AND, AS SUCH, IS ABLE TO BEAR THE ECONOMIC RISKS OF SUCH INVESTMENT IN THE SERIES 2016A NOTES AND THAT SUCH PURCHASER HAS MADE ITS OWNS INQUIRY AND ANALYSIS WITH RESPECT TO THE BOARD, THE SERIES 2016A NOTES AND THE SECURITY THEREFOR. THE PURCHASER FURTHER UNDERSTANDS THAT, IN CERTAIN CIRCUMSTANCES, IT MAY BE REQUIRED TO HOLD ANY PURCHASED SERIES 2016A NOTES UNTIL THE MATURITY THEREOF.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

General

The Board is a body politic and corporate of the State of Illinois. The Board is established under and governed by the School Code and is a non-home rule unit of government. The Board maintains a system of public schools within its boundaries (the “**School District**”) for pre-kindergarten through grade twelve and is the third largest school district in the nation. The School District has boundaries coterminous with the boundaries of the City of Chicago.

Governing Body

The seven-member Board currently serves as the governing body of the School District. The members serve four-year terms and are appointed by the Mayor. The appointments do not require approval of the City Council. In addition to its Board, elected local school councils, composed of parents, teachers, principals and community representatives, exercise certain powers relating to the operation of individual schools in the public school system, including selection of principals.

Mayor Rahm Emanuel took office on May 16, 2011 and subsequently appointed an entirely new Board to govern the School District. Mayor Emanuel was elected to a second four-year term as Mayor in April 2015 and subsequently appointed five new members to the Board following his re-election.

Under the School Code, the Board is responsible for approving the annual budget, approving contracts (including collective bargaining agreements), levying real property taxes and establishing general policies of the Board. The current members of the Board are as follows:

Frank M. Clark is President of the Chicago Board of Education and was appointed to the Board by Mayor Rahm Emanuel and began serving on July 23, 2015. Mr. Clark is the retired Chairman and CEO of ComEd. Mr. Clark is heavily involved in the Chicago community, serving on the board of trustees of the Chicago Symphony Orchestra, DePaul University, the Museum of Science and Industry, and the board of directors of the Big Shoulders Fund. Mr. Clark is Chairman of the Executive Committee of The Chicago Community Trust, trustee of The Lincoln Academy of Illinois, and a member of the RAND Advisory Board. Mr. Clark also serves as President of the Business Leadership Council and is a Life Trustee and past Board Chair of the Adler Planetarium and Astronomy Museum, past Chairman of the Board of Metropolitan Family Services, past Chairman of the Board of Jane Addams Hull House, and past President of the Chicago Chapter of American Association of Blacks in Energy. Mr. Clark is also a member of the Chicago Bar Association, the Commercial Club of Chicago and Executives Club of Chicago. Mr. Clark is a co-founder of the Rowe-Clark Math & Science Academy on Chicago’s west side. Mr. Clark is Chairman of the Board of Directors for BMO Financial Corporation. He also serves on the board of directors for Aetna Inc. and Waste Management Inc. Mr. Clark received an honorary Doctor of Humane Letters degree from Governor’s State University and an honorary Doctor of Law degree from DePaul University. He also has received numerous awards, including the prestigious History Makers Award and the National Humanitarian Award from the National Conference for Community and Justice. In addition, U.S. Black Engineer & Information Technology Magazine named Mr. Clark to its annual list of the 100 Most Important Blacks in Technology in 2008. Mr. Clark was also ranked among the 50 Most Powerful Black Executives in America by Fortune magazine in 2002. Mr. Clark holds Bachelor’s and Juris Doctor Degrees from DePaul University.

Jaime Guzman was appointed to the Chicago Board of Education by Mayor Rahm Emanuel and began serving on January 11, 2016. Mr. Guzman was elected Vice President of the Board on January 27, 2016. Mr. Guzman is the Director of Local Programs at My Brother’s Keeper Alliance (MBKA). MBKA

is an independent, nonpartisan 501(c)(3) born out of President Obama's call to action to ensure all of our nation's young people have the opportunity to live up to their full potential. MBKA is leading a collaborative, cross-sectoral movement to break down barriers to success that boys and young men of color (BYMOC) disproportionately face along the life path. He has more than 15 years of experience at the intersection of the public, private and nonprofit sectors. Mr. Guzman has held senior positions at the Taproot Foundation as Executive Director; the Big Shoulders Fund, as the Senior Director of Outreach, managing next generation board leadership and targeted fundraising; at the City Colleges of Chicago, as Chief Advisor to the Board of Trustees; and at the Chicago Public Schools, where he led the Office of New Schools, managing the authorization of new public schools. Mr. Guzman began his career as a bilingual teacher with Teach For America and also worked as a Chicago Public School teacher at Kanoon Magnet School. Mr. Guzman has also served in senior roles with national public service organizations. He was the Regional Director for Education at the National Council of La Raza (NCLR) and Program Director for Teach For America in Chicago. Mr. Guzman holds a Bachelor's degree from Dartmouth College and a Master's degree in Education from Harvard University. He was a 2012 Leadership Greater Chicago fellow, and also served on the Illinois State Charter School Commission.

Mark F. Furlong was appointed to the Chicago Board of Education by Mayor Rahm Emanuel and began serving on July 1, 2015. Mr. Furlong retired as President and Chief Executive Officer of BMO Harris Bank, N.A. on June 1, 2015, following a lengthy career in business and public service. Mr. Furlong became President and Chief Executive Officer of BMO Harris Bank upon the close of the acquisition of Marshall & Ilsley Corporation by BMO Financial Group in 2011. Headquartered in Chicago, BMO Harris Bank, N.A. is one of North America's leading financial services providers serving personal and commercial customers throughout the Midwest, Arizona and Florida. Mr. Furlong joined Marshall & Ilsley Corporation in 2001 as Senior Vice President and Chief Financial Officer. He was elected President of Marshall & Ilsley Bank in 2004, President of Marshall & Ilsley Corporation in 2005, Chief Executive Officer in 2007 and Chairman in 2010. Prior to joining M&I, Mr. Furlong was Executive Vice President, Chief Financial Officer, of Old Kent Financial Corp., First Vice President, Corporate Development, for H. F. Ahmanson & Company, was a partner for Deloitte & Touche, and manager for KPMG. Mr. Furlong is a Chair of Chicago United, a member of the Board of Directors of Kforce Professional Staffing, Northwestern Memorial Hospital, and World Business Chicago. He recently stepped down from his role as founding Chair of LEAP Innovations, and as a member of the Trustees Committee of the Chicago Community Trust, Neighborhood Housing Services of Chicago, and the Civic Committee of the Commercial Club of Chicago. Mr. Furlong has previously served on the Board of Directors of the United Way of Greater Milwaukee, the Wisconsin Manufacturers and Commerce, Froedtert Health, the United Performing Arts Fund, Junior Achievement of Wisconsin, where he served as Chair from 2007-2009, and Schools that Can Milwaukee, of which he is the founding and immediate past Chair. Mr. Furlong earned a bachelor's of science degree in accounting from Southern Illinois University.

Father Michael J. Garanzini, S.J., was appointed to the Chicago Board of Education by Mayor Rahm Emanuel and began serving July 1, 2015. After 14 years of leadership (2001-2015), Father Michael J. Garanzini, stepped down from his position as the 23rd president of Loyola University Chicago and assumed the role of chancellor on July 1, 2015. A seasoned university administrator, tenured professor, author, and scholar, Father Garanzini has spent the majority of his career working in higher education. Father Garanzini's impressive academic credentials combine with a rare blend of experience in teaching, research, service, and administrative leadership at some of the nation's leading Jesuit institutions of higher learning, including Georgetown, Fordham, Saint Louis, and Rockhurst universities, as well as Gregorian University in Rome. In June 2011, Father Garanzini was appointed to serve as the secretary for higher education for the Society of Jesus, to serve as the organization's secretary for higher education. In this role, Father Garanzini assists the Father General on a part-time basis, coordinating and championing Jesuit higher-education issues around the world. Prior to leading Loyola, Father Garanzini was a full professor of psychology at Georgetown University in Washington, DC, where he had been

special assistant to the president for two years. Before joining Georgetown, Father Garanzini was a visiting professor at Fordham University in New York. Much of Father Garanzini's academic and administrative experience comes from his years at Saint Louis University, where he held several academic and administrative posts. A St. Louis native, Father Garanzini received a bachelor's of arts in psychology from Saint Louis University in 1971, the same year he entered the Society of Jesus. From 1984 to 1988, he divided his academic responsibilities between the University of San Francisco and Gregorian University in Rome. He received a doctorate in psychology and religion from the Graduate Theological Union/University of California, Berkeley, in 1986. In 1988, he returned to Saint Louis University as an associate professor of counseling and family therapy. He then served as assistant academic vice president from 1992 to 1994. He was appointed academic vice president in 1994, a post he held until 1998. In 2008, he was awarded an honorary doctorate of public service from Carthage College in Kenosha, Wisconsin. Father Garanzini serves on the following boards of trustees: the Association of Catholic Colleges and Universities (ACCU); the Federation of Independent Illinois Colleges and Universities; the Archdiocese of Chicago, Board of Catholic Schools; the Flannery O'Connor-Andalusia Foundation; and LIFT-Chicago. He serves on investment committees for the ACCU, the Society of Jesus, and other organizations, and he is chairman of the Cuneo Scholarship Foundation. Active in community service, Father Garanzini is known for his work on behalf of children and families. He is a frequent speaker and has published many books and articles on issues such as child and family therapy, moral development, and Catholic education.

Dr. Mahalia Hines was appointed to the Chicago Board of Education in May of 2011 by Mayor Rahm Emanuel. She is currently the CEO of Think COMMON Entertainment, President of the COMMON Ground Foundation and Hip Hop Schoolhouse Publishing Company. Dr. Hines has worked in the educational field for more than 35 years as a teacher and principal. During her 15 year stint as a principal she serviced grade levels from elementary through high school in the Chicagoland area. Dr. Hines also worked as a coach for first-year principals, a mentor for current principals and prospective principals in Chicago and other parts of the country. Dr. Hines continues to work with school leaders of public and charter schools in urban areas throughout the country in order to develop effective school leaders who will guide others to provide the best possible education for the children least likely to receive it. In addition to working with schools and school leaders, she travels the country speaking to single mothers on raising successful sons. Dr. Hines received her doctorate from the University of Illinois, Masters from Northeastern University and bachelor's degree from Central State University.

Dominique Jordan Turner was appointed to the Chicago Board of Education by Mayor Rahm Emanuel and began serving on July 1, 2015. Ms. Jordan Turner is currently the President and CEO of Chicago Scholars, an organization that trains and mentor academically ambitious students from under-resourced communities, giving them the tools they need to complete college and become the next generation of leaders in our city. Ms. Jordan Turner is passionate about creating equal education opportunities for underserved youth. She believes that education is not a merit of socioeconomic status, but a valuable resource to pull marginalized youth out of poverty and into leadership positions that positively influence their communities. Ms. Jordan Turner has spent the majority of her career creating high-quality educational opportunities for first-generation, and underserved student across Chicago. She began her career as a Management Consultant at Deloitte, where she focused on process reengineering and building customer relationships. Previously she was a Peace Corps volunteer in the Republic of Panama. Ms. Jordan Turner has been selected for several prestigious leadership programs, including Leadership Greater Chicago, IMPACT through the Chicago Urban League and the University of Chicago, the Trinity Fellowship in Urban Leadership, New York University's Lead the Way Fellowship, and the Broad Residency in Urban Education. She also initiated the Chicago College and Career Collaborative (C4) and Black Girls Lead, a supportive network for African American women leading nonprofits in Chicago. Ms. Jordan Turner is fluent in Spanish and holds a B.A. in Business Administration from Clark Atlanta University and a M.B.A. from Marquette University.

Gail D. Ward was appointed to the Chicago Board of Education in June of 2015 by Mayor Rahm Emanuel. Ms. Ward has been a teacher and a principal at the elementary and high school levels in a distinguished 30-year career at Chicago Public Schools. Ms. Ward was the founding principal at Walter Payton College Prep, one of the City’s most accomplished selective enrollment high schools. Ms. Ward served in that role for seven years, a period when Payton ranked first in the State in mathematics three consecutive years and placed second in Illinois in overall student performance. Ms. Ward won the Outstanding Principal School Leadership Award in 1999. As principal of Agassiz Elementary School, a time when 40% of the school’s students had severe and profound special education needs, Ms. Ward led the school to remarkable gains in ISAT testing and overall student enrollment. In November, 2006, Ms. Ward was named Chief Officer of the CPS Office of Principal Preparation and Development. While at OPPD, Ms. Ward helped the department expand its partnerships with universities and foundations, streamlined the eligibility process for new hires, and piloted a coaching program for new principals to ensure that CPS principals had the appropriate preparation and support to become effective school leaders. Ms. Ward has worked extensively with cultural institutions and universities to create projects that are national and international in scope. Ms. Ward is a frequent traveler and has visited schools in Africa, China, Europe, India and the Middle East. Retired since 2008, Ms. Ward is currently a trustee on the board of the Chicago History Museum.

The members of the Chicago Board of Education have been appointed to serve terms ending as follows:

<u>Member</u>	<u>Term Expires</u>
Frank M. Clark, President	June 30, 2018
Jaime Guzman, Vice President.....	June 30, 2018
Mark F. Furlong	June 30, 2019
Rev. Michael J. Garanzini, S.J.	June 30, 2019
Dr. Mahalia A. Hines	June 30, 2018
Dominique Jordan Turner	June 30, 2019
Gail D. Ward	June 30, 2019

At the expiration of the term of each member, the Mayor shall appoint a successor for a four-year term from July 1 of the year in which the term commences. Any vacancy shall be filled by appointment of the Mayor for the unexpired term.

The Board elects annually from its members a president and vice-president in such manner as the Board determines.

Overlapping Entities

There are six major units of local government located in whole or in part within the boundaries of the School District governed by the Board, each of which (i) is separately incorporated under the laws of the State, (ii) has an independent tax levy, (iii) derives its power and authority under the laws of the State, (iv) maintains its own financial records and accounts and (v) is authorized to issue debt obligations. These units are: the City; the Chicago Park District; Community College District Number 508; Cook County; the Forest Preserve District of Cook County; and the Metropolitan Water Reclamation District of Greater Chicago. Each of the foregoing governmental units levies taxes upon property located in the School District, and, in some cases, in other parts of Cook County as well. For additional information about the Board, see “**BOARD OF EDUCATION OF THE CITY OF CHICAGO.**” Information about these other units of local government is set forth below.

Major Units of Government

The City of Chicago (referred to herein as, the “City” or the “City of Chicago”) is a home rule unit of government under the Illinois Constitution and was incorporated in 1837. The City is governed by a Mayor, elected at-large for a four-year term, and the City Council (the “City Council”). The City Council consists of 50 aldermen (“Aldermen”), each representing one of the City’s 50 wards. Aldermen are elected for four-year terms.

The Chicago Park District (the “Park District”) is responsible for the maintenance and operation of parks, boulevards, marinas and certain other public property within the City. The Park District is governed by a seven-member board, appointed by the Mayor with the approval of the City Council.

Community College District Number 508 (the “Community College District”) maintains a system of community colleges within the City. The Community College District is governed by a seven-member board, appointed by the Mayor with the approval of the City Council.

The Cook of Cook, Illinois is a home rule unit of government under the Illinois Constitution, and includes virtually all of the City, plus numerous surrounding suburbs and unincorporated areas. The County is governed by a board of 17 Commissioners, each elected for four-year terms from one of 17 districts (the “County Board”). The voters of the entire County elect a number of County Officials, including the President of the Board of Commissioners, the County Sheriff, the County Assessor, the County Clerk, the State’s Attorney and the County Treasurer.

The Forest Preserve District of Cook County (the “Forest Preserve District”) is coterminous with the County. The Forest Preserve District creates, maintains and operates forest preserves within the County. The Forest Preserve District is governed by a seventeen-member board composed of the members of the County Board.

The Metropolitan Water Reclamation District of Greater Chicago (the “Water Reclamation District”) includes virtually all of the City and most of the County. The Water Reclamation District constructs, maintains and operates sewage treatment plants and certain sanitary sewers and constructs and maintains drainage outlets. The Water Reclamation District is governed by a nine-member board elected at-large by the voters of the Water Reclamation District.

Interrelationships of These Bodies

The governmental units and other public bodies described above, share in varying degrees a common property tax base with the Board. See “**BOARD OF EDUCATION OF THE CITY OF CHICAGO – Outstanding Debt Obligations – Board’s Overlapping Debt Schedule.**” However, they are all separate legal and financial units, and the financial condition or circumstances of any one unit does not necessarily imply similar financial conditions or circumstances for the Board.

Other Public Bodies

Other governmental bodies in the Board’s geographical boundaries are described below. These governmental bodies are authorized to issue debt obligations, but are not authorized to levy real property taxes.

The Public Building Commission of Chicago (the “PBC”) is a municipal corporation authorized to acquire, construct and improve public buildings and facilities for use by one or more of the

local governmental units. The PBC issues bonds to finance its various projects and then leases its facilities to certain governmental units, including the Board.

The Chicago Transit Authority (the “CTA”) is a municipal corporation empowered to acquire, construct, own, operate and maintain a transportation system in the City and portions of the County. The CTA is governed by a seven-member board. The CTA may not levy real property or other taxes.

The Regional Transportation Authority (the “RTA”) is a municipal corporation authorized to provide planning, funding, coordination and fiscal oversight of three separately governed operating entities which provide public mass transportation services in a six-county area of northeastern Illinois, including Cook County. The RTA is governed by a 16-member board, consisting of City and suburban members appointed by elected officials in the six-county RTA region. The RTA may not levy real property taxes.

The Metropolitan Pier and Exposition Authority (the “MPEA”), formerly known as the Metropolitan Fair and Exposition Authority, is a municipal corporation which owns the McCormick Place convention and exposition facilities and Navy Pier. MPEA is authorized to impose certain taxes primarily to provide security for the payment of its bonds. The MPEA may not levy real property taxes.

CHICAGO PUBLIC SCHOOLS

School System and Enrollment

The table on the following page presents the number of schools and the enrollment for the Board for Fiscal Years 2012 through 2016. Enrollment has declined from 2012, with one driver of this enrollment change being a decades-long decline in the number of children born in the City. The Board’s Fall 2016 (occurring in Fiscal Year 2017) school enrollment was 381,349 students and reflects a 10,936 student decrease (approximately negative 2.8%) from the Fall enrollment for 2015 and was 5,674 students less than Board projections based on numerous factors in addition to the birth rate, including migration of students to private schools and suburban districts.

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**Chicago Board of Education
Number of Schools and School Enrollment**

Number of Schools	Fiscal Year_ <u>2012</u>	Fiscal Year_ <u>2013</u>	Fiscal Year_ <u>2014</u>	Fiscal Year_ <u>2015</u>	Fiscal Year_ <u>2016</u> ⁽¹⁾
Elementary ⁽²⁾	473	468	422	426	422
Special ⁽⁵⁾	12	12	5	-	-
High School	103	98	109	121	110
Vocational/Technical ⁽⁵⁾	8	8	-	-	-
Charter Schools	87	95	126	131	141
Kindergarten to H.S. ^{(4) (5)}	-	-	5	-	-
Total Schools	<u>683</u>	<u>681</u>	<u>667</u>	<u>678</u>	<u>673</u>
School Enrollment ⁽³⁾					
Elementary ⁽²⁾	263,540	261,638	254,864	251,554	246,611
Special ⁽⁵⁾	1,839	1,961	907	-	-
High School	85,068	81,735	86,184	88,183	83,854
Vocational/Technical ⁽⁵⁾	8,226	7,927	-	-	-
Charter Schools	45,478	50,200	54,572	56,946	61,820
Kindergarten to H.S. ^{(4) (5)}	-	-	4,018	-	-
Total School Enrollment	<u>404,151</u>	<u>403,461</u>	<u>400,545</u>	<u>396,683</u>	<u>392,285</u>

Source Fiscal Year 2012-2015: Chicago Public Schools Comprehensive Annual Financial Reports for Fiscal Year ended June 30, 2015. See **APPENDIX B – “AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2015.”** Number of Schools Includes Alternative Learning Opportunities Programs (ALOPs).

⁽¹⁾ Unaudited. Includes 13 Alternative Learning Opportunities Programs (ALOPs).

⁽²⁾ Elementary schools include the traditional classification of middle schools.

⁽³⁾ Includes the number of students in each type of school regardless of the students' grades.

⁽⁴⁾ The Kindergarten to High School (K-12) school is a new category presented in Fiscal Year 2014. The numbers are inclusive of both elementary and high school data which was not presented in past years.

⁽⁵⁾ The governance and school types were changed in Fiscal Year 2014. As a result, there is no longer a category for “Vocational/Technical” and beginning in Fiscal Year 2015 there is no longer a category for “Special” or “Kindergarten to H.S.”

Central Administration

As authorized under the School Code, the Board has established the following offices and appointed the following individuals to serve in the capacities indicated.

Chief Executive Officer.....	Forrest Claypool
Chief Administrative Officer.....	Jose Alfonso de Hoyos-Acosta
Senior Vice President of Finance	Ronald DeNard
Chief Financial Officer.....	Jennie Huang Bennett
General Counsel	Ronald Marmer

FINANCIAL INFORMATION

The table on the following page provides statistical data regarding the property tax base of the Board, the City and the other Overlapping Taxing Districts and the tax rates, tax levies and tax collections for the Board. The table reflects the tax levy year and such taxes are extended for collection in the following calendar year.

Assessed, Equalized Assessed and Estimated Value of All Taxable Property 2006-2015

(Dollars in Thousands)

Tax Year Levy ⁽⁹⁾	Assessed Values ⁽¹⁾					State Equalization Factor ⁽²⁾	Total Equalized Assessed Value ⁽³⁾	Total Estimated Fair Cash Value ⁽⁴⁾	Total Equalized Assessed Value as a Percentage of Total Estimated Fair Cash Value %
	Class 2 ⁽⁵⁾	Class 3 ⁽⁶⁾	Class 5 ⁽⁷⁾	Other ⁽⁸⁾	Total				
2006*	18,521,873	2,006,898	12,157,199	688,818	33,374,788	2.7076	69,511,192	329,770,733	21.08
2007*	18,937,256	1,768,927	12,239,086	678,196	33,623,465	2.8439	73,645,316	320,503,503	22.98
2008*	19,339,574	1,602,769	12,359,537	693,240	33,995,120	2.9786	80,977,543	310,888,609	26.05
2009*	18,311,981	1,812,850	10,720,244	592,365	31,437,440	3.3701	84,592,286	280,288,730	30.18
2010*	18,120,678	1,476,291	10,407,012	561,682	30,565,663	3.3000	82,087,170	231,986,396	35.38
2011*	17,976,208	1,161,634	10,411,363	544,416	30,093,621	2.9706	75,122,914	222,856,064	33.71
2012*	15,560,876	1,252,635	10,201,554	454,593	27,469,658	2.8056	65,250,387	206,915,723	31.53
2013*	15,440,622	1,282,342	10,137,795	453,201	27,313,960	2.6621	62,363,876	236,695,475	26.35
2014*	15,416,908	1,345,482	10,096,651	467,529	27,326,570	2.7253	64,908,057	255,639,792	25.39
2015	Not Available	Not Available	Not Available	Not Available	Not Available	2.6685	70,968,533	Not Available	Not Available

*Source: Chicago Public Schools Comprehensive Annual Financial Reports for Fiscal Year ended June 30, 2015. See **APPENDIX B – “AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2015.”**

(1) Source: Cook County Assessor's Office.

(2) Source: Illinois Department of Revenue.

(3) Source: Cook County Clerk's Office. Calculations are net of exemptions and include assessment of pollution control facilities. Excludes DuPage County Valuation.

(4) Source: The Civic Federation. Excludes railroad property.

(5) Residential, six units and under.

(6) Residential, seven units and over and mixed-use.

(7) Industrial/Commercial.

(8) Vacant, not-for-profit and industrial/commercial incentive classes.

(9) Triennial updates of assessed valuation occurred in years 2006, 2009, 2012 and 2015.

The table below sets forth the Board's ad valorem property tax extensions and collections for Fiscal Years 2006 – 2015. The property tax collections in Fiscal Year 2015 show an increased percentage collected due to the change in the Board's revenue recognition policy. Prior to Fiscal Year 2015, the table shows collections on a 30-day revenue recognition basis.

Board's Property Tax Extensions and Collections 2006-2015

(Dollars in Thousands)
(For Fiscal Years Ending June 30)⁽¹⁾

Tax Year of Levy	Fiscal Year of Extension	Total Tax Extension	Collections within the Fiscal Year of Extension ⁽²⁾	Collections in Subsequent Years	Total Collections ⁽³⁾	
			Amount	Percentage of Extension	Amount	Percentage of Extension
2006*	2007	1,874,750	835,191	44.55%	966,103	1,801,294
2007*	2008	1,901,887	865,576	45.51%	976,942	1,842,518
2008*	2009	2,001,751	916,129	45.77%	1,024,939	1,941,068
2009*	2010	2,001,252	1,024,263	51.18%	899,999	1,924,262
2010*	2011	2,118,541	1,021,564	48.22%	1,030,958	2,052,522
2011*	2012	2,159,586	1,083,667	50.18%	1,040,248	2,123,915
2012*	2013	2,232,684	1,090,274	48.83%	1,074,246	2,164,520
2013*	2014	2,289,250	1,134,859	49.57%	1,125,993	2,260,852
2014**	2015	2,375,822	1,177,370	49.56%	1,172,030	2,349,400
2015**	2016	2,451,566 ⁽⁵⁾	1,230,423	50.19%	In collection	In collection

*Source: Chicago Public Schools Comprehensive Annual Financial Reports for Fiscal Year ended June 30, 2015. See **APPENDIX B – “AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2015.”**

**Source: Chicago Public Schools; unaudited figures.

(1) For Fiscal Years 2006-2014, collections reflect a period of revenue recognition through July 30 of the succeeding Fiscal Year, and for Fiscal Year 2015 collections reflect a period of revenue recognition through August 29 of the succeeding Fiscal Year due to a change in accounting practice.

(2) The amount does not represent a full year's tax collection.

(3) Total collections are net of refunds and include the estimated allowance for uncollectible taxes.

(4) Amounts collected within the Fiscal Year of extension for Tax Years 2011 through 2014 have been revised to present the information on a cash basis.

(5) The Tax Extension beginning in Tax Year 2015 includes the levy of the Capital Improvement Tax that was not levied in prior years.

TAX MATTERS

On the date hereof, Ice Miller LLP, Chicago, Illinois and Pugh, Jones & Johnson, P.C., Chicago, Illinois, Co-Bond Counsel (“**Co-Bond Counsel**”) will issue their approving opinions with respect to the Series 2016A-3 Notes. Copies of such approving opinions issued by Co-Bond Counsel are attached as **APPENDIX C**. Each such approving opinion speaks only as of its date. Co-Bond Counsel have not been engaged to advise on the correctness of such opinions as of any date other than the date thereof, or to revise or supplement such opinions to reflect any facts or circumstances that may have arisen or come to their attention since the date thereof or any change in law that may have occurred since the date thereof. The inclusion of such opinions in this Limited Offering Memorandum shall not constitute any reissuance or republication of such opinions.

Co-Bond Counsel addresses the following tax considerations in rendering its opinions with respect to the Series 2016A Notes.

Federal tax law contains a number of requirements and restrictions which apply to the Series 2016A Notes, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of Series 2016A Note proceeds and certain other matters. The Board has covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2016A Notes to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2016A Notes to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2016A Notes.

Subject to the Board's compliance with the above-referenced covenants, under law existing on the date of issuance of such respective approving opinions, in the respective opinions, in the respective opinions of Co-Bond Counsel, interest on the Series 2016A Notes is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Series 2016A Notes is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering their opinions, Co-Bond Counsel relied upon certifications of the Board with respect to certain material facts within the Board's knowledge. Co-Bond Counsel's opinions represented their respective legal judgments based upon their review of the law in existence on the date of issuance of such opinion and the facts that they deem relevant to render such opinions and are not a guarantee of a result.

The Code includes provisions for an alternative minimum tax (“**AMT**”) for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income (“**AMTI**”), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75 percent of the excess of such corporation's “adjusted current earnings” over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). “Adjusted current earnings” would include certain tax-exempt interest, including interest on the Series 2016A Notes.

Ownership of the Series 2016A Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2016A Notes should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the “**Issue Price**”) for the Series 2016A Notes is par and the Initial Purchaser certified at the time it contracted to purchase the Series 2016A Notes that it did not at that time intend to resell the Series 2016A Notes.

Owners of Series 2016A Notes who dispose of Series 2016A Notes prior to the stated maturity (whether by sale, redemption or otherwise) or purchase Series 2016A Notes subsequent to the initial sale to the Initial Purchaser should consult their own tax advisors.

If a Series 2016A Note is purchased at any time for a price that is less than the Series 2016A Note's stated redemption price at maturity (the “**Revised Issue Price**”), the purchaser will be treated as having purchased a Series 2016A Note with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2016A Note is disposed of (to the extent such accrued discount

does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2016A Note. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2016A Notes.

An investor may purchase a Series 2016A Note at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Series 2016A Note in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Series 2016A Note. Investors who purchase a Series 2016A Note at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2016A Note's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2016A Note.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Series 2016A Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to obligations issued prior to enactment. Prospective purchasers of the Series 2016A Notes should consult their own tax advisors regarding any pending or proposed federal tax legislation. Co-Bond Counsel has expressed no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “**Service**”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Series 2016A Notes. If an audit is commenced, under current procedures the Service may treat the Board as a taxpayer and the Series 2016A Noteholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2016A Notes until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Series 2016A Notes, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Series 2016A Note owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Series 2016A Note owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or adversely affect the market value of the Series 2016A Notes. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to tax-exempt obligations issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Series 2016A Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2016A Notes or the market value thereof would be impacted thereby. Holders of the Series 2016A Notes

should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Co-Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2016A Notes and Co-Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

Interest on the Series 2016A-3 Notes is not exempt from present Illinois income taxes.

NO RATING

The Board has not made, and does not currently contemplate making, an application to any rating agency for the assignment of a rating to the Series 2016A Notes.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Series 2016A-3 Notes are subject to the approving legal opinions of Co-Bond Counsel, who have been retained by, and are acting as Co-Bond Counsel to, the Board. The forms of such opinions are included herein as **APPENDIX C**. Co-Bond Counsel have not been retained or consulted on disclosure matters and have not undertaken to review or verify the accuracy, completeness or sufficiency of this Limited Offering Memorandum or other offering material relating to the Series 2016A Notes and assumes no responsibility for the statements or information contained in or incorporated by reference in this Limited Offering Memorandum, except that Co-Bond Counsel have, at the request of the Board, reviewed that section of this Limited Offering Memorandum involving the description of the federal tax exemption of interest on the Series 2016A-3 Notes based on statutes, judicial decisions, regulations, rulings and other official interpretation of law that were in existence on the date of issuance of the Series 2016A-3 Notes. This review was undertaken solely at the request and for the benefit of the Board and did not include any obligation to establish or confirm factual matters set forth herein. Certain legal matters will be passed upon for the Board by its General Counsel, Ronald Marmer, its special counsel, Thompson Coburn LLP, Chicago, Illinois, and by Burke Burns & Pinelli, Ltd., Chicago, Illinois, as Disclosure Counsel to the Board.

LITIGATION

The Board is involved in numerous lawsuits that arise out of the ordinary course of operating the school system, including, but not limited to, any lawsuits which may be described in this Limited Offering Memorandum. Some of the cases pending against the Board involve claims for substantial moneys. As is true with any complex litigation, neither the Board nor its counsel is able to predict either the eventual outcome of such litigation or its impact on the Board's finances. The Board has available to it a tort liability tax levy to pay tort judgments and settlements. This tort liability tax levy is unlimited as to rate, but subject to the limitations on the annual growth in property tax extensions of the Board imposed by the Property Tax Extension Limitation Law of the State, as amended.

On October 5, 2016, certain individuals, in their capacity as citizens of the City, filed (i) a complaint in federal court against the Board, certain individuals in their respective capacities as members of the Illinois State Board of Education and the State of Illinois (No. 16-cv-9514), and (ii) a complaint in the Circuit Court of Cook County against the Board, the Illinois State Board of Education and the State of Illinois (2016-CH-13159). In both complaints, the plaintiffs challenge, under several federal and State constitutional provisions, the manner of selection of the Board by appointment of the Mayor as constituting what they characterize as the denial of their right to vote for members of the Board and request various forms of relief, including injunctive relief. Without limitation, in case number 2016-CH-

13159, the plaintiffs request that the collection of property taxes levied by the Board be conditioned on the General Assembly putting in place or substituting by law an elected school board. The Board intends to vigorously defend each lawsuit but makes no assurances or predictions as to when the courts will rule on either litigation, what the outcome of each such ruling will be or the ways in which any adverse ruling will impact the Board or the Notes.

Upon delivery of the Series 2016A-3 Notes to the Initial Purchaser, the Board will furnish a certificate to the effect that, among other things, there is no litigation pending in any court seeking to restrain or enjoin the issuance or delivery of the Series 2016A-3 Notes or in any way contesting the validity or enforceability of the Series 2016A-3 Notes.

INITIAL PURCHASE OF THE SERIES 2016A-3 NOTES

The Series 2016A-3 Notes were purchased upon their issuance and delivery by J.P. Morgan Securities LLC (the **“Initial Purchaser”**) pursuant to a Note Purchase Agreement, dated November 9, 2016, between the Board and the Initial Purchaser (the **“Note Purchase Agreement”**). In connection with the purchase of the Series 2016A-3 Notes, the Board has paid to the Initial Purchaser a purchaser fee of \$475,000 on the date hereof. The Initial Purchaser purchased the Series 2016A-3 Notes as a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act.

CONTINUING DISCLOSURE

In the Note Purchase Agreement the Board has agreed that, during the period from the date hereof until December 31, 2016, it will amend or supplement this Limited Offering Memorandum if any event occurs during such period the result of which makes it necessary to amend or supplement the Limited Offering Memorandum in order to make the statements herein, in light of the circumstances under which they were made, not misleading.

REPRESENTATIONS OF PURCHASERS

EACH PURCHASER OF THE SERIES 2016A NOTES OFFERED HEREBY IN MAKING ITS PURCHASE WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGMENTS, REPRESENTATIONS AND AGREEMENTS TO THE BOARD AS SET FORTH IN THE “FORM OF INVESTOR LETTER” ATTACHED AS EXHIBIT B TO THE INDENTURE, TO THE SAME EXTENT AND WITH THE SAME EFFECT AS IF SUCH PURCHASER HAD SIGNED SUCH LETTER, INCLUDING, WITHOUT LIMITATION, SEE **APPENDIX A – “INDENTURE.”** A REPRESENTATION THAT SUCH PURCHASER IS EITHER (A) A “QUALIFIED INSTITUTIONAL BUYER” AS DEFINED IN RULE 144A PROMULGATED UNDER THE 1933 ACT, OR (B) AN “ACCREDITED INVESTOR” AS DEFINED IN RULE 501 OF REGULATION D UNDER THE 1933 ACT, AND, AS SUCH, IS ABLE TO BEAR THE ECONOMIC RISKS OF SUCH INVESTMENT IN THE SERIES 2016A NOTES AND THAT SUCH PURCHASER HAS MADE ITS OWNS INQUIRY AND ANALYSIS WITH RESPECT TO THE BOARD, THE SERIES 2016A NOTES AND THE SECURITY THEREFOR. THE PURCHASER FURTHER UNDERSTANDS THAT, IN CERTAIN CIRCUMSTANCES, IT MAY BE REQUIRED TO HOLD ANY PURCHASED SERIES 2016A NOTES UNTIL THE MATURITY THEREOF.

The Series 2016A Notes have not been and will not be registered under the Securities Act or under the securities or “blue sky” laws of any state of the United States or any other jurisdiction. Each purchaser, by purchasing the Series 2016A Notes (or beneficial interests therein), agrees that the Series

2016A Notes (or beneficial interests therein) may be reoffered, resold, pledged or otherwise transferred only upon registration under the Securities Act or pursuant to an exemption therefrom.

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AUTHORIZATION AND MISCELLANEOUS

The Board has authorized the distribution of this Limited Offering Memorandum. This Limited Offering Memorandum has been duly executed and delivered on behalf of the Board.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: /s/ Ronald DeNard
Senior Vice President of Finance

APPENDIX A
INDENTURE

AMENDED AND RESTATED TRUST INDENTURE

by and between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

ZIONS BANK, A DIVISION OF ZB,
NATIONAL ASSOCIATION,
as trustee

dated as of November 1, 2016

securing

\$325,000,000

Educational Purposes Tax Anticipation Notes, Series 2016A-1,

\$150,000,000

Educational Purposes Tax Anticipation Notes, Series 2016A-2,

and

\$475,000,000

Educational Purposes Tax Anticipation Notes, Series 2016A-3,

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THIS AMENDED AND RESTATED TRUST INDENTURE dated as of November 1, 2016 (the or this "*Amended and Restated Indenture*"), by and between the BOARD OF EDUCATION OF THE CITY OF CHICAGO, a school district organized and existing under the laws of the State of Illinois, and ZIONS BANK, A DIVISION OF ZB, NATIONAL ASSOCIATION, a duly organized national banking association, existing and authorized to accept and execute trusts of the character set forth herein (the "*Trustee*").

WITNESSETH:

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

WHEREAS, the 2016 Tax Levy of the Board for educational purposes (the "*2016 Tax Levy*") is in the amount of \$2,342,492,519 and such levy has been duly adopted by the Board and filed in the manner provided by law with the County Clerk of The County of Cook, Illinois and The County Clerk of the County of DuPage, Illinois; and

WHEREAS, pursuant to Section 34-23.5 of the School Code and in lieu of issuing the tax anticipation warrants authorized by Section 34-23 of the School Code, the Board is authorized to issue notes, bonds, or other obligations (and in connection with that issuance, establish lines of credit with one or more banks) in anticipation of the receipt of the taxes levied for educational purposes in an amount not to exceed 85% of the 2016 Tax Levy; and

WHEREAS, in accordance with the provisions of Section 34-23.5 of the School Code and the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Act*"), the Board, on the 24th day of August, 2016 adopted Resolution No. 16-0824-RS6 (the "*Note Resolution*") authorizing the Board to enter into one or more lending or note purchase agreements to enable the Board to borrow money in anticipation of the tax revenue to be derived from the 2016 Tax Levy and to issue and have outstanding tax anticipation notes (the "*Tax Anticipation Notes*") in anticipation of such tax revenue in an aggregate principal amount outstanding from time to time of not to exceed \$1,550,000,000, which evidence the Board's obligations under such lending agreements; and

WHEREAS, pursuant to authorization contained in the Note Resolution, the Board duly authorized and executed and delivered (i) a Note Purchase Agreement dated September 7, 2016 (the "*Initial Note Purchase Agreement*"), by and between the Board and J.P. Morgan Securities LLC ("*JPMS*"), (ii) a Trust Indenture dated as of September 1, 2016, between the Board and the Trustee (the "*Original Trust Indenture*"), pursuant to which the Board authorized the issuance and delivery to JPMS of Tax Anticipation Notes in two Sub-series (each, a "*Sub-series*") designated as its (a) Educational Purposes Tax Anticipation Notes, Series 2016A-1 (the "*Series 2016A-1 Notes*") in the aggregate principal amount of \$325,000,000 and (b) Educational Purposes Tax Anticipation Notes, Series 2016A-2 (the "*Series 2016A-2 Notes*") in the aggregate principal amount of \$150,000,000, in each case for the purpose of paying ordinary and necessary expenditures for educational purposes and paying certain costs of issuance, and (iii) a 2016 Tax

Escrow Agreement dated as of September 1, 2016 (the “*Original Tax Escrow Agreement*”) between the Board and Zions Bank, a Division of ZB, National Association, a national banking association, as escrow agent (the “*Escrow Agent*”), with respect to the administration of the Pledged Tax Receipts (herein defined); and

WHEREAS, the Board has heretofore determined that it is advisable, necessary and in the best interests of the Board and the residents of the School District to issue additional Tax Anticipation Notes from time to time to provide funds for the payment of ordinary and necessary expenditures for educational purposes; and

WHEREAS, pursuant to authorization contained in the Note Resolution, the Board is duly authorized to execute and deliver this Amended and Restated Trust Indenture, pursuant to which the Board authorizes the issuance and delivery to JPMS of three additional Sub-series of Tax Anticipation Notes designated as its Educational Purposes Tax Anticipation Notes, Series 2016A-3 in the aggregate principal amount of \$475,000,000 (the “*Series 2016A-3 Notes*,” and, together with the Series 2016A-1 Notes and the Series 2016A-2 Notes, the “*Series 2016A Notes*”), for the purpose of (i) paying such ordinary and necessary expenditures for educational purposes, (ii) reimbursing the Board for certain termination payments on the Board’s prior swap agreements, and (iii) paying costs of issuance of the Series 2016A-3 Notes; and

WHEREAS, the Series 2016A Notes are payable exclusively from the tax revenue collections from the 2016 Tax Levy (the “*Pledged Tax Receipts*”) and are further secured by the other moneys, securities and funds pledged under this Amended and Restated Trust Indenture; and

WHEREAS, pursuant to authority granted in the Note Resolution, the Board has appointed Zions Bank, a Division of ZB, National Association, to act as Trustee under this Amended and Restated Trust Indenture; and

WHEREAS, the Board and the Escrow Agent have entered into an Amended and Restated 2016 Tax Escrow Agreement dated as of November 1, 2016 (the “*Amended and Restated Tax Escrow Agreement*”) with respect to the administration of the Pledged Tax Receipts to reflect the issuance of Series 2016A Notes; and

WHEREAS, all things necessary to make the Series 2016A Notes, when authenticated by the Trustee and issued as in this Amended and Restated Trust Indenture provided, the valid, binding and legal limited obligations of the Board according to the import thereof, and to constitute this Amended and Restated Trust Indenture a valid pledge of and grant of a lien on the Pledged Tax Receipts to secure the payment of the principal of, premium, if any, and interest on the Series 2016A Notes have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of this Amended and Restated Trust Indenture and the execution and issuance of the Series 2016A Notes, subject to the terms hereof, have in all respects been duly authorized.

GRANTING CLAUSES

NOW, THEREFORE, THIS AMENDED AND RESTATED TRUST INDENTURE WITNESSETH:

That in order to secure the payment of the principal of, premium, if any, and interest on all Series 2016A Notes issued hereunder, according to the import thereof, and the performance and observance of each and every covenant and condition herein and in the Series 2016A Notes contained, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts hereby created, and of the acquisition and acceptance of the Series 2016A Notes by the respective Owners (as hereinafter defined) thereof, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Series 2016A Notes shall be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become Owners thereof, the Board does hereby pledge and grant a lien upon the following Trust Estate to the Trustee and its successors in trust and assigns, for the benefit of the Owners to the extent provided in this Amended and Restated Trust Indenture:

(a) The Pledged Tax Receipts, provided that the pledge of the Pledged Tax Receipts to the Series 2016A Notes is on a parity with the pledge of the Pledged Tax Receipts to any other Tax Anticipation Notes; and

(b) All moneys and securities and earnings thereon held in the Escrow Account maintained under the Amended and Restated Tax Escrow Agreement, provided that such pledge to the Series 2016A Notes is on a parity with the pledge of the moneys and securities held in the Escrow Account for the benefit and security of any other Tax Anticipation Notes and is subject to the allocation of the moneys and securities in said Escrow Account in accordance with the terms and provisions of the Amended and Restated Tax Escrow Agreement; and

(c) All moneys and securities and earnings thereon in all funds, accounts and sub-accounts established pursuant to this Amended and Restated Trust Indenture; and

(d) Any and all other moneys, securities and property furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other persons to be held by the Trustee under the terms of this Amended and Restated Trust Indenture;

BUT IN TRUST NEVERTHELESS, and except as herein otherwise provided, for the equal and proportionate benefit and security of the Series 2016A Notes issued hereunder and secured by this Amended and Restated Trust Indenture, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Series 2016A Note over any other or from the others by reason of priority in the issue or negotiation thereof or by reason of the date or dates of maturity thereof, or for any other reason whatsoever, so that each and all of the Series 2016A Notes shall have the same right, lien and privilege under this Amended and Restated Trust Indenture and shall be equally secured hereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery hereof.

PROVIDED FURTHER, HOWEVER, that the Board has reserved the right, upon compliance with the provisions of Section 6.4 hereof, to issue Additional Notes (as hereinafter defined) on a parity with and sharing ratably and equally in the Pledged Tax Receipts with the Series 2016A Notes.

PROVIDED FURTHER, HOWEVER, that these presents are upon the condition that, if the Board, or its successors, shall well and truly pay or cause to be paid, or provide, pursuant to Section 11.1, for the payment of all principal, premium, if any, and interest on the Series 2016A Notes due or to become due thereon and all other amounts secured hereby, at the times and in the manner stipulated therein and herein, then this Amended and Restated Trust Indenture and the rights hereby granted shall cease, terminate and be void, but shall otherwise be and remain in full force.

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

ARTICLE I

DEFINITIONS AND CONSTRUCTION

Section 1.1. Definitions. In addition to the terms defined in the preamble to this Amended and Restated Trust Indenture, the following terms shall, for all purposes of this Amended and Restated Trust Indenture, have the following meanings unless a different meaning clearly appears from the context:

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

“*Additional Notes*” means any Tax Anticipation Notes issued by the Board in accordance with the provisions of the School Code and the Act on a parity with and sharing ratably and equally in all or any portion of the Pledged Tax Receipts with the Series 2016A Notes and any other Tax Anticipation Notes secured by such Pledged Tax Receipts.

“*Advance*” means either, the Initial Advance, the Supplemental Advance or the Series 2016A-3 Advance.

“*Affiliate*” means, with respect to a Person, any Person (whether for profit or not for profit), which “controls” or is “controlled” by or is under common “control” with such Person. For purposes of this definition, a Person “controls” another Person when the first Person possesses or exercises directly, or indirectly through one or more other affiliates or related entities, the power to direct the management and policies of the other Person, whether through the ownership of voting rights, membership, the power to appoint members, trustees or directors, by contract, or otherwise.

“*Amended and Restated Tax Escrow Agreement*” means the Amended and Restated Tax Escrow Agreement dated as of November 1, 2016 by and between the Board and Zions Bank, a division of ZB, National Association, as Escrow Agent.

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

“*Applicable Spread*” means four hundred basis points (4.00%), which Applicable Spread is subject to the maintenance of the current Board Debt Ratings assigned by Fitch, S&P or Kroll to the Board Debt. In the event of a change in any Board Debt Rating assigned by Fitch, S&P or Kroll to the Board Debt, the Applicable Spread shall be the number of basis points associated with such new long-term unenhanced Board Debt Rating as set forth in the following table:

Level	Credit Rating			Applicable Spread
	Fitch	S&P	Kroll	
1	B- or above	B- or above	B- or above	4.00%
2	CCC+	CCC+	CCC+	4.75%
3	CCC	CCC	CCC	5.50%
4	CCC- or below	CCC- or below	CCC- or below	6.00%

In the event the Board Debt Ratings fall within different levels, the Applicable Spread will be based on the lowest Board Debt Rating (with level 1 being the highest level and level 4 being the lowest level). Each change in the Applicable Spread shall take effect simultaneously with the corresponding change or changes in the Board Debt Rating. References in this definition to Board Debt Rating are to the rating categories as presently determined by Fitch, S&P and Kroll, and in the event of the adoption of any new or changed rating system or a “global” rating scale by any such Rating Agency, the rating categories shall be adjusted accordingly to a new rating which most closely approximates the requirements as set forth herein. Upon and during the continuance of an Event of Default, the Series 2016A Notes shall bear interest at the Default Rate.

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

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

“Beneficial Owner” means the owner of a beneficial interest in Series 2016A Notes registered in the name of Cede & Co., as nominee of DTC (or a successor securities depository or nominee for either of them).

“Board” means the school district coterminous with the City of Chicago, which is a body politic and corporate by the name of the “Board of Education of the City of Chicago,” governed by the Chicago Board of Education.

“Board Debt” means bonds or other obligations of the Board secured by the unlimited-tax general obligation of the Board.

“Board Debt Ratings” means the long-term unenhanced debt ratings assigned to the Board Debt by Fitch, S&P and/or Kroll.

“Bond Counsel” means any law firm designated by the Board having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, acceptable to the Trustee.

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

“Co-Bond Counsel” means the firms of Ice Miller LLP, Chicago, Illinois and Pugh, Jones & Johnson, P.C., Chicago, Illinois, or any other law firm designated by the Board having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal bonds, acceptable to the Trustee.

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

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

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

“Default Rate” means a rate of interest equal to 9.00% per annum.

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

“Designated Official” means (i) the President of the Board, (ii) the Senior Vice President of Finance of the Board, or (iii) any other officer of the Board authorized to perform specific acts and duties under this Amended and Restated Trust Indenture by a resolution of the Board.

“Determination of Taxability” means, with respect to the Series 2016A Notes, and shall be deemed to have occurred on the first to occur of the following:

(i) on that date when the Board files any statement, supplemental statement or other tax schedule, return or document which discloses that an Event of Taxability shall have in fact occurred with respect to the Series 2016A Notes;

(ii) on the date when the Board notifies any Owner of the Series 2016A Notes or any former Owner thereof that it has requested and received a written opinion by a nationally recognized attorney or firm of attorneys of substantial expertise on the subject of tax-exempt municipal finance to the effect that an Event of Taxability shall have occurred unless, within one hundred eighty (180) days after receipt by the Owner of such Series 2016A Notes or any former Owner thereof of such notification from the Board, the Board shall deliver to the Owner of such Series 2016A Notes and any former Owner thereof a ruling or determination letter issued to or on behalf of the Board by the Commissioner or any District Director of the Internal Revenue Service (or any other governmental official exercising the same or a substantially similar function from time to time) to the effect that, after taking into consideration such facts as form the basis for the opinion that an Event of Taxability has occurred, an Event of Taxability shall not have occurred;

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

(iv) on that date when the Board shall receive notice from any Owner of the Series 2016A Notes or any former Owner thereof that the Internal Revenue Service (or any other government official or agency exercising the same or a substantially similar function from time to time) has assessed as includable in the gross income of the Owner of such Series 2016A Notes or any former Owner thereof the interest on the Series 2016A Notes due to the occurrence of an Event of Taxability;

provided, however, no Determination of Taxability shall occur under subparagraph (iii) or (iv) hereunder unless the Board has been afforded the opportunity, at its expense, to contest any such assessment, and, further, no Determination of Taxability shall occur until such contest, if made, has been finally determined after taking into account any permitted appeals; *provided further*,

however, that upon demand from an Owner of the Series 2016A Notes or any former Owner thereof, the Board shall promptly reimburse, but solely from payments made by the Board, such Owner of the Series 2016A Notes or any former Owner thereof for any payments, including any taxes, interest, penalties or other charges, such Owner of the Series 2016A Notes or any former Owner thereof shall be obligated to make as a result of the Determination of Taxability.

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

“*DTC Participant*” means any securities broker or dealer, bank, trust company, clearing corporation or other organization depositing Series 2016A Notes with DTC pursuant to the book-entry only system described in Section 2.1(g) hereof.

“*Escrow Agent*” means Zions Bank, a Division of ZB, National Association, or its successor as escrow agent under the Amended and Restated Tax Escrow Agreement.

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

“*Event of Taxability*” means, with respect to the Series 2016A Notes, a (i) a change in law or judicial or administrative interpretation thereof, the occurrence or existence of any fact, event or circumstance (including, without limitation, the taking of any action by the Board, or the failure to take any action by the Board, or the making by the Board of any misrepresentation herein or in any certificate required to be given in connection with the issuance, sale or delivery of the Series 2016A Notes) which has the effect of causing interest paid or payable on such Series 2016A Notes to become includable, in whole or in part, in the gross income of the Owner of such Series 2016A Notes or any former Owner thereof for federal income tax purposes, whether as a result of a claim by the Internal Revenue Service that interest on such Series 2016A Notes is includable in the gross income of the Owner of such Series 2016A Notes or any former Owner thereof for federal income tax purposes, or an opinion of Bond Counsel, or (ii) the entry of any decree or judgment by a court of competent jurisdiction, or the taking of any official action by the Internal Revenue Service or the Department of the Treasury, which decree, judgment or action shall be final under applicable procedural law, in either case, which has the effect of causing interest paid or payable on the Series 2016A Notes to become includable, in whole or in part, in the gross income of the Owner of such Series 2016A Notes or any former Owner thereof for federal income tax purposes with respect to the Series 2016A Notes.

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

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

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

Board (with the prior written consent of the Purchaser, which consent shall not be unreasonably withheld) by notice to the Trustee.

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

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

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

“Initial Advance” means the Advance of the principal proceeds of the issuance and delivery of the Series 2016A-1 Notes made to the Board on September 8, 2016, pursuant to Section 2.1 hereof.

“Initial Date of Issuance” means September 8, 2016, the date of the Initial Advance and the issuance and delivery of the Series 2016A-1 Notes hereunder.

“Initial Limited Offering Memorandum” means the Limited Offering Memorandum dated October 3, 2016, delivered by the Board to JPMS pursuant to Section 5(c) of the Initial Note Purchase Agreement.

“Initial Note Purchase Agreement” means that certain Note Purchase Agreement dated September 7, 2016 between the Board and JPMS, as initial purchaser of the Series 2016A-1 Notes and the Series 2016 A-2 Notes.

“Interest Payment Date” means, with respect to any Series 2016A Note, each Principal Payment Date with respect to such Series 2016A Note.

“Interest Reset Date” means the first Business Day of each calendar month.

“Interest Determination Date” means the date that is two London Business Days preceding the applicable Interest Reset Date.

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

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

- (a) Government Obligations;
- (b) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - Export-Import Bank
 - Farm Credit System Financial Assistance Corporation
 - Farmers Home Administration
 - General Services Administration
 - U.S. Maritime Administration
 - Small Business Administration
 - Government National Mortgage Association (GNMA)
 - U.S. Department of Housing & Urban Development (PHA’s)
 - Federal Housing Administration;
- (c) Senior debt obligations issued by the Fannie Mae or the Federal Home Loan Mortgage Corporation and senior debt obligations of other government agencies which at the time of purchase are rated within the 4 highest general classifications established by a rating service of nationally recognized expertise or are expressly secured by the full faith and credit of the United States of America;
- (d) U.S. dollar denominated deposit accounts, certificates of deposit (including those placed by a third party pursuant to an agreement between the Trustee and the Board), demand deposits, including interest bearing money market accounts, trust deposits, time deposits, federal funds and banker’s acceptances with domestic commercial banks (including the Trustee and its affiliates) which on the date of purchase have any two of the following ratings on their short-term certificates of deposit: “A-1” or “A-1+” by S&P, “P-1” by Moody’s and “F1” or “F1+” by Fitch, and maturing no more

than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(e) Commercial paper which at the time of purchase has any two of the following ratings: “A-1” or above by S&P, “P-1” by Moody’s and “F1” by Fitch, and which matures not more than 180 days after the date of purchase;

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

(g) Repurchase Agreements; and

(h) Forward Supply Contracts.

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

“*Investor Letter*” means (i) the letters in substantially the form attached to the Original Trust Indenture as *Exhibit D* executed and delivered by JPMS in connection with its purchase of the Series 2016A-1 Notes and the Series 2016A-2 Notes pursuant to the Initial Note Purchase Agreement and (ii) the letter in substantially the form attached hereto as *Exhibit D* to be executed and delivered by JPMS in connection with its purchase of the Series 2016A-3 Notes pursuant to the Second Note Purchase Agreement.

“*Issue Date*,” with respect to a Sub-series of the Series 2016A Notes, means the date such Sub-series of the Series 2016A Notes is issued in connection with the making of an Advance, as set forth in Schedule I attached hereto.

“*JPMS*” means J.P. Morgan Securities LLC, the initial purchaser of the Series 2016A Notes pursuant to the Note Purchase Agreement, and shall include (i) any Affiliate of J.P. Morgan Securities LLC, and (ii) any trust or other custodial arrangement established by J.P. Morgan Securities LLC or any Affiliate of J.P. Morgan Securities LLC, the owners of any beneficial interest of which are qualified institutional buyers (each, a “*QIB*”), as defined in Rule 144A promulgated under the 1933 Act, or accredited investors (each, an “*Accredited Investor*”), within the meaning of Rule 501 of Regulation D under the 1933 Act constituting a commercial bank, insurance company or an investment company registered under the Investment Company Act of 1940, as amended.

“*Kroll*” means Kroll Bond Rating Agency, Inc., its successors and assigns, and, if Kroll shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Kroll*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board (with the prior written consent of the Purchaser, which consent shall not be unreasonably withheld) by notice to the Trustee.

“LIBOR Interest Period” means:

(a) initially, the period beginning on (and including) the date of issue of any Series 2016A Notes and ending on (but excluding) the first business day of the calendar month immediately following (the day on which any LIBOR Interest Period so ends being referred to as an *“End Date”*); and

(b) thereafter, each period commencing on (and including) the End Date of the immediately preceding LIBOR Interest Period and ending on (but excluding) the first (1st) business day of the following calendar month;

provided, however, that no LIBOR Interest Period may end later than the Maturity Date.

“LIBOR Quoted Rate” means the London interbank offered rate as administered by the ICE Benchmark Administration (or any other Person that takes over the administration of such rate) based on the rate for United States dollar deposits for delivery on the Interest Reset Date for a period equal to three months as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Purchaser in its reasonable discretion) at approximately 11:00 a.m., London time, on the Interest Determination Date. In the event that such rate does not appear on such page (or on any such successor or substitute page), the LIBOR Quoted Rate shall be determined by reference to such other publicly available service for displaying interest rates for dollar deposits in the London interbank market as may be selected by the Purchaser in its reasonable discretion or, in the absence of such availability, by reference to the rate at which dollar deposits of \$5,000,000 and for a maturity comparable to such three-month period are offered by the principal London office of the Purchaser in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, on the Interest Determination Date. If the LIBOR Quoted Rate as so determined is ever less than zero, then for purposes of determining the Variable Rate, the LIBOR Quoted Rate shall be deemed to be zero.

“Letter of Representations” means the Blanket Issuer Letter of Representations dated March 15, 2002, between the Board and DTC, relating to the book-entry only system for the Series 2016A Notes described in Section 2.1(g) hereof.

“Limited Offering Memorandum” means the Limited Offering Memorandum dated November 10, 2016, delivered by the Board to JPMS pursuant to Section 5(c) of the Second Note Purchase Agreement.

“London Banking Day” any day on which dealings in Dollar deposits are conducted by and between banks in the London interbank Eurodollar market.

“Maturity Date” means the earlier of (i) December 15, 2017 or (ii) (A) September 30, 2017, if the Tax Penalty Date is on or prior to August 1, 2017 or (B) the 60th day following the Tax Penalty Date, if the Tax Penalty Date is later than August 1, 2017.

“Maximum Interest Rate” means, with respect to any of the Series 2016A Notes at any time, 9.00%.

“Moody’s” means Moody’s Investors Service, its successors and assigns, and, if Moody’s shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board (with the prior written consent of the Purchaser, which consent shall not be unreasonably withheld) by notice to the Trustee.

“Note Purchase Agreement” means, collectively, the Initial Note Purchase Agreement and the Second Note Purchase Agreement.

“Note Resolution” means Resolution No. 16-0824-RS6, adopted by the Board on August 24, 2016, authorizing the issuance of the Series 2016A Notes, as the same may be supplemented or amended.

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

“Original Trust Indenture” means the Trust Indenture, dated as of September 1, 2016, by and between the Board and the Trustee providing for the issuance of the Series 2016A-1 Notes and the Series 2016A-2 Notes.

“Original Tax Escrow Agreement” means the Tax Escrow Agreement dated as of September 1, 2016 by and between the Board and Zions Bank, a Division of ZB, National Association, as Escrow Agent.

“Outstanding” means, with respect to a Sub-series of the Series 2016A Notes, as of any date, all Series 2016A Notes of such Sub-series theretofore or thereupon being authenticated and delivered under this Amended and Restated Trust Indenture except:

(i) Any Series 2016A Notes of such Sub-series (or portions thereof) canceled by the Trustee at or prior to such date;

(ii) Series 2016A Notes of such Sub-series (or portions thereof) 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 Amended and Restated Trust Indenture and set aside for such payment or redemption (whether at or prior to the Maturity Date or Redemption Date), *provided* that if the Series 2016A Notes of such Sub-series (or portions thereof) are to be redeemed, notice of such redemption shall have been given as in Article III provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Series 2016A Notes in lieu of or in substitution for which other Series 2016A Notes shall have been authenticated and delivered pursuant to Article II, clause (b) of Section 3.4 or Section 10.6;

(iv) Series 2016A Notes deemed to have been paid as provided in Section 11.1(b); and

(v) Series 2016A Notes purchased by the Board and cancelled pursuant to Section 3.5 hereof.

“*Owner*” or “*Series 2016A Noteholder*” means any person who shall be the registered owner of any Series 2016A Note or Series 2016A Notes.

“*Paying Agent*” means the Trustee and any other bank, national banking association or trust company designated by a Designated Official pursuant to Section 8.2 hereof, respectively, as a paying agent for the Series 2016A Notes, and any successor or successors appointed by a Designated Official or the Trustee under this Amended and Restated Trust Indenture.

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

“*Pledged Tax Receipts*” means all of the money derived from the collection of the Pledged Taxes, to the extent such money has not been released to the Board free and clear of the lien of this Amended and Restated Trust Indenture pursuant to the provisions of Section 4.3(b), Clause “*Third*” of Section 4.3(c) or Section 4.3(e) of this Amended and Restated Trust Indenture.

“*Pledged Taxes*” means the annual tax levied by the Board upon all taxable property located in the School District for educational purposes for the year 2016.

“*Principal Payment Date*” means, with respect to any Series 2016A Note, (i) each date that principal on such Series 2016A Note is paid pursuant to Section 4.3(c), (ii) each redemption date with respect to such Series 2016A Note and (iii) the Maturity Date.

“*Purchase Date*” means any date on which Series 2016A Notes are purchased and cancelled at the direction of the Board pursuant to Section 3.5 hereof.

“*Purchaser*” means JPMS, as the initial purchaser of the Series 2016A Notes, and any entity that purchases a beneficial ownership interest in Series 2016A Notes and by doing so has agreed to all of the acknowledgments, representations and agreements contained in the Investor Letter as if it had executed and delivered the same to the Trustee.

“*Record Date*” means, (i) with respect to any Interest Payment Date for the Series 2016A Notes, the Business Day immediately preceding such Interest Payment Date for such Series 2016A Notes and (ii) any date determined by the Trustee pursuant to Section 7.2(i) hereof.

“Redemption Date” means, with respect to a Series 2016A Note of any Sub-series (or portion thereof), the date identified by the Board pursuant to Section 3.1(a) or Section 3.1(b) hereof, as applicable to such Sub-series, for the optional redemption of such Series 2016A Note (or portion thereof).

“Redemption Price” means, with respect to a Series 2016A Note of any Sub-series (or portion thereof), the principal amount thereof payable upon the date fixed for redemption.

“Registrar” means the Trustee and any other bank, national banking association or trust company appointed by a Designated Official under this Amended and Restated Trust Indenture and designated as registrar for the Series 2016A Notes, and its successor or successors.

“Repayment Commencement Date” means that date which is 14 days after the Tax Penalty Date.

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

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

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

“Second Note Purchase Agreement” means that certain Note Purchase Agreement dated November 9, 2016 between the Board and JPMS, as initial purchaser of the Series 2016A-3 Notes.

“Series 2016A Notes” means, collectively, the Series 2016A-1 Notes, the Series 2016A-2 Notes and the Series 2016A-3 Notes.

“Series 2016A-1 Notes” means that Sub-series of the Series 2016A Notes designated as the Educational Purposes Tax Anticipation Notes, Series 2016A-1 of the Board issued pursuant to Section 2.1 hereof, in an aggregate principal amount of \$325,000,000 and more fully described in Schedule I hereto and any Series 2016A-1 Notes issued hereunder in substitution or replacement therefor.

“Series 2016A-2 Notes” means that Sub-series of the Series 2016A Notes designated as the Educational Purposes Tax Anticipation Notes, Series 2016A-2 of the Board issued pursuant to Section 2.1 hereof, in an aggregate principal amount of \$150,000,000 and more fully described in Schedule I hereto and any Series 2016A-2 Notes issued hereunder in substitution or replacement therefor.

“Series 2016A-3 Advance” means the additional Advance of the principal proceeds of the issuance and delivery of the Series 2016A-3 Notes in the aggregate principal amount of \$475,000,000 pursuant to Section 2.1 hereof, which Series 2016A-3 Advance shall be made to the Board, subject to the satisfaction of the conditions of Sections 2.1 and 2.7(c) hereof, on November 10, 2016 or such earlier or later date as shall be specified by the Board and JPMS in writing to the Trustee.

“Series 2016A-3 Notes” means that Sub-series of the Series 2016A Notes designated as the Educational Purposes Tax Anticipation Notes, Series 2016A-3 of the Board issued pursuant to Section 2.1 hereof, in an aggregate principal amount of \$475,000,000 and more fully described in Schedule I hereto and any Series 2016A-3 Notes issued hereunder in substitution or replacement therefor.

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

“S&P” means Standard & Poor’s, a Division of The McGraw-Hill Companies, Inc., its successors and assigns, and, if S&P shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, *“S&P”* shall be deemed to refer to any other nationally recognized securities rating agency designated by the Board (with the prior written consent of the Purchaser, which consent shall not be unreasonably withheld) by notice to the Trustee.

“State” means the State of Illinois.

“Sub-series” means each of the three (3) Sub-series of the Series 2016A Notes authorized hereunder, being the Series 2016A-1 Notes, the Series 2016A-2 Notes and the Series 2016A-3 Notes.

“Supplemental Advance” means the Advance made to the Board through the purchase of the Series 2016A-2 Notes on October 3, 2016.

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

“Tax Agreement” means (i) with respect to the Series 2016A-1 Notes and the Series 2016A-2 Notes, the Tax Exemption Certificate and Agreement, dated September 8, 2016, and (ii) with respect to the Series 2016A-3 Notes, the Tax Exemption Certificate and Agreement, dated the Issue Date of the Series 2016A-3 Notes, in each case executed by the Board, as the same may be supplemented from time to time thereafter.

“Tax Anticipation Notes” means any one or more of the Tax Anticipation Notes issued pursuant to the Act, including the Series 2016A Notes and any Additional Notes.

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

“Taxable Date” means the date as of which interest on the Series 2016A Notes is first includable in the gross income of the Owner (including, without limitation, any previous Owner) thereof as a result of an Event of Taxability as such date is established pursuant to a Determination of Taxability.

“Taxable Rate” means an interest rate per annum at all times equal to the product of the Variable Rate then in effect multiplied by 1.54, but in no case shall such rate exceed the Maximum Interest Rate.

“Testing Period” means (i) the period beginning on April 1, 2017 to (but excluding) the Repayment Commencement Date and (ii) at any time not described in the preceding clause (i), any period during which an Event of Default has occurred and is continuing.

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

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

“Uncollected Pledged Taxes” means, as of any date of calculation, an amount equal to the difference between (i) \$2,342,492,519 and (ii) the aggregate amount of the Pledged Taxes deposited into the Amended and Restated Tax Escrow Agreement as of such date of calculation.

“Variable Rate” means, upon the date of issuance of the Series 2016A-3 Notes and thereafter, the per annum variable interest rate borne by the Series 2016A Notes, equal to the lesser of:

(i) the sum of (A) the product of (I) 0.70 multiplied by (II) the LIBOR Quoted Rate, as determined for each LIBOR Interest Period, plus (B) the Applicable Spread; and

(ii) the Maximum Interest Rate.

The Variable Rate shall be rounded to the second decimal place. The Variable Rate as effective from time to time shall be calculated by JPMS and communicated to the Board and the Trustee, which calculations shall be deemed to be conclusive in the absence of manifest error.

“Variable Rate under the Original Trust Indenture” means, prior to the date of issuance of the Series 2016A-3 Notes, the per annum variable interest rate borne by the Series 2016A-1 Notes and the Series 2016A-2 Notes equal to the lesser of:

(i) the sum of (A) the product of (I) 0.70 multiplied by (II) the LIBOR Quoted Rate, as determined for each LIBOR Interest Period, plus (B) the Applicable Spread (as defined under the Original Trust Indenture); and

(ii) the Maximum Interest Rate.

The Variable Rate under the Original Trust Indenture shall be rounded to the second decimal place. The Variable Rate under the Original Trust Indenture as effective from time to time shall be calculated by JPMS and communicated to the Board and the Trustee, which calculations shall be deemed to be conclusive in the absence of manifest error.

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

Section 1.2. Miscellaneous Definitions. As used herein, and unless the context shall otherwise indicate, the words “Series 2016A 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 Amended and Restated Trust 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 Amended and Restated Trust Indenture as originally executed.

ARTICLE II

AUTHORIZATION AND ISSUANCE OF SERIES 2016A NOTES

Section 2.1. Authorization and Issuance of Series 2016A Notes. (a) The Board shall not issue any Series 2016A Notes under the provisions of this Amended and Restated Trust Indenture except in accordance with the provisions of this Article II. The total principal amount of Series 2016A Notes that may be issued and Outstanding hereunder is expressly limited to \$950,000,000. The Series 2016A Notes shall be issued in one series, consisting of three Sub-series, being Series 2016A-1, Series 2016A-2 and Series 2016A-3, each representing an Advance. Each Advance and corresponding issuance of a Sub-series of Series 2016A Notes evidenced or evidences a borrowing by the Board.

(b) The Series 2016A Notes of each Sub-series have been and shall be issued on the respective Issue Dates and in the applicable amounts set forth in Schedule I to this Amended and Restated Trust Indenture, as follows:

(i) After the Initial Date of Issuance of the Series 2016A-1 Notes in connection with the Initial Advance, the Board increased the principal amount of Outstanding Series 2016A Notes in the aggregate amount of the Series 2016A-2 Notes representing the Supplemental Advance. Upon the issuance of the Series 2016A-2 Notes in connection

with the Supplemental Advance (a)(i) the aggregate principal amount of all Outstanding Series 2016A Notes, including the increased principal amount of Series 2016A Notes in connection with the Supplemental Advance, did not exceed \$475,000,000 and (ii) the aggregate principal amount of all outstanding obligations secured by the Pledged Tax Receipts, including (x) all Outstanding Tax Anticipation Notes, (y) any other Tax Anticipation Notes being issued on the same date and (z) the increased principal amount of Series 2016A-2 Notes in connection with such Supplemental Advance, did not exceed the lesser of (1) \$1,550,000,000 on or before March 31, 2017 or \$950,000,000 on or after April 1, 2017 and (2) eighty percent (80%) of the Uncollected Pledged Taxes; and (b) all conditions under this Section and Section 2.7 hereof were satisfied. Each Advance made in connection with the Series 2016A-1 Notes and the Series 2016A-2 Notes is intended to be treated as being part of a single issue of tax exempt obligations issued on the Initial Date of Issuance.

(ii) On November 10, 2016, the date of execution and delivery of this Amended and Restated Trust Indenture, the Board is increasing the not to exceed principal amount of Outstanding Series 2016A Notes in the aggregate principal amount of the Series 2016A-3 Notes representing the Series 2016A-3 Advance; *provided, however* that the Series 2016A-3 Advance shall not be made (a) unless (i) the aggregate principal amount of all Outstanding Series 2016A Notes, including the increased principal amount of Series 2016A Notes in connection with the Series 2016A-3 Advance does not exceed \$950,000,000 and (ii) the aggregate principal amount of all outstanding obligations secured by the Pledged Tax Receipts, including (x) all Outstanding Tax Anticipation Notes, and (y) any other Tax Anticipation Notes being issued on the same date does not exceed the lesser of (1) \$1,550,000,000 on or before March 31, 2017 or \$950,000,000 on or after April 1, 2017 and (2) eighty percent (80%) of the Uncollected Pledged Taxes; and (b) all conditions under this Section and Section 2.7 hereof are satisfied. The Trustee is hereby authorized to make the calculation required in clause (a) above.

(c) The Series 2016A Notes of each Sub-series representing each Advance shall be issuable as fully registered notes, without coupons, in Authorized Denominations, substantially in the form attached as *Exhibit A* hereto, with such appropriate variations, omissions and insertions as are permitted or required by this Amended and Restated Trust Indenture. Unless the Board shall otherwise direct, the Series 2016A Notes of each Sub-series representing each Advance shall be lettered and numbered from R-1 and upwards. The Series 2016A Notes of each Sub-series representing each Advance shall be dated the respective Issue Date for such Sub-series set forth in Schedule I attached hereto, and shall mature on the Maturity Date, subject to optional redemption or purchase for cancellation as provided in Article III.

(d) Each Series 2016A Note shall bear interest from its respective Issue Date except that if, as shown by the records of the Trustee, interest on such Series 2016A Note shall be in default, any Series 2016A Note issued in exchange for or upon the registration of transfer of such Series 2016A Note shall bear interest from the date to which interest has been paid in full on such Series 2016A Note or, if no interest has been paid on such Series 2016A Note, the Issue Date of such Series 2016A Note. After the Maturity Date for the Series 2016A Notes of a Sub-

series, each Series 2016A Note of such Sub-series shall bear interest on overdue principal and, to the extent permitted by law, and interest at the rate borne by such Series 2016A Note on the date on which such principal or interest came due and payable, or, if applicable and greater, the Default Rate.

(e) Interest on the Series 2016A Notes of each Sub-series shall be payable on the Interest Payment Date applicable thereto. The principal of the Series 2016A Notes of each Sub-series shall be payable in applicable amounts on each Principal Payment Date for such Series 2016A Notes.

(f) Payment of interest on the Series 2016A Notes of each Sub-series shall be paid on each applicable Interest Payment Date by check or bank draft mailed or delivered by the Trustee to the Owners as the same appear on the registration books of the Board maintained by the Registrar as of the Record Date or, at the option of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2016A Notes of a Sub-series, by wire transfer of immediately available funds to such bank in the continental United States as said Owner shall request in writing to the Registrar no later than the Record Date. The Series 2016A Notes shall be payable, with respect to interest, principal and redemption premium (if any) in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

(g) Upon initial issuance, the ownership of each Series 2016A Note shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, and except as hereinafter provided, the ownership of all of the Series 2016A Notes shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Series 2016A Notes registered in the name of Cede & Co., as nominee of DTC, the Board and the Trustee shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Series 2016A Notes. Without limiting the immediately preceding sentence, the Board and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in any Series 2016A Note, (ii) the delivery to any DTC Participant or any other Person, other than the Owner of any Series 2016A Note, of any notice with respect to such Series 2016A Note, including without limitation any notice of redemption or (iii) the payment to any DTC Participant or any other Person, other than the Owner of any Series 2016A Note, of any amount with respect to the principal or Redemption Price of, or interest on, such Series 2016A Note. Notwithstanding any other provision of this Amended and Restated Trust Indenture to the contrary, the Board, the Trustee and each other Paying Agent, if any, shall be entitled to treat and consider the Person in whose name each Series 2016A Note is registered as the absolute owner of such Series 2016A Note for the purpose of payment of the principal or Redemption Price of and interest with respect to such Series 2016A Note, for the purpose of giving notices of redemption, for the purpose of registering transfers with respect to such Series 2016A Note and for all other purposes whatsoever. The Trustee and each other Paying Agent, if any, shall pay all principal or Redemption Price of and interest on the Series 2016A Notes only to or upon the order of the respective Owners thereof, or their respective attorneys duly authorized in writing, and all such

payments shall be valid and effective to satisfy and discharge fully the Board's obligations with respect to payment of the principal or Redemption Price of and interest on the Series 2016A Notes to the extent of the sum or sums so paid. No Person other than an Owner of a Series 2016A Note shall receive a Series 2016A Note certificate evidencing the obligation of the Board to make payments of the principal or Redemption Price of and interest on the Series 2016A Notes pursuant to this Amended and Restated Trust Indenture.

The Owners of the Series 2016A Notes have no right to the appointment or retention of a depository for the Series 2016A Notes. DTC may resign or be removed as securities depository in accordance with its customary procedures. In the event of any such resignation or removal, the Board shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC and the Trustee in writing of the appointment of such successor securities depository and transfer or cause the transfer of one or more separate Series 2016A Note certificates to such successor securities depository or (ii) notify DTC of the availability through the Trustee of Series 2016A Note certificates and transfer or cause the transfer of one or more separate Series 2016A Note certificates to DTC Participants having Series 2016A Notes credited to their DTC accounts. In such event, the Series 2016A Notes shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the DTC Participants receiving Series 2016A Notes shall designate, in accordance with the provisions of this Amended and Restated Trust Indenture.

The Board and DTC have executed the Letter of Representations. Notwithstanding any other provision of this Amended and Restated Trust Indenture, so long as DTC, or its designee, is the Owner of all Series 2016A Notes, the arrangements referred to in the Letter of Representations shall apply to the redemption of any Series 2016A Notes and to the payment of the principal or Redemption Price of and interest on the Series 2016A Notes, including without limitation, that: (a) presentation of Series 2016A Notes to the Trustee upon redemption or at maturity shall be deemed made to the Trustee when the right to exercise ownership rights in the Series 2016A Notes through DTC or DTC's Participants is transferred by DTC on its books; and (b) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Owners of Series 2016A Notes under this Amended and Restated Trust Indenture on a fractionalized basis on behalf of some or all of those Persons entitled to exercise ownership rights in the Series 2016A Notes through DTC or DTC's Participants.

So long as the Series 2016A Notes are registered in the name of Cede & Co., as nominee of DTC, the Trustee agrees to comply with the terms and provisions referred to in the Letter of Representations. References to Cede & Co. mean and include any other nominee required by DTC.

Section 2.2. Interest on Series 2016A Notes. (a) The Series 2016A-1 Note and the Series 2016A-2 Note shall each bear interest at the Variable Rate under the Original Trust Indenture from and including their respective Issue Dates to the Issue Date of the Series 2016A-3 Notes. Upon the execution and delivery of the Series 2016A-3 Note, each Series 2016A Note shall bear interest at the Variable Rate hereunder until payment of the principal or Redemption

Price of any Outstanding Series 2016A Notes shall have been made or provided for in accordance with the provisions hereof, whether at the Maturity Date, upon redemption, purchase, or otherwise, except as otherwise provided in paragraphs (b), (c) and (d) of this Section. Interest accrued on the Series 2016A Notes shall be paid in arrears on each Interest Payment Date. Interest on the Series 2016A Notes shall be computed upon the basis of a 360-day year and actual days elapsed.

(b) From and after any Taxable Date with respect to the Series 2016A Notes, the interest rate on the Series 2016A Notes shall be established at the Taxable Rate.

(c) If an Event of Default shall occur and shall not have been remedied, then all Series 2016A Notes shall bear interest at the Default Rate.

(d) Notwithstanding the foregoing, the Board acknowledges and agrees that the Series 2016A Notes shall bear interest at a rate not less than the interest rates payable on any Additional Notes which are issued by the Board while the Series 2016A Notes remain outstanding and which are issued from time to time in an aggregate amount up to (and including) \$1,550,000,000. In the event that the Board shall issue such Additional Notes, which such Additional Notes bear interest at rates which are higher than are provided to the Purchaser in the Series 2016A Notes and this Agreement, the Board shall provide the Purchaser with a copy of such Additional Notes and such interest rate shall automatically be deemed to be incorporated into the Series 2016A Notes and the Purchaser shall have the benefits of such higher interest rate as if specifically set forth herein. The Board shall promptly enter into an amendment to the Series 2016A Notes to include such higher interest rate; provided that the Purchaser shall have and maintain the benefit of such higher interest rate even if the Board fails to provide such amendment.

Section 2.3. Execution and Authentication. (a) The Series 2016A Notes shall be executed in the name of the Board by the manual or facsimile signatures of its President (or in the event of a vacancy in the office of the President, the Vice President) and attested by the manual or facsimile signature of its Secretary. The signature of the Chief Executive Officer or the Senior Vice President of Finance of the Board may also appear on the Series 2016A Notes. In case any one or more of the officers who shall have signed any of the Series 2016A Notes shall cease to be such officer before the Series 2016A Notes so signed shall have been authenticated and delivered by the Trustee, such Series 2016A Notes may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed such Series 2016A Notes had not ceased to hold such offices. Any Series 2016A Note may be signed on behalf of the Board by such persons who at the time of the execution of such Series 2016A Note shall hold the proper office of the Board, although at the date of such Series 2016A Note such persons may not have been so authorized or have held such office.

(b) The Series 2016A Notes shall bear a certificate of authentication, in the form set forth in this Amended and Restated Trust Indenture, executed manually by the Trustee. Only such Series 2016A Notes as shall bear such certificate of authentication shall be entitled to any right or benefit under this Amended and Restated Trust Indenture, and no such Series 2016A Note shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee. Such certificate of the Trustee upon any such Series

2016A Note executed on behalf of the Board shall be conclusive evidence that the Series 2016A Note so authenticated has been duly authenticated and delivered under this Amended and Restated Trust Indenture and that the Owner thereof is entitled to the benefits of this Amended and Restated Trust Indenture.

Section 2.4. Interchangeability of Series 2016A Notes. Subject to the provisions of Section 2.5, any Series 2016A Note, upon surrender at the designated office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney, may, at the option of the Owner and upon payment of any taxes, fees or charges as provided in Section 2.5, be exchanged for an equal aggregate principal amount of fully registered Series 2016A Notes of the same Sub-series and having the same tenor of any other Authorized Denominations.

Section 2.5. Negotiability, Transfer and Registration. (a) Subject to the limitations contained in subsection (d) of this Section, upon surrender for registration of transfer of any Series 2016A Note at the designated office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Owner or such Owner's attorney duly authorized in writing, the Board shall execute, and the Trustee shall authenticate and deliver, in the name of the transferee or transferees a new Series 2016A Note or Series 2016A Notes of the same Sub-series and of like date and tenor in Authorized Denominations for the aggregate principal amount which the Owner is entitled to receive bearing numbers not contemporaneously Outstanding. Subject to the limitations contained in subsection (d) of this Section, Series 2016A Notes may be exchanged at such times at such designated office of the Trustee upon surrender thereof together with an assignment duly executed by the Owner thereof or such Owner's attorney in such form and with guarantee of signature as shall be satisfactory to the Trustee for an equal aggregate principal amount of Series 2016A Notes of the same Sub-series and of like date and tenor of any Authorized Denomination as the Series 2016A Notes surrendered for exchange bearing numbers not contemporaneously Outstanding. The execution by the Board of any Series 2016A Note of any Authorized Denomination shall constitute full and due authorization of such Authorized Denomination, and the Trustee shall thereby be authorized to authenticate and deliver such registered Series 2016A Note.

(b) No service charge shall be imposed upon the Owners for any exchange or transfer of Series 2016A Notes. The Board and the Trustee may, however, require payment by the person requesting an exchange or transfer of Series 2016A Notes of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, except in the case of the issuance of a Series 2016A Note for the unredeemed portion of a Series 2016A Note surrendered for redemption in part.

(c) The Board, the Trustee and any Paying Agent may treat the Owner of any Series 2016A Note as the absolute owner thereof for all purposes, whether or not such Series 2016A Note shall be overdue, and shall not be bound by any notice to the contrary. All payments of or on account of the principal of, premium, if any, and interest on any such Series 2016A Note as herein provided shall be made only to or upon the written order of the Owner thereof or such Owner's legal representative, but such registration may be changed as herein provided. All such

payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2016A Note to the extent of the sum or sums so paid.

(d) In connection with its purchase of any Sub-series of Series 2016A Notes pursuant to the Note Purchase Agreement, JPMS has executed and delivered or will execute and deliver an Investor Letter. Any transferee or purchaser (other than JPMS) of a Sub-series of Series 2016A Notes, or any beneficial interest therein, by such transfer or purchase shall be deemed to have made all of the acknowledgements, representations and agreements contained in the Investor Letter related to such Sub-series as of the date of such transfer or purchase as if such transferee or purchaser had executed the Investor Letter. Any transferee or purchaser (other than JPMS) purporting to be a Beneficial Owner of any Sub-series of Series 2016A Notes shall be deemed to have made all of the acknowledgements, representations and agreements contained in the Investor Letter related to such Sub-series.

(e) Series 2016A Notes delivered upon any registration of transfer or exchange as provided herein or as provided in Section 2.6 shall be valid limited obligations of the Board, evidencing the same debt as the Series 2016A Notes surrendered, shall be secured by this Amended and Restated Trust Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Series 2016A Note surrendered.

(f) The Board hereby agrees that the Initial Purchaser may provide a copy of all or any portion of the executed Financing Documents (and any supplements and amendments thereto) to prospective purchasers of the Series 2016A Notes who request such information in connection with the prospective purchase of the Series 2016A Notes.

Section 2.6. Series 2016A Notes Mutilated, Destroyed, Stolen or Lost. In case any Series 2016A Note shall become mutilated or be destroyed, stolen or lost, the Board shall execute, and thereupon the Trustee shall authenticate and deliver, a new Series 2016A Note of the same Sub-series and of like tenor and principal amount, as the Series 2016A Notes so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Series 2016A Note, upon surrender and cancellation of such mutilated Series 2016A Note or in lieu of and substitution for the Series 2016A Note destroyed, stolen or lost, upon filing with the Trustee evidence satisfactory to the Board and the Trustee that such Series 2016A Note has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Board and the Trustee with indemnity satisfactory to them and complying with such other reasonable regulations as the Board or the Trustee may prescribe and paying such expenses as the Board and Trustee may incur. All Series 2016A Notes so surrendered to the Trustee shall be canceled by the Trustee in accordance with Section 11.5. Any such new Series 2016A Notes issued pursuant to this Section in substitution for Series 2016A Notes alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the Board, whether or not the Series 2016A Notes so alleged to be destroyed, stolen or lost shall be found at any time or be enforceable by anyone, shall be entitled to equal and proportionate benefits with all other Series 2016A Notes issued under this Amended and Restated Trust Indenture and shall be equally secured by the moneys or securities held by the Trustee for the benefit of the Owners.

Section 2.7. Delivery of Series 2016A Notes.

(a) *Initial Advance.* Upon the written order of the Board on the Issue Date for the Series 2016A-1 Notes, the Board executed and delivered to the Trustee and the Trustee authenticated the Series 2016A-1 Notes issued in the aggregate principal amount of the \$325,000,000 and delivered them to or upon the order of the Board as hereinafter in this Section 2.7 provided.

Prior to the delivery by the Trustee of any of the Series 2016A-1 Notes, representing the Initial Advance, there has been filed with the Trustee:

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

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

(3) An Opinion of Co-Bond Counsel as to the validity and tax-exempt status of the Series 2016A-1 Notes.

(4) An Opinion of Counsel for the Board in form and substance satisfactory to Co-Bond Counsel and JPMS.

(5) A written direction from the Board to the Trustee requesting the Trustee to authenticate and deliver the Series 2016A-1 Notes to JPMS in the aggregate principal amount of the Initial Advance upon payment to or upon the order of the Board by JPMS of the proceeds from the sale of the Series 2016A-1 Notes specified in such written direction.

(6) Such other instruments, documents and showings as may be required by the Board, the Trustee or Co-Bond Counsel in connection with the issuance of the Series 2016A-1 Notes.

(b) *Supplemental Advance.* The incurrence by the Board of the Supplemental Advance under Section 2.1 hereof and the Initial Note Purchase Agreement was made subject to the following additional conditions precedent (and for clarification, the conditions precedent set forth in clause (a) above applied as well): The Trustee and JPMS received (with a copy to Co-Bond Counsel) no later than 9:00 A.M. Chicago time, on the date of the Supplemental Advance, an executed Certificate and Direction of the Board Regarding Supplemental Advance in substantially the form of *Exhibit B* to the Original Trust Indenture, with such changes, additions or modifications as were acceptable to the Trustee and JPMS, with respect to such Supplemental Advance, upon which the Trustee and JPMS conclusively relied in connection with the Supplemental Advance.

No later than 11:00 a.m., Chicago time on the date of the Supplemental Advance, the Trustee delivered to the Board and JPMS an executed Certificate of Trustee Regarding Supplemental Advance in substantially the form of *Exhibit C* to the Original Trust Indenture, with such changes, additions or modifications as were acceptable to the Board and JPMS.

On the date of the Supplemental Advance, the Trustee authenticated the Series 2016A-2 Note representing the Supplemental Advance and, upon receipt by the Board of the proceeds of the Supplemental Advance from JPMS as evidenced by a written confirmation of such receipt by the Board delivered to the Trustee, delivered the Series 2016A-2 Note representing the Supplemental Advance to JPMS through the facilities of DTC.

(c) *Series 2016A-3 Advance.* Upon the written order of the Board on the Issue Date of the Series 2016A-3 Notes, the Board shall execute and deliver to the Trustee and the Trustee shall authenticate the Series 2016A-3 Notes to be issued in the aggregate principal amount of the Series 2016A-3 Advance and shall deliver them to or upon the order of the Board as hereinafter in this Section 2.7(c) provided.

The ability of the Board to incur the Series 2016A-3 Advance under Section 2.1 hereof and the Second Note Purchase Agreement is subject to the following additional conditions precedent: The Trustee and JPMS received (with a copy to Co-Bond Counsel) no later than 9:00 A.M. Chicago time, on the date of the Series 2016A-3 Advance, an executed Certificate and Direction of the Board Regarding Series 2016A-3 Advance in substantially the form of *Exhibit B* to this Amended and Restated Trust Indenture, with such changes, additions or modifications as may be reasonably acceptable to the Trustee and JPMS, with respect to such Series 2016A-3 Advance, upon which the Trustee and JPMS conclusively relied in connection with the Series 2016A-3 Advance.

No later than 11:00 a.m., Chicago time on the date of the Series 2016A-3 Advance, the Trustee shall deliver to the Board and JPMS an executed Certificate of Trustee Regarding Series 2016A-3 Advance in substantially the form of *Exhibit C* to this Amended and Restated Trust Indenture, with such changes, additions or modifications as are acceptable to the Board and JPMS.

Prior to the delivery by the Trustee of any of the Series 2016A-3 Notes, representing the Series 2016-3 Advance, there shall also be filed with the Trustee:

(1) A copy, duly certified by the Secretary of the Board, of each of (i) the Note Resolution, (ii) an incumbency certificate and (iii) the Investment Policy.

(2) Original executed counterparts of this Amended and Restated Trust Indenture, the applicable Tax Agreement and the Amended and Restated Tax Escrow Agreement.

(3) An Opinion of Bond Counsel as to the validity and tax-exempt status of the Series 2016A-3 Notes.

(4) An Opinion of Counsel for the Board in form and substance satisfactory to Bond Counsel and JPMS.

(5) A written direction from the Board to the Trustee requesting the Trustee to authenticate and deliver the Series 2016A-3 Notes to JPMS in the aggregate principal amount of the Series 2016A-3 Advance upon payment to the Board of the proceeds from the sale of the Series 2016A-3 Notes specified in such written direction.

(6) Such other instruments, documents and showings as may be required by the Board, the Trustee or Bond Counsel in connection with the issuance of the Series 2016A-3 Notes.

Section 2.8. Application of Proceeds of Series 2016A Notes. On the Issue Date relating to the Series 2016A-1 Notes, JPMS paid to or upon the order of the Board the proceeds of the Series 2016A-1 Notes in the amount of \$325,000,000. On the Issue Date relating to the Series 2016A-2 Notes, JPMS paid to or upon the order of the Board the proceeds of the Series 2016A-2 Notes in the amount of \$150,000,000 in accordance with the instructions set forth in the executed Certificate and Direction of the Board Regarding Supplemental Advance delivered by the Board pursuant to Section 2.7(b) hereof. On the Issue Date of the Series 2016A-3 Notes in connection with the Series 2016A-3 Advance, JPMS shall pay to or upon the order of the Board all of the proceeds of the Series 2016A-3 Advance net costs of issuances relating to the Series 2016A-3 Notes (including the fees paid to the Initial Purchaser pursuant to the Second Note Purchase Agreement).

ARTICLE III

REDEMPTION AND PURCHASE OF SERIES 2016A NOTES

Section 3.1. Optional Redemption. (a) The Series 2016A Notes shall be subject to redemption prior to their Maturity Date at the option of the Board, in whole or in part (and, if in part, in an Authorized Denomination) on any Business Day occurring on or after July 15, 2017, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the Redemption Date. Any redemption of less than all of the Series 2016A Notes of a Sub-series Outstanding shall be made in such a manner that all Series 2016A Notes of such Sub-series outstanding after such redemption are in Authorized Denominations and shall be made on a pro rata basis among all Outstanding Series 2016A Notes.

(b) Series 2016A Notes may be called for redemption by the Trustee pursuant to Section 3.3, upon receipt by the Trustee at least 25 days prior to the Redemption Date (or such shorter period as shall be acceptable to the Trustee) of a written request of the Board requesting such redemption.

Section 3.2. Extraordinary Mandatory Redemption. (a) If an Event of Default or, for purposes of this Section 3.2(a) only, a default under Section 6.3, Section 6.4 or Section 6.5, without regard to any notice or cure period provided in Section 7.1(3) hereof, has occurred under the Series 2016A Notes or under this Indenture, the Board shall redeem the Series 2016A

Notes in whole on or before April 15, 2017, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the Redemption Date, by applying or causing to be applied to the payment of such Series 2016A Notes, all proceeds of the Pledged Tax Receipts collected as part of the first installment of Pledged Taxes expected to be received in March 2017, whether or not such proceeds are then held by the Board or are otherwise on deposit in the Escrow Account in accordance with the terms and provisions of the Amended and Restated Tax Escrow Agreement; *provided*, that such funds shall be applied on a parity basis to the payment or redemption of such Series 2016A Notes and such other parity lien Tax Anticipation Notes entitled to payment from such funds.

(b) If a default or an event of default has occurred and is continuing under any other agreement relating to any other Tax Anticipation Notes payable from Pledged Tax Receipts and such default or event of default (i) is not waived by the bank, holder or any other required Person with respect to such other Tax Anticipation Notes and (ii) results in a mandatory redemption, acceleration, prepayment, a hold on disbursement of Pledged Tax Receipts from the Escrow Agent to the Board or termination of the Tax Anticipation Notes or stoppage of additional loans or draws on the line of credit related to such other Tax Anticipation Notes, then the Board shall redeem the Series 2016A Notes in whole on or before April 15, 2017, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the Redemption Date, by applying or causing to be applied to the payment of such Series 2016A Notes, all proceeds of the Pledged Tax Receipts collected as part of the first installment of Pledged Taxes expected to be received in March 2017, whether or not such proceeds are then held by the Board or are otherwise on deposit in the Escrow Account in accordance with the terms and provisions of the Amended and Restated Tax Escrow Agreement.

(c) If in any case or proceeding involving the Board, a court or other governmental authority shall rule or otherwise make a determination that the Board is not legally entitled to levy or collect Pledged Taxes, or that Pledged Tax Receipts shall not be available to pay the expenses of the Board or the Series 2016A Notes at any time, in either case, at the discretion of the Board, or any such court or other governmental authority shall make any other ruling or determination that adversely affects or limits the security for the Series 2016A Notes, then the Board shall redeem the Series 2016A Notes in whole on or before April 15, 2017, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the Redemption Date, by applying or causing to be applied to the payment of such Series 2016A Notes, all proceeds of the Pledged Tax Receipts collected as part of the first installment of Pledged Taxes expected to be received in March 2017, whether or not such proceeds are then held by the Board or are otherwise on deposit in the Escrow Account in accordance with the terms and provisions of the Amended and Restated Tax Escrow Agreement.

Section 3.3. Notice of Redemption. (a) Except as hereinafter provided, a copy of the notice of the call for any redemption identifying the Series 2016A Notes of a Sub-series to be redeemed shall be given by first class mail, postage prepaid, or by facsimile transmission, not less than twenty days prior to the date fixed for redemption. Such notice shall specify the Sub-series of the Series 2016A Notes to be received, the Redemption Date, the redemption price, the place and manner of payment, and that from the Redemption Date interest will cease to accrue on the Series 2016A Notes which are the subject of such notice, and shall include such other

information as the Trustee shall deem appropriate or necessary at the time such notice is given to comply with any applicable law, regulation or industry standard.

(b) In addition to the requirements of Section 3.3(a), notice of the redemption of Series 2016A Notes of a Sub-series or any portion thereof identifying the Series 2016A Notes or portions thereof to be redeemed shall specify (i) the Sub-series designation and certificate numbers of Series 2016A Notes being redeemed, (ii) the principal amount of Series 2016A Notes of such Sub-series being redeemed and the redeemed amount for each certificate (for partial calls), (iii) the Redemption Date, and (iv) the redemption price.

(c) Failure to give notice in the manner prescribed in Section 3.2(a) and Section 3.2(b) with respect to any Series 2016A Note, or any defect in such notice, shall not affect the validity of the proceedings for redemption for any Series 2016A Note with respect to which notice was properly given.

(d) If any Series 2016A Note is transferred or exchanged on the note register after notice has been given calling such Series 2016A Note for redemption, the Trustee will attach a copy of such notice to the Series 2016A Note issued in connection with such transfer or exchange.

Section 3.4. Selection of Series 2016A Notes for Redemption. If less than all the Series 2016A Notes of a Sub-series shall be called for redemption under any provision of this Amended and Restated Trust Indenture permitting or requiring such partial redemption, the particular Series 2016A Notes or portions thereof to be redeemed shall be redeemed on a pro rata basis among all Outstanding Series 2016A Notes, and the portion of any Series 2016A Note to be redeemed shall be in a principal amount equal to an Authorized Denomination. If it is determined that one or more, but not all, of the integral multiples of the Authorized Denomination of principal amount represented by any Series 2016A Note is to be called for redemption, then, upon notice of intention to redeem such integral multiple of an Authorized Denomination, the Owner of such Series 2016A Note shall forthwith surrender such Series 2016A Note to the Trustee for (a) payment to such Owner of the redemption price of the integral multiple of the Authorized Denomination of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2016A Note or Series 2016A Notes of such Sub-series in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2016A Note. New Series 2016A Notes of a Sub-series representing the unredeemed balance of the principal amount of such Series 2016A Note shall be issued to the Owner thereof without charge therefor.

Section 3.5. Purchase of Series 2016A Notes for Cancellation. The Board, acting through a Designated Official, reserves the right to direct the Trustee to cause the purchase for immediate cancellation, on any Business Day, but solely on or after July 15, 2017, of any Series 2016A Notes or beneficial interests therein from any Series 2016A Noteholder or Beneficial Owner of such Series 2016A Notes agreeing at its sole discretion to sell such Series 2016A Notes or beneficial interests therein. Each such purchase shall be made in Authorized Denominations and shall be made in a principal amount of \$5,000,000 or greater. Such direction from the Board shall be evidenced by a written notice delivered to the Trustee not later than the

third Business Day preceding the related Purchase Date (i) directing the Trustee to cause DTC to process such purchase of Series 2016A Notes or beneficial interests therein and (ii) stating the principal amount of and purchase price for such Series 2016A Notes or beneficial interests therein to be so purchased and the applicable Purchase Date. Any such purchase shall be at a price of not more than par plus accrued interest to the Purchase Date and shall be made from funds on deposit in the Debt Service Fund. Upon such purchase, the Series 2016A Notes or beneficial interests therein shall be immediately cancelled and shall no longer be deemed to be Outstanding for purposes of this Amended and Restated Trust Indenture.

Section 3.6. Deposit of Funds. For the redemption of any of the Series 2016A Notes, the Board shall cause to be deposited in the Redemption Fund or if determined by the Board to be necessary or appropriate, in a separate escrow account to be established by the Board with the Trustee, moneys sufficient to pay when due the principal of, and premium, if any, and interest on, the Series 2016A Notes to be redeemed on the Redemption Date, which moneys shall be applied in accordance with the provisions hereof.

ARTICLE IV

PLEDGE OF TRUST ESTATE AND APPLICATIONS OF FUNDS

Section 4.1. The Pledge Effected by this Amended and Restated Trust Indenture. There are hereby pledged for the payment of the principal of and interest on the Series 2016A Notes in accordance with their respective terms and the provisions of this Amended and Restated Trust Indenture, and a lien is hereby granted for such purpose, for the purposes and on the terms and conditions set forth in this Amended and Restated Trust Indenture, on the Trust Estate as described in the Granting Clauses hereto.

Pursuant to Section 13 of the Act, the moneys, securities and properties hereby pledged by the Board and received by the Escrow Agent as the agent of the Board shall immediately be subject to the lien and pledge hereof without any physical delivery or further act, and the lien and pledge hereof shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board, irrespective of whether such parties have notice hereof.

The Series 2016A Notes are limited obligations of the Board payable from the Pledged Tax Receipts and do not represent or constitute a debt of the Board within the meaning of any constitutional or any statutory limitation. Neither the full faith and credit nor the taxing power of the Board is pledged to the payment of the Series 2016A Notes.

Section 4.2. Establishment of Funds. The Debt Service Fund and the Redemption Fund have been established under the Original Trust Indenture and are hereby continued as special funds of the Board to be held by the Trustee. Within the Debt Service Fund, the Trustee shall establish a separate Debt Service Deposit Account for each outstanding Sub-series of Series 2016A Notes and a Released Funds Account. Within the Debt Service Deposit Account for each Sub-Series of Series 2016A Notes is created a Principal and Interest SubAccount. Within the Redemption Fund, the Trustee shall establish a separate Redemption Account for each outstanding Sub-series of Series 2016A Notes. At the direction of a Designated Official, the

Board may establish the Program Expense Fund as a special fund of the Board to be held by the Trustee.

Section 4.3. Deposit and Application of Pledged Tax Receipts. (a) All Pledged Tax Receipts shall be deposited with the Escrow Agent for application in accordance with the Amended and Restated Tax Escrow Agreement. All Pledged Tax Receipts paid to the Trustee with respect to the Series 2016A Notes shall be deposited immediately into the Debt Service Deposit Accounts of the Debt Service Fund on a pro-rata basis for each Sub-series of Series 2016A Notes.

(b) On each Business Day prior to the Repayment Commencement Date, if (i) no Event of Default has occurred and is continuing hereunder and (ii) the aggregate principal amount of all outstanding obligations secured by Pledged Tax Receipts, including all outstanding Tax Anticipation Notes and any other Tax Anticipation Notes being issued on such date does not exceed the lesser of (1) \$1,550,000,000 on or before March 31, 2017 or \$950,000,000 on or after April 1, 2017 and (2) eighty percent (80%) of the Uncollected Pledged Taxes, the Trustee shall transfer the amount on deposit in each Debt Service Deposit Account of the Debt Service Fund to the Released Funds Account for immediate payment to, or pursuant to the direction of, the Board, free from the lien of this Amended and Restated Trust Indenture.

(c) On (i) each Business Day (1) prior to the Repayment Commencement Date on which the aggregate principal amount of all outstanding obligations secured by Pledged Tax Receipts, including all outstanding Tax Anticipation Notes, is equal to or greater than 80% of the Uncollected Pledged Taxes and (2) on and after the Repayment Commencement Date, until the Maturity Date and (ii) the Maturity Date, the Trustee shall apply the moneys in each Debt Service Deposit Account of the Debt Service Fund in the following order of priority:

First: to the related Principal and Interest SubAccount for payment to the Series 2016A Noteholders of the applicable Sub-series, for the payment of the accrued and unpaid interest on their Notes when due on each Interest Payment Date. In calculating the amount of the moneys to be deposited into such Principal and Interest SubAccount pursuant to this paragraph for payment of interest on such Series 2016A Notes, interest shall be deemed to accrue on such Series 2016A Notes at the rate of 9% per annum for any date for which the actual variable rate of interest on such Series 2016A Notes is not then known.

Second: to the related Principal and Interest SubAccount for payment to the Series 2016A Noteholders of the applicable Sub-series, for the payment of principal of their Series 2016A Notes as the same shall become due on any Purchase Date, any Redemption Date or the Maturity Date.

Third: to the Released Funds Account for payment to, or pursuant to the direction of, the Board, any amount remaining in the Debt Service Fund after the payment of all interest on and principal of the Series 2016A Notes of the applicable Sub-series then Outstanding as provided in Clause First and Clause Second of this paragraph (c).

(d) On each Purchase Date, the Trustee shall apply moneys in the related Debt Service Deposit Account of the Debt Service Fund to the payment of the purchase price of the Series 2016A Notes of the applicable Sub-series to be purchased on such Purchase Date pursuant to Section 3.5, including the accrued interest on such Series 2016A Notes payable on the Purchase Date.

(e) On any Business Day that no Series 2016A Notes are then Outstanding, any moneys held in the Debt Service Deposit Accounts of the Debt Service Fund and any Pledged Tax Receipts received by the Trustee on that Business Day shall immediately be transferred to the Released Funds Account for immediate payment to, or pursuant to the direction of, the Board, free from the lien of this Amended and Restated Trust Indenture.

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

Section 4.4. Redemption Fund. Amounts paid to the Trustee by the Board for the redemption of Series 2016A Notes shall be deposited into the Redemption Account for each outstanding Sub-series of Series 2016A Notes on a pro-rata basis and applied on the applicable redemption date for the payment of the Redemption Price and accrued interest on the Series 2016A Notes to be redeemed pursuant to Sections 3.1 and 3.2.

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

ARTICLE V

INVESTMENTS OF FUNDS

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

department or the bond department of any bank or trust company under common control with the Trustee. The Board has provided a certified copy of the Investment Policy to the Trustee in connection with the initial delivery of the Series 2016A Notes and the Board covenants and agrees to provide to the Trustee in a timely fashion any amendments to or revisions of such Investment Policy. The Trustee shall be entitled to conclusively rely on the Investment Policy provided to it by the Board as the Investment Policy in effect at the time any investment is made. All investment income shall be retained in the Fund to which the investment is created from which such income is derived.

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

(c) The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades, including cash sweep account fees. In the absence of investment instructions from the Board, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Investment Securities. The Trustee shall notify the Board in the event any moneys are being held uninvested pursuant hereto. The Trustee shall not be liable or responsible for the performance or adverse tax consequences of, or any losses on, any investment made pursuant to this Section. Although the Board recognizes that they may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Board hereby agrees that confirmations of Investment Securities are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any Fund if no activity occurred in such Fund during such month.

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

(b) Valuations of Investment Securities held in the Funds established hereunder shall be made by the Trustee as often as may be necessary or requested by the Board to determine the amounts held therein. In computing the amounts in such Funds, Investment Securities therein shall be valued as provided in Section 5.2(c).

(c) The value of Investment Securities shall mean the fair market value thereof, *provided, however,* that all SLGS shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable.

(d) Except as otherwise provided in this Amended and Restated Trust Indenture, the Trustee at the written direction of a Designated Official, shall sell at the best price reasonably obtainable, or present for redemption, any Investment Securities held in any Fund held by the

Trustee whenever it shall be necessary to provide moneys to meet any payment or transfer from such Fund as the case may be.

ARTICLE VI

PARTICULAR COVENANTS AND REPRESENTATIONS OF THE BOARD

Section 6.1. Payment of Series 2016A Notes. (a) The Board covenants and agrees that it will pay solely from the Pledged Tax Receipts the principal of every Outstanding Series 2016A Note and the interest thereon, at the places, on the dates and in the manner provided in this Amended and Restated Trust Indenture and in the Series 2016A Notes.

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

Section 6.2. Further Assurance. At any and all times the Board shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming, all and singular, the rights, and the Pledged Tax Receipts and other moneys, securities and funds hereby pledged or assigned, or which the Board may become bound to pledge or assign.

Section 6.3. Power to Issue Series 2016A Notes and Pledge Trust Estate. The Board is duly authorized under all applicable laws to issue the Series 2016A Notes, to execute and deliver the Financing Documents, to pledge the Pledged Tax Receipts and to grant the lien granted by this Amended and Restated Trust Indenture thereon in the manner and to the extent provided in this Amended and Restated Trust Indenture. The Series 2016A Notes and the provisions of this Amended and Restated Trust Indenture are and will be valid and legally enforceable limited obligations of the Board in accordance with their terms and the terms of this Amended and Restated Trust 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 Issue Date of any of the Series 2016A Notes, all conditions, acts and things required by the Constitution and laws of the State of Illinois and this Amended and Restated Trust Indenture to exist, to have happened and to have been performed precedent to or in the issuance of such Series 2016A Notes shall exist, have happened and have been performed. The Board shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and lien on the Pledged Tax Receipts and all the rights of the Owners in and to such Pledged Tax Receipts against all claims and demands.

Section 6.4. Tax Anticipation Notes. The Board reserves the right to continue to issue Additional Notes payable from all or any portion of the Pledged Taxes, and any such Additional Notes shall share ratably and equally in the Pledged Tax Receipts with the Series 2016A Notes; *provided, however,* that (i) no Tax Anticipation Notes shall be issued later than the 15th day next following the Tax Penalty Date; (ii) no Tax Anticipation Notes or obligations secured by Pledged Tax Receipts shall be issued if, as of the time immediately following the issuance of such Tax Anticipation Notes or other obligations secured by Pledged Tax Receipts, the aggregate principal amount of all outstanding obligations secured by Pledged Tax Receipts, including all outstanding Tax Anticipation Notes and any other Tax Anticipation Notes or other obligations secured by Pledged Tax Receipts being issued on such date, would exceed the lesser of (1) \$1,550,000,000 on or before March 31, 2017 or \$950,000,000 on or after April 1, 2017 and (2) eighty percent (80%) of the Uncollected Pledged Taxes; and (iii) in addition to the foregoing conditions, no such Additional Notes shall be issued except in compliance with the provisions of the following paragraph.

Upon determining to issue Additional Notes either (i) in excess of \$1,550,000,000 or (ii) with respect to Additional Notes up to \$1,550,000,000, such Additional Notes if such Notes are to be issued to any purchaser or bank other than Barclays Bank PLC, in either case, within the terms and restrictions set forth in the preceding paragraph and elsewhere in this Amended and Restated Trust Indenture, the Board shall provide written notice to JPMS of its intention to issue such Additional Notes and its offer to sell such Additional Notes to JPMS, which notice and offer shall set forth, at a minimum, (i) the anticipated aggregate principal amount of such Additional Notes, (ii) the proposed date of issuance of such Additional Notes, (iii) the proposed maturity date of such Additional Notes, (iv) whether such Additional Notes will bear interest at a fixed or a variable rate of interest and (v) the anticipated aggregate principal amount of all outstanding obligations secured by Pledged Tax Receipts on such proposed date of issuance, including such Additional Notes and all then-outstanding Tax Anticipation Notes. JPMS shall have 10 Business Days from the date of receipt of such written notice from the Board to present to the Board (i) its written acceptance of the Board's offer to sell such Additional Notes, which acceptance shall include the fixed rate of interest or the formula for determining the variable rate of interest to be borne by such Additional Notes, and which rate of interest for such Additional Notes shall be as agreed to by JPMS and the Board, or (ii) a written notice to the Board declining the opportunity to purchase such Additional Notes. Any Additional Notes to be sold to JPMS pursuant to this paragraph shall be issued pursuant to a trust indenture having terms substantially similar to this Amended and Restated Trust Indenture, as modified to reflect the terms of the written acceptance delivered by JPMS and any other variations from the terms of this Amended and Restated Trust Indenture acceptable to JPMS and the Board. Upon receipt of the notice from JPMS described in clause (ii) of the preceding sentence within the 10 Business Day period described in such sentence, the Board shall be free to negotiate the issuance of such Additional Notes to a purchaser or lender other than JPMS.

Section 6.5. Covenants Regarding Pledged Taxes. The Board has directed the County Collectors to deposit all collections of the Pledged Taxes directly with the Escrow Agent for application in accordance with the provisions of the Amended and Restated Tax Escrow Agreement. As long as any of the Series 2016A Notes remain Outstanding, the Board will not modify or amend such direction or the terms of the Amended and Restated Tax Escrow

Agreement, except for such modifications or amendments as may be necessitated by changes in State law, procedures, rules or regulations thereunder with respect to the collection and distribution of ad valorem property taxes; *provided*, that no such modification or amendment shall provide for the deposit with the Escrow Agent of less than all of the Pledged Taxes. The Board shall provide to JPMS a copy of any such modification or amendment. As long as there are any Outstanding Series 2016A Notes, the Board and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be collected, deposited and applied as described in the Amended and Restated Tax Escrow Agreement and this Amended and Restated Trust Indenture.

Section 6.6. Accounts and Reports. (a) The Board shall keep and cause the Escrow Agent to keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Pledged Tax Receipts, and which, together with all other books and financial records of the Board, shall at all reasonable times be available for the inspection of the Trustee and the Owners of not less than twenty-five percent (25%) in aggregate principal amount of Outstanding Series 2016A Notes or their representatives duly authorized in writing.

(b) During the Testing Period, the Trustee shall provide to the Board and JPMS on each day the Trustee receives Pledged Tax Receipts from the Escrow Agent a notice in the form attached hereto as *Exhibit E* providing information with respect to the amount of Pledged Taxes received by the Trustee from the Escrow Agent on each such day and of such amounts so received, (A) the amounts released to the Board free and clear of the lien of this Amended and Restated Trust Indenture pursuant to Section 4.3(b) hereof and (B) the amounts retained in the Debt Service Fund for application to the payment of the principal of and interest on the Series 2016A Notes

Section 6.7. Arbitrage. The Board shall not at any time permit any of the proceeds of the Series 2016A Notes or any other funds of the Board to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Series 2016A Note to be an “arbitrage bond” as defined in Section 148 of the Internal Revenue Code of 1986, as amended.

Section 6.8 Third Party Engagement and Deliverables If at any time, the Board shall engage, or shall cause to be engaged on its behalf, any third party consultant for the purpose of preparing any restructuring or insolvency plans with respect to the Board or the School District, the Board (i) shall promptly, and in any event within five (5) days following the engagement thereof, notify JPMS of such engagement and the scope of such engagement, (ii) at the request of JPMS and to the extent permitted by the related engagement letter and to the extent subject to disclosure pursuant to the Illinois Freedom of Information Act, 5 ILCS 140 et. seq. (or any successor act thereto) (the “*Freedom of Information Act*”), shall provide to JPMS a copy of such related engagement letter, (iii) at the request of JPMS and to the extent subject to disclosure pursuant to the Freedom of Information Act, shall provide to JPMS a copy of any final report of such consultant delivered to the Board, and (iv) shall allow each Purchaser to provide a copy of any such final report received by JPMS to any potential Purchaser or Purchaser with respect to the Series 2016A Notes.

ARTICLE VII

DEFAULTS AND REMEDIES

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

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

(2) if a default shall occur in the due and punctual payment of the principal or Redemption Price of any Series 2016A Note when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise not an Event of Default;

(3) if a default shall occur in the performance or observance by the Board of any other of the covenants, agreements or conditions in this Amended and Restated Trust Indenture or in the Series 2016A Notes contained, and such default shall continue for a period of sixty (60) days after written notice thereof to the Board by the Trustee or after written notice thereof to the Board and to the Trustee by the Owners of not less than a majority in aggregate principal amount of the Outstanding Series 2016A Notes, *provided* that if the nature of the default is such that it cannot be cured within the initial 60-day cure period but can be cured within an additional period of not to exceed 60 days from the end of the initial 60-day cure period, no event of default shall occur if the Board institutes corrective action within the initial 60-day cure period and diligently pursues such action until the default is corrected (provided such default is corrected within the additional 60-day period described above);

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

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

Section 7.2. Proceedings Brought by Trustee. (a) If an Event of Default shall occur and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon identical written request of the Owners of not less than a majority in aggregate principal amount of the Series 2016A Notes Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Owners of the Series 2016A Notes under the Series 2016A Notes or this Amended and Restated

Trust Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Board as if the Board were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Amended and Restated Trust Indenture or enforce any of the rights or interests of the Owners of the Series 2016A Notes under the Series 2016A Notes or this Amended and Restated Trust Indenture.

(b) All rights of action (including without limitation, the right to file proof of claims) under this Amended and Restated Trust Indenture may be enforced by the Trustee without the possession of any of the Series 2016A 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 Amended and Restated Trust Indenture shall be brought in a state or federal court located in the State.

(d) The Owners of not less than a majority in aggregate principal amount of the Series 2016A Notes at the time Outstanding may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of this Amended and Restated Trust Indenture or for the enforcement of any remedy available to the Trustee, or for the exercise of any trust or power conferred upon the Trustee, *provided* that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to the Owners not parties to such direction.

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

(f) Regardless of the happening of an Event of Default, the Trustee shall have power, but unless requested in writing by the Owners of a majority in aggregate principal amount of the Series 2016A Notes then Outstanding and furnished with security or indemnity to its satisfaction, shall be under no obligation to institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under this Amended and Restated Trust Indenture and to preserve or protect its interests and the interest of the Owners.

(g) During the continuance of an Event of Default, the Trustee shall apply all Pledged Tax Receipts paid to the Trustee and the income therefrom as follows and in the following order:

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

understood that payment of such charges and expenses shall not be made from any moneys already held for the payments of the principal of, interest on and/or purchase price of Series 2016A Notes that were not presented for payment when due.

(2) to the payment of the principal of, Redemption Price and interest on the Series 2016A Notes then due, as follows:

First: to the payment to the persons entitled thereto of all installments of interest then due on the Series 2016A Notes in the order of the maturity of such installments, together with accrued and unpaid interest on the Series 2016A Notes theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments of interest maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference (*provided, however,* that no payment shall be made with respect to Series 2016A Notes owned by the Board); and

Second: to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Series 2016A Notes which shall have become due, whether at maturity or by call for redemption, in the order of their due dates, and, if the amount available shall not be sufficient to pay in full all the Series 2016A Notes due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference (*provided, however,* that no payment shall be made with respect to Series 2016A Notes owned by the Board).

(h) If and whenever all overdue installments of principal and Redemption Price of and interest on, Series 2016A Notes, together with the reasonable and proper charges and expenses of the Trustee, and all other overdue sums payable by the Board under this Amended and Restated Trust Indenture, including the overdue principal and Redemption Price of and accrued unpaid interest on, all Series 2016A Notes held by or for the account of the Board, or provision satisfactory to the Trustee shall be made for such payments, all defaults under this Amended and Restated Trust Indenture or the Series 2016A 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 Amended and Restated Trust 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 Amended and Restated Trust Indenture. No such payment to the Board by the Trustee nor such restoration of the Board and the Trustee to their former positions and rights shall extend to or affect any subsequent default under this Amended and Restated Trust Indenture or impair any right consequent thereon.

(i) Whenever moneys are to be applied pursuant to the provisions of this Section, the Trustee may, in its discretion, establish and maintain a reserve for future fees and expenses, and

may apply moneys to be distributed at such times, and from time to time, as the Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix a date upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates, and for which moneys are available, shall cease to accrue. The Trustee shall also select a Record Date for such payment date. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any moneys and of the fixing of any such Record Date and payment date, and shall not be required to make payment to the Owner of any Series 2016A Note until such Series 2016A Note shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

(j) Under no circumstance may the Trustee declare the principal of or interest on the Series 2016A Notes to be due and payable prior to the Maturity Date following the occurrence of an Event of Default under this Amended and Restated Trust Indenture.

(k) If an Event of Default shall occur and shall not have been remedied, then the Series 2016A Notes shall bear interest at the Default Rate.

Section 7.3. Restriction on Owners' Actions. (a) No Owner of any Series 2016A 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 Amended and Restated Trust Indenture or the execution of any trust under this Amended and Restated Trust Indenture or for any remedy under this Amended and Restated Trust Indenture, unless such Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Owners of at least a majority in aggregate principal amount of the Series 2016A 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 Amended and Restated Trust Indenture or by the laws of Illinois or to institute such suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or failed to comply with such request within sixty (60) days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Series 2016A Notes shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Amended and Restated Trust Indenture or to enforce any right under this Amended and Restated Trust Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Amended and Restated Trust Indenture shall be instituted, had and maintained in the manner provided in this Amended and Restated Trust Indenture and for the equal benefit of all Owners of the Outstanding Series 2016A Notes.

(b) Nothing in this Amended and Restated Trust Indenture or in the Series 2016A Notes contained shall affect or impair the right of action of any Owner to enforce such payment of its Series 2016A Note from the sources provided herein.

Section 7.4. Remedies Not Exclusive. No remedy by the terms of this Amended and Restated Trust 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 Amended and Restated Trust Indenture or existing at law or in equity or by statute on or after the date of the execution and delivery of this Amended and Restated Trust Indenture.

Section 7.5. Effect of Waiver and Other Circumstances. No delay or omission of the Trustee or any Owner to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or be an acquiescence therein. The Owners of not less than two-thirds in aggregate principal amount of the Series 2016A Notes at the time Outstanding, or their attorneys-in-fact duly authorized may on behalf of the Owners of all of the Series 2016A Notes waive any past default under this Amended and Restated Trust Indenture and its consequences, except a default in the payment of interest on or principal or Redemption Price of any of the Series 2016A Notes when due. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

ARTICLE VIII

REGARDING THE FIDUCIARIES

Section 8.1. Trustee Appointment and Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created, but only upon the additional terms set forth in this Article, to all of which the Board agrees and the respective Owners of the Series 2016A 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 Amended and Restated Trust Indenture.

Section 8.2. Paying Agents; Appointment and Acceptance of Duties. The Trustee is hereby appointed Paying Agent for the Series 2016A Notes. The Board may at any time or from time to time appoint one or more other Paying Agents. Any Paying Agent shall be a bank with trust powers or a trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least \$15,000,000, or shall be a wholly-owned subsidiary of such an entity, willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Amended and Restated Trust Indenture. The Trustee hereby accepts the duties and obligations imposed upon it as Paying Agent by this Amended and Restated Trust Indenture. Each other Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Amended and Restated Trust Indenture by executing and delivering to the Board and to the Trustee a written acceptance thereof.

Section 8.3. Registrar; Appointment and Acceptance of Duties. The Trustee is hereby appointed Registrar for the Series 2016A Notes. The Board may at any time or from time to time appoint one or more other Registrars. Any Registrar shall be a bank, trust company or national banking association doing business and having an office in the United States, if there be such a bank, trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon

it by this Amended and Restated Trust Indenture. The Trustee hereby accepts the duties and obligations imposed upon it as Registrar by this Amended and Restated Trust Indenture. Each other Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Amended and Restated Trust Indenture by executing and delivering to the Board and to the Trustee a written acceptance thereof.

Section 8.4. Responsibilities of Fiduciaries. (a) The recitals of fact herein and in the Series 2016A 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 Amended and Restated Trust Indenture or of any Series 2016A Notes issued hereunder or as to the security afforded by this Amended and Restated Trust Indenture, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for any representation contained in its certificate on the Series 2016A Notes. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Board or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified to its reasonable satisfaction. Subject to the provisions of paragraph (b) of this Section, no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

(b) In case an Event of Default has occurred and has not been remedied, the Trustee shall exercise such of the rights and powers vested in it by this Amended and Restated Trust 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 Amended and Restated Trust Indenture relating to action taken or to be taken by the Trustee, any other capacity the Trustee may serve hereunder or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

(c) The Trustee is under no obligation to exercise any of the rights or powers vested in it by this Amended and Restated Trust Indenture at the request or direction of any of the Owners of the Series 2016A Notes unless such Owners have offered to the Trustee security or indemnity satisfactory to the Trustee as to its terms, coverage, duration, amount and otherwise with respect to the costs, expenses and liabilities which may be incurred by it in compliance with such request or direction, and the provision of such indemnity shall be mandatory for any remedy taken upon direction of the Owners of 25% in aggregate principal amount of the Series 2016A Notes.

(d) The Trustee is not required to make any inquiry or investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, approval, Series 2016A Note, debenture or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit and, if the Trustee determines to make such further inquiry or investigation, it is entitled to examine the books, records and premises of the Board, in person or by agent or attorney.

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

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

(g) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Series 2016A Notes, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Series 2016A Notes. The Trustee shall not be liable or responsible in connection with the issuance of the Series 2016A Notes as obligations the interest on which is excludable from gross income for Federal income tax purposes or for the subsequent maintenance of the tax-exempt status of such interest.

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

Section 8.5. Evidence on Which Fiduciaries May Act. (a) Each Fiduciary shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, opinion (including a Counsel's Opinion), Series 2016A Note or other paper or document furnished to it pursuant to and conforming to the requirements of this Amended and Restated Trust 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 Amended and Restated Trust Indenture, such matter (unless this Amended and Restated Trust Indenture specifically requires other evidence thereof) may be deemed to be conclusively proved and established by a certificate of a Designated Official, but in its discretion the Fiduciary may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as it may deem reasonable.

(c) Except as otherwise expressly provided in this Amended and Restated Trust Indenture, any request, order, notice or other direction required or permitted to be furnished by the Board to any Fiduciary shall be sufficiently executed if signed by a Designated Official.

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

(e) In the event the Trustee receives inconsistent or conflicting requests and indemnity from two or more groups of Owners of Series 2016A Notes, each representing less than a majority in aggregate principal amount of the Series 2016A Notes Outstanding, pursuant to the provision of this Amended and Restated Trust Indenture, the Trustee, in its sole discretion, may determine what actions, if any, shall be taken.

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

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

Section 8.7. Certain Permitted Acts. Any Fiduciary may become the Owner of any Series 2016A Notes, with the same rights it would have if it did not act in any capacity hereunder. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Series 2016A Notes or this Amended and Restated Trust Indenture, whether or not any such committee shall represent the Owners of a majority in aggregate principal amount of the Series 2016A Notes then Outstanding.

Section 8.8. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by this Amended and Restated Trust Indenture by giving not less than sixty (60) days' written notice to the Board, all Owners of the Series 2016A Notes and the other Fiduciaries, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the Board or the Owners as provided in Section 8.10 and shall have accepted such appointment, in which event such resignation shall take effect immediately on the acceptance of such appointment by such successor whether or not the date specified for such resignation to take effect has arrived. If a

successor Trustee shall not have been appointed and accepted such appointment within a period of sixty (60) days following the giving of notice, then the Trustee, at the expense of the Board, shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as provided in Section 8.10.

Section 8.9. Removal of Trustee; Consent of Owners. The Trustee may be removed at any time by an instrument in writing approved by and executed in the name of the Board and delivered to the Trustee; *provided, however*, that if an Event of Default shall have occurred and be continuing, the Trustee may be so removed by the Board only with the written concurrence of the Owners of a majority in aggregate principal amount of Series 2016A Notes then Outstanding (excluding Series 2016A Notes held by or for the account of the Board). The Trustee may be removed at any time by the Owners of a majority in aggregate principal amount of the Series 2016A Notes then Outstanding, excluding any Series 2016A Notes held by or for the account of the Board, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys-in-fact duly authorized, and delivered to the Board. Copies of each such instrument shall be delivered by the Board to each Fiduciary.

Section 8.10. Appointment of Successor Trustee. (a) In case at any time the Trustee shall resign, be removed or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, the Board shall appoint a successor Trustee. The Board shall cause notice of any such appointment made by it to be mailed to all Owners of the Series 2016A Notes.

(b) If no appointment of a Trustee shall be made by the Board within sixty (60) days following such resignation or removal pursuant to the foregoing provisions of this Section 8.10, the Trustee or the Owner of any Series 2016A Note Outstanding hereunder may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(c) Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company or national bank association, doing business and having a corporate trust office in the State of Illinois, and having capital stock and surplus aggregating at least \$15,000,000, or shall be a wholly-owned subsidiary of such an entity, if there be such a bank, trust company, national banking association or subsidiary willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Amended and Restated Trust Indenture.

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

Section 8.11. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Amended and Restated Trust 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 Amended and Restated Trust Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument from the Board be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, such deed, conveyance or instrument shall be executed, acknowledged and delivered by the Board. Any such successor Trustee shall promptly notify any other Fiduciary of its appointment as Trustee.

Section 8.12. Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all of the corporate trust business of any Fiduciary may be sold or transferred, shall be the successor to such Fiduciary and be bound to the obligations and duties of such Fiduciary hereunder without the execution or filing of any paper or the performance of any further act, unless such successor delivers written notice of its resignation pursuant to the provisions of this Article; *provided, however*, that such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Amended and Restated Trust Indenture.

Section 8.13. Adoption of Authentication. In case any of the Series 2016A Notes shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Series 2016A Notes and deliver such Series 2016A Notes so authenticated; and in case any of the said Series 2016A Notes shall not have been authenticated, any successor Trustee may authenticate such Series 2016A Notes in the name of the predecessor Trustee or in its own name.

Section 8.14. Trustee Not Deemed to Have Notice of Default. The Trustee shall not be deemed to have notice of any default hereunder except a default under Section 7.1(1), (2) or (3) unless any officer in its corporate trust office shall have actual knowledge thereof or the Trustee shall be specifically notified in writing of such default by the Board, or by the Owners of not less than a majority in principal amount of the Series 2016A Notes Outstanding; and all notices or other instruments required by this Amended and Restated Trust Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the corporate trust office of the Trustee.

Section 8.15. Monthly Report by Trustee. Within twenty (20) days after the end of each calendar month, the Trustee shall prepare a written report for each Fund and Account held by it pursuant to the provisions of this Amended and Restated Trust 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, JPMS and any persons designated by the Board.

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

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.1. Supplemental Indentures Not Requiring Consent of Owners. The Board and the Trustee may without the consent of, or notice to, any of the Owners, enter into a Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

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

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

Section 9.3. Filing of Counsel's Opinion. Each Supplemental Indenture described in Section 9.1 shall be accompanied, when filed with the Trustee, by a Counsel's Opinion to the effect that such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of this Amended and Restated Trust Indenture, is authorized or permitted by this Amended and Restated Trust Indenture and, when executed and delivered, will be valid and binding upon the Board, the Owners and the Trustee.

ARTICLE X

AMENDMENTS

Section 10.1. Mailing. Any provision in this Article for the mailing of a notice or other information to Owners shall be fully complied with if it is mailed by first class mail, postage prepaid or delivered, to each Owner of Series 2016A Notes then Outstanding at its address, if any, appearing upon the registration books of the Board kept by the Trustee.

Section 10.2. Powers of Amendment. Exclusive of Supplemental Indentures covered by Section 9.1 and subject to the terms and provisions contained in this Section 10.2, and not otherwise, the Owners of not less than a majority in aggregate principal amount of the Series 2016A Notes then Outstanding shall each have the right, from time to time, to (i) consent to and approve the execution by the Board and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Amended and Restated Trust Indenture or in any supplemental indenture, or (ii) waive or consent to the taking by the Board of any action prohibited, or the omission by the Board of the taking of any action required, by any of the provisions of this Amended and Restated Trust Indenture or of any indenture supplemental hereto; *provided, however,* that nothing in this Section 10.2 or in Section 9.1 contained shall permit or be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the payment or redemption of any Series 2016A Note, (b) except for the pledge of the Pledged Tax Receipts in connection with the issuance of Additional Notes, the creation of any lien prior to or on a parity with the lien of this Amended and Restated Trust Indenture, without the consent of the Owners of all the Series 2016A Notes at the time Outstanding, (c) a reduction in the aforesaid aggregate principal amount of Series 2016A Notes, the Owners of which are required to consent to any such waiver or Supplemental Indenture, without the consent of the Owners of all the Series 2016A Notes at the time Outstanding which would be affected by the action to be taken, or (d) a modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (e) the loss of the exclusion from federal gross income of the Owners of the interest paid on the Series 2016A Notes held by a non-consenting Owner to the extent otherwise afforded under the Code and Regulations.

Section 10.3. Consent of Owners. The Board may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 10.2, to take effect when and as provided in this Section. Upon the authorization of such Supplemental Indenture, a copy thereof shall be delivered to and held by the Trustee for the inspection of the Owners. A copy of such Supplemental Indenture (or summary thereof or reference thereto in form approved by the Trustee) together with a request to Owners for their consent thereto in form satisfactory to the Trustee, shall be mailed to the Owners, but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as in this Section provided. Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms

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

Section 10.4. Modifications by Unanimous Action. This Amended and Restated Trust Indenture and the rights and obligations of the Board and of the Owners of the Series 2016A Notes may be modified or amended in any respect by a Supplemental Indenture effecting such modification or amendment and with the consents of the Owners of all the Series 2016A Notes then Outstanding, each such consent to be accompanied by proof of the holding at the date of such consent of the Series 2016A Notes with respect to which such consent is given. Such Supplemental Indenture shall take effect upon the filing (a) with the Trustee of (i) a copy thereof, (ii) such consents and accompanying proofs and (iii) the Counsel's Opinion referred to in Section 10.3 and (b) with the Board of the Trustee's written statement that the consents of the Owners of all Outstanding Series 2016A Notes have been filed with it. No mailing of any Supplemental Indenture (or reference thereto or summary thereof) or of any request or notice shall be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its written consent thereto.

Section 10.5. Exclusion of Series 2016A Notes. Unless all Series 2016A Notes are owned or held by or for the account of the Board, Series 2016A Notes owned or held by or for the account of the Board shall not be deemed Outstanding and shall be excluded for the purpose of any calculation required by this Article. At the time of any consent or other action taken under this Article, the Board shall furnish the Trustee a certificate of a Designated Official, upon which the Trustee may rely, identifying all Series 2016A Notes so to be excluded.

Section 10.6. Notation on Series 2016A Notes. Series 2016A Notes of a Sub-series authenticated and delivered after the effective date of any action taken as in Article IX or this Article provided may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Board and the Trustee as to such action, and upon demand of the Owner of any Series 2016A Note Outstanding at such effective date and presentation of its Series 2016A Note to the Trustee, suitable notation shall be made on such Series 2016A Note by the Trustee as to any such action. If the Board or the Trustee shall so determine, new Series 2016A Notes of the same Sub-series so modified which, in the opinion of the Trustee and the Board, conform to such action may be prepared, authenticated and delivered, and upon demand of the Owner of any Series 2016A Note then Outstanding shall be exchanged, without cost to such Owner, for such Series 2016A Note then Outstanding.

ARTICLE XI

MISCELLANEOUS

Section 11.1. Defeasance. (a) If the Board shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Series 2016A 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 Amended and Restated Trust Indenture, then the pledge of the Trust Estate under this Amended and Restated Trust 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 Amended and Restated Trust Indenture which are not required for the payment of Series 2016A Notes not previously surrendered for such payment or redemption. If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Series 2016A Notes of a particular maturity or portion of any maturity, the principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in this Amended and Restated Trust Indenture, such Series 2016A Notes shall cease to be entitled to any lien, benefit or security under this Amended and Restated Trust Indenture, and all covenants, agreements and obligations of the Board to the Owners of such Series 2016A Notes and to the Trustee shall thereupon be discharged and satisfied.

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

Date or Redemption Date shall be deemed to have been paid within the meaning of and with the effect expressed in this Section 11.1 if the Board shall have delivered to or deposited with the Trustee (a) irrevocable instructions to pay or redeem all of said Series 2016A Notes in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their principal, (b) irrevocable instructions to mail the required notice of redemption of any Series 2016A Notes so to be redeemed, (c) either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys which shall be sufficient, in the opinion of a nationally recognized firm of independent public accountants, without further reinvestment, to pay when due the principal, Redemption Price, if applicable, and interest due and to become due on said Series 2016A Notes on and prior to each specified Redemption Date or Maturity Date thereof, as the case may be, and (d) if any of said Series 2016A Notes are not to be redeemed within the next succeeding sixty (60) days, irrevocable instructions to mail to all Owners of said Series 2016A Notes a notice that such deposit has been made with the Trustee and that said Series 2016A Notes are deemed to have been paid in accordance with this Section and stating the Maturity Date or Redemption Date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of said Series 2016A Notes. In determining the amount of any deposit to be made pursuant to clause (iii) of the preceding sentence, the Variable Interest Rate borne by the Series 2016A Notes shall be assumed to be 9% for any period of time during which the actual Variable Interest Rate borne by the Series 2016A Notes is not known. The Defeasance Obligations and moneys deposited with the Trustee pursuant to this Section shall be held in trust for the payment of the principal or Redemption Price, if applicable, and interest on said Series 2016A Notes. No payments of principal of any such Defeasance Obligations or interest thereon shall be withdrawn or used for any purpose other than the payment of such principal or Redemption Price of, or interest on, unless after such withdrawal the amount held by the Trustee and interest to accrue on Defeasance Obligations so held shall be sufficient to provide fully for the payment of the principal of or Redemption Price and interest on said Series 2016A Notes, at maturity or upon redemption, as the case may be.

(c) Anything in this Amended and Restated Trust Indenture to the contrary notwithstanding, any moneys held by any Fiduciary in trust for the payment and discharge of any of the Series 2016A Notes which remain unclaimed for two years after the date when such Series 2016A Notes have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with such Fiduciary after the said date when such Series 2016A Notes become due and payable, shall, at the written request of the Board, be repaid by the Fiduciary to the Board, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect thereto and the Owners of such Series 2016A Notes shall look only to the Board for the payment of such Series 2016A Notes.

Section 11.2. Evidence of Signatures of Owners and Ownership of Series 2016A Notes.

(a) Any request, consent, revocation of consent or other instrument which this Amended and Restated Trust Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the holding by any Person of

the Series 2016A Notes shall be sufficient for any purpose of this Amended and Restated Trust Indenture (except as otherwise herein expressly provided) if made in the following manner, or in any other manner satisfactory to the Trustee, which may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

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

(2) The ownership of Series 2016A Notes and the amount, numbers and other identification and date of holding the same shall be proved by the registration book maintained by the Trustee or any Registrar.

(b) Any request or consent by the Owner of any Series 2016A Note shall bind all future Owners of such Series 2016A Note in respect of anything done or suffered to be done by the Board or any Fiduciary in accordance therewith.

Section 11.3. Moneys Held for Particular Series 2016A Notes. The amounts held by any Fiduciary for the payment of interest, principal or Redemption Price due on any date with respect to particular Series 2016A Notes shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Series 2016A Notes entitled thereto.

Section 11.4. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Amended and Restated Trust Indenture, shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Board, any other Fiduciary, and any Owner and their agents and their representatives, any of whom may make copies thereof.

Section 11.5. Cancellation and Destruction of Series 2016A Notes. All Series 2016A Notes paid or redeemed, either at or before maturity, and all mutilated Series 2016A Notes surrendered pursuant to Section 2.6, shall be delivered to the Trustee when such payment or redemption is made or upon surrender, as the case may be, and such Series 2016A Notes, together with all Series 2016A Notes purchased by the Trustee, shall thereupon be promptly canceled. Series 2016A Notes so canceled may at any time be destroyed by the Trustee, who shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Series 2016A Notes so destroyed, and one executed certificate shall be delivered to the Board and the other retained by the Trustee.

Section 11.6. Parties' Interest Herein. Nothing in this Amended and Restated Trust Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Board, the Fiduciaries and the Owners of the Series 2016A Notes, any right, remedy or claim under or by reason of this Amended and Restated Trust Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this Amended and Restated Trust Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Fiduciaries and the Owners of the Series 2016A Notes.

Section 11.7. No Recourse on the Series 2016A Notes. (a) No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Series 2016A Notes or for any claim based thereon or on this Amended and Restated Trust Indenture against any past, present or future member, director, officer, employee or agent of the Board, or any successor, public body or any person executing the Series 2016A Notes, either directly or through the Board, under any rule of law or equity, statute or constitution or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Amended and Restated Trust Indenture and the issuance of the Series 2016A Notes.

(b) No member, officer, director, agent or employee of the Board shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Series 2016A Notes; but nothing herein contained shall relieve any such member, officer, director, agent or employee from the performance of any official duty provided by law.

(c) All covenants, stipulations, obligations and agreements of the Board contained in this Amended and Restated Trust Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the Board to the full extent authorized and permitted by the Constitution and laws of the State of Illinois, and no covenants, stipulations, obligations or agreements contained herein shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, director, agent or employee of the Board in his or her individual capacity, and no officer executing the Series 2016A Notes shall be liable personally on the Series 2016A Notes or be subject to any personal liability or accountability by reason of the issue thereof. No member, officer, director, agent or employee of the Board shall incur any personal liability in acting or proceeding or in not acting or not proceeding in accordance with the terms of this Amended and Restated Trust Indenture.

Section 11.8. Successors and Assigns. Whenever in this Amended and Restated Trust 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 Amended and Restated Trust Indenture contained by or on behalf of the Board shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

Section 11.9. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Amended and Restated Trust 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 Amended and Restated Trust Indenture.

Section 11.10. Notices. Any notice, demand, direction, request or other instruments authorized or required by this Amended and Restated Trust Indenture to be given to, delivered to or filed with the Board, the Trustee or JPMS shall be deemed to have been sufficiently given, delivered or filed for all purposes of the Indenture if and when sent by registered mail, postage prepaid, return-receipt requested:

To the Board, if addressed to: Board of Education of the City of Chicago
42 West Madison Street
Second Floor
Chicago, Illinois 60602
Attention: Senior Vice President of Finance
Telephone: (773) 553-1561
Email: rdenard@cps.edu

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

To the Trustee, if addressed to: Zions Bank, a Division of ZB, National Association
111 West Washington Street, Suite 1860
Chicago, Illinois 60602
Attention: Daryl Pomykala
Telephone: (312) 763-4256
Email: Daryl.Pomykala@Zionsbank.com

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

To JPMS, if addressed to: J.P. Morgan Securities LLC
383 Madison Avenue, 8th Floor
New York, New York 10179
Mail Code: NY1-M077
Attention: Charlie Giffin
Telephone: (212) 834-7224

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

Section 11.12. Headings Not a Part of This Amended and Restated Trust Indenture. Any headings preceding the texts of the several Articles and Sections hereof, and any Table of Contents appended to copies hereof, are solely for convenience of reference and do not constitute a part of this Amended and Restated Trust Indenture, nor do they affect its meaning, construction or effect.

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

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

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

BOARD OF EDUCATION OF THE CITY OF CHICAGO

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

ATTEST:

Secretary, Board of Education of the
City of Chicago

ZIONS BANK, a Division of ZB, National
Association, as Trustee

By: _____
Authorized Officer

[SEAL]

ATTEST:

Authorized Officer

**SCHEDULE I
TO
TRUST INDENTURE**

SERIES 2016A NOTES

ISSUE DATE	SUB-SERIES DESIGNATION	PRINCIPAL AMOUNT	INTEREST RATE	CUSIP
September 8, 2016	2016A-1	\$325,000,000	Variable Rate	167505 RE8
October 3, 2016	2016A-2	\$150,000,000	Variable Rate	167505 RF5
November 10, 2016	2016A-3	\$475,000,000	Variable Rate	167505 RG3

EXHIBIT A
TO
TRUST INDENTURE

FORM OF SERIES 2016A NOTE

No. R-1

\$ _____

UNITED STATES OF AMERICA
STATE OF ILLINOIS
BOARD OF EDUCATION OF THE CITY OF CHICAGO
EDUCATIONAL PURPOSES TAX ANTICIPATION NOTES, SERIES 2016A-__

Issue Date: _____, 2016

CUSIP: _____

Registered Owner:

Principal Amount:

The BOARD OF EDUCATION OF THE CITY OF CHICAGO (the “*Board*”), a school district organized and existing under the laws of the State of Illinois, for value received, hereby promises to pay (but only out of the sources hereinafter provided) to the registered owner identified above, or registered assigns, on the maturity date specified herein, unless this Series 2016A-__ Note shall have been called for redemption and payment of the redemption price shall have been duly made or provided for, upon presentation and surrender hereof, the Principal Amount specified above, and to pay (but only out of the sources hereinafter provided) interest on the balance of said principal sum from time to time remaining unpaid from and including the Issue Date specified above, until payment of said Principal Amount has been made or duly provided for.

Payments. Interest on Series 2016A-__ Notes shall be payable on each Interest Payment Date (as defined in the hereinafter-defined Indenture). The principal of the Series 2016A-__ Notes shall be payable in applicable amounts on each Principal Payment Date (as defined in the hereinafter-defined Amended and Restated Trust Indenture).

The principal and interest on the Series 2016A-__ Notes shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Payment of interest on Series 2016A-__ Notes shall be paid on each Interest Payment Date by check or bank draft mailed or delivered by Zions Bank, a Division of ZB, National Association, as trustee (the “*Trustee*”) to the Owners as the same appear on the registration books of the Board maintained by the Registrar as of the Record Date or, at the option of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2016A-__ Notes, by wire

transfer of immediately available funds to such bank in the continental United States as said Owner shall request in writing to the Registrar no later than the Record Date.

Interest accrued on the Series 2016A-__ Notes shall be paid in arrears on each Interest Payment Date. Interest on the Series 2016A-__ Notes shall be computed upon the basis of a 360-day year and actual days elapsed.

Interest Rates. The Series 2016A-__ Notes shall bear interest at the Variable Rate as provided in the Amended and Restated Trust Indenture. Under circumstances specified in the Indenture the Series 2016A-__ Notes may bear interest at a Taxable Rate or a Default Rate.

General. This Series 2016A-__ Note is one of a duly authorized issue of not to exceed \$____,000,000 aggregate principal amount Educational Purposes Tax Anticipation Notes, Series 2016A-__, of the Board (the “*Series 2016A-__ Notes*”). The Series 2016A-__ Notes are issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, including the School Code and the Local Government Debt Reform Act of the State of Illinois, as amended (the “*Act*”) and an Amended and Restated Trust Indenture dated as of November 1, 2016 (the “*Amended and Restated Trust Indenture*”), by and between the Board and the Trustee. The Series 2016A-__ Notes are being issued in anticipation of property taxes levied by the Board for educational purposes for the year 2016.

Limited Obligations. The Series 2016A-__ Notes are limited obligations of the Board and are payable solely from Pledged Tax Receipts, as defined in the Amended and Restated Trust Indenture, *provided* that the pledge of Pledged Tax Receipts with respect to the Series 2016A-__ Notes is on a parity with the pledge thereof as security for the payment of other Tax Anticipation Notes of the Board. Neither the full faith and credit nor the taxing power of the Board is pledged to the payment of the principal of or interest on the Series 2016A-__ Notes.

Maturity Date. The maturity date of this Series 2016A-__ Note is the earlier of (i) December 15, 2017 or (ii) (A) September 30, 2017, if the Tax Penalty Date is on or prior to August 1, 2017 or (B) the 60th day following the Tax Penalty Date, if the Tax Penalty Date is later than August 1, 2017.

Redemption and Prepayment. The Series 2016A-__ Notes shall be subject to redemption prior to their Maturity Date at the option of the Board, in whole or in part (and, if in part, in an Authorized Denomination) on any Business Day occurring on or after July 15, 2017, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the Redemption Date. The Board reserves the right to direct the Trustee to purchase on any Business Day on or after July 15, 2017 for immediate cancellation, any Series 2016A-__ Notes or beneficial interests therein from the registered owner of any Series 2016A-__ Notes or from the Beneficial Owner of any Series 2016A-__ Notes, as provided in the Amended and Restated Trust Indenture.

In addition, if an event of default has occurred under the Note Purchase Agreement, the Series 2016A Notes or under the Amended and Restated Trust Indenture, or if any of the events set forth below have occurred, the Board shall redeem the Series 2016A-__ Notes in whole on or

before April 15, 2017, at a redemption price equal to 100 percent of the principal amount thereof plus accrued interest, if any, to the Redemption Date, by applying or causing to be applied to the payment of such Series 2016A-__ Notes, all proceeds of the Pledged Tax Receipts collected as part of the first installment of Pledged Taxes expected to be received in March 2017, whether or not such proceeds are then held by the Board or are otherwise on deposit in the Escrow Account in accordance with the terms and provisions of the Amended and Restated Tax Escrow Agreement.

The Board shall be required to immediately redeem the Series 2016A-__ Notes upon the occurrence of any of the following events:

(a) Evidence that the Board has sought to have (or had an involuntary filing against it for) an order for relief entered with respect to it or seeking to adjudicate it insolvent or bankrupt, including, without limitation in such context, the appointment of a receiver, trustee, custodian, liquidator or other similar official for itself or for any substantial part of the Board's property, or that the Board has taken action in furtherance of, or indicating its consent to, any of the foregoing;

(b) A default or event of default has occurred and is continuing under any other agreement relating to any other Tax Anticipation Notes payable from Pledged Tax Receipts; or

(c) If in any case or proceeding involving the Board, a court or other governmental authority shall rule or otherwise make a determination that the Board is not legally entitled to levy or collect Pledged Taxes, or that Pledged Tax Receipts shall not be available to pay the expenses of the Board or the Series 2016A Notes at any time, in either case, at the discretion of the Board, or any such court or other governmental authority shall make any other ruling or determination that adversely affects or limits the security for the Series 2016A Notes.

Registration. This Series 2016A-__ Note is transferable by the registered owner hereof in person or by such registered owner's attorney duly authorized in writing at the principal corporate trust office of the Trustee, but only in the manner and subject to the limitations provided in the Amended and Restated Trust Indenture.

Defeasance. Provision for payment of all or any portion of the Series 2016A-__ Notes may be made, and the Amended and Restated Trust Indenture may be discharged, prior to payment of the Series 2016A-__ Notes in the manner provided in the Amended and Restated Trust Indenture.

Miscellaneous. The registered owner of this Series 2016A-__ Note shall have no right to enforce the provisions of the Amended and Restated Trust Indenture or to institute action to enforce the covenants therein, or to take any action with respect to any event of default under the Amended and Restated Trust Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Amended and Restated Trust Indenture.

Copies of the Amended and Restated Trust Indenture are on file at the designated office of the Trustee, and reference to the Amended and Restated Trust Indenture and any and all supplements thereto and modifications and amendments thereof is made for a description of the pledge and covenants securing the Series 2016A-_ Notes, the nature, extent and manner of enforcement of such pledge, the rights and remedies of the registered owners of the Series 2016A-_ Notes, and the limitations on such rights and remedies.

Terms used in this Series 2016A-_ Note shall have the same meanings as set forth in the Amended and Restated Trust Indenture.

It is hereby certified, recited and declared that this Series 2016A-_ Note is issued in part pursuant to the Local Government Debt Reform Act and that all acts and conditions required to be done, exist and be performed precedent to and in the execution and delivery of the Amended and Restated Trust Indenture and the issuance of this Series 2016A-_ Note have been performed in due time, form and manner as required by law; that the indebtedness of the Board, including the issue of Series 2016A-_ Notes of which this is one, does not exceed any limitation imposed by law.

This Series 2016A-_ Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Amended and Restated Trust Indenture until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this Series 2016A-_ Note to be signed in its name and on its behalf by the manual or duly authorized facsimile signature of its President and attested by the manual or duly authorized facsimile signature of its Secretary, all as of the Dated Date identified above.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: _____
President, Board of Education of the City
of Chicago

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

ATTEST:

Secretary, Board of Education of the
City of Chicago

[Form of Certificate of Authentication]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Series 2016A-_ Note is one of the Series 2016A-_ Notes described in the within-mentioned Amended and Restated Trust Indenture.

Date of Authentication and Delivery: Zions Bank, a Division of ZB, National
 Association, as Trustee

_____, 2016

By: _____
Authorized Signatory

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common

UNIF GIFT MIN ACT –
Custodian

(Cust)

(Minor)

TENANT – as tenants by the entirety

under Uniform Gifts to Minors Act

JT TEN – as joint tenants with right
of survivorship and not as
tenants in common

(State)

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

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

(Name and Address of Assignee)

this Series 2016A-__ Note of the Board of Education of the City of Chicago and does hereby
irrevocably constitute and appoint _____

to transfer said Series 2016A-__ Note on the books kept for registration thereof with full power of
substitution in the premises.

Dated: _____

Signature: _____

Signature Guaranteed: _____

NOTICE: The signature to this assignment must correspond with the name as it appears
upon the face of this Series 2016A-__ Note in every particular, without alteration
or enlargement or any change whatever.

EXHIBIT B
TO
AMENDED AND RESTATED TRUST INDENTURE

Zions Bank, a Division of ZB, National Association, as Trustee
Chicago, Illinois

J.P. Morgan Securities LLC, as Purchaser
Chicago, Illinois

FORM OF
CERTIFICATE AND DIRECTION OF BOARD REGARDING [SERIES 2016A-__] ADVANCE

I am an Authorized Officer of the Board of Education of the City of Chicago (the “Board”), and, as such, I am familiar with the terms and provisions of (i) the Amended and Restated Trust Indenture, dated as of November 1, 2016 (the “*Amended and Restated Trust Indenture*”) between the Board and Zions Bank, a Division of ZB, National Association, as Trustee (the “*Trustee*”) authorizing the issuance of the Board’s Educational Purposes Tax Anticipation Notes, Series 2016A in the maximum aggregate principal amount of \$950,000,000 in Sub-series representing multiple Advances (the “*Series 2016A Notes*”) and (ii) the Note Purchase Agreement dated November __, 2016 (the “*Second Note Purchase Agreement*”), between the Board and J.P. Morgan Securities LLC, as initial purchaser of the Series 2016A-3 Notes (the “*Initial Purchaser*”). Capitalized terms used but not defined herein shall have the same meaning as in the Amended and Restated Trust Indenture, provided that the certifications contained in paragraphs 3 through 9 below are made pursuant to Section 8(h) of the Second Note Purchase Agreement and capitalized terms used in said paragraphs without definition shall have the same meaning as in the Second Note Purchase Agreement. As Authorized Officer designated under the Amended and Restated Trust Indenture, I hereby certify as follows with respect to the [Series 2016A-__] Advance described below on the Series 2016A Notes:

1. In connection with the [Series 2016A-__] Advance in the amount of \$_____ (the “[*Series 2016A-__*] Advance”) to be made on _____, 2016 (the “[*Series 2016A-__*] Advance Date”), the Board hereby directs the Trustee to issue additional Series 2016A Notes, bearing the Series designation [Series 2016A-__], in the aggregate principal amount of \$_____ (the “[*Series 2016A-__*] Notes”), such that the aggregate principal amount of Series 2016A Notes Outstanding equals \$_____, which represents the sum of the aggregate principal amount of Series 2016A-1 Notes Outstanding immediately prior to the [Series 2016A-__] Advance of \$_____ and the [Series 2016A-__] Advance. Taking into account such [Series 2016A-__] Advance, the aggregate amount of Advances (\$_____) does not exceed the maximum aggregate principal amount of the lesser of (1) \$1,550,000,000 on or before March 31, 2017 or \$950,000,000 on or after April 1, 2017 and (2) eighty percent (80%) of the Uncollected Pledged Taxes less any principal amount of Series 2016A-1 Notes or Series 2016A-2 Notes purchased for cancellation pursuant to Section 3.5 of the Original Trust Indenture.

2. The issuance of the [Series 2016A-___] Notes related to the [Series 2016A-___] Advance described above shall be evidenced by the Trustee authenticating and delivering to the Initial Purchaser the [Series 2016A-___] Notes through the facilities of DTC.

3. Each of the representations and warranties of the Board contained in the Amended and Restated Trust Indenture and the Note Purchase Agreement are true and correct as of the date hereof as if made on the date hereof.

4. The Board has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the issuance of the [Series 2016A-___] Notes.

5. The consummation of any of the transactions contemplated by the Board Documents or the Note Purchase Agreement will not violate any material law, rule or regulation applicable to the Board or the Board's obligations under the Note Purchase Agreement.

6. There has been no event or circumstance except as disclosed in the Official Statement dated September 1, 2016 with respect to the Board's \$150,000,000 Unlimited Tax General Obligation Bonds (Dedicated Revenues) Series 2016B, or otherwise disclosed to the Initial Purchaser in writing, that has had or could be reasonably expected to have, either individually or in the aggregate, a Material Adverse Effect.

7. No default or event of default shall have occurred and be continuing under any of the Board Documents as of the date hereof or will result from the execution and delivery by the Board of the [Series 2016A-___] Notes.

8. The Board is fully in compliance with the terms of the Bank Agreements to which it is a party as of the date hereof, and no default or event of default exists thereunder as of the date hereof or will result from the execution and delivery by the Board of the [Series 2016A-___] Notes. For purposes of the foregoing, "*Bank Agreements*" means any agreement entered into with any lender, creditor or holder of indebtedness under which the Board has pledged the Pledged Taxes to secure its obligations.

[9. There is no action, suit, proceeding or investigation before or by any court or public board or body pending or threatened against the Board to restrain or enjoin the issuance, execution or delivery of the [Series 2016A-___] Notes or in any manner questioning the proceedings or authority for the issuance of the [Series 2016A-___] Notes or affecting directly or indirectly the validity of the [Series 2016A-___] Notes or of any provisions made or authorized for their payment or contesting the existence of the Board or the title of any of its officers to their respective offices.

10. Each of the Amended and Restated Trust Indenture, the Note Purchase Agreement, the Tax Agreement, and any certificate executed and delivered by the Board

in connection therewith, has not been amended or modified and is in full force and effect as of the date hereof. Each such agreement constitutes a legal, valid and binding obligation of the Board enforceable against the Board in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, arrangements, fraudulent conveyance, moratorium, or other laws or equitable principles relating to or affecting the enforcement of creditors' rights generally, by application of equitable principles.]

11. The Board has not been notified, either directly or indirectly, by Ice Miller LLP and Pugh, Jones & Johnson, P.C., that their approving opinions dated _____, 2016, with respect to the validity of the Series 2016A Notes and the exclusion from gross income for federal income tax purposes of interest thereon has been withdrawn or may no longer be relied upon without the substitution of a revised Opinion of Bond Counsel acceptable to the Trustee, the Board and JPMS.

12. The request by the Board for a [Series 2016A-__] Advance is being made in accordance with the terms of the Tax Agreement. The [Series 2016A-__ Advance] referenced herein is intended by the Board to be treated as being part of a single issue of tax exempt obligations issued on November __, 2016, the original date of issuance of the Series 2016A-3 Notes. The treatment in this paragraph of the Series 2016A-__ Notes, and all Advances in connection therewith, reflects the economic substance of the transaction and does not avoid Section 103 or any of Sections 141 through 150 of the Internal Revenue Code of 1986, as amended, or the general purposes thereof.

13. The authorization for the issuance of Tax Anticipation Notes contained in the Note Resolution is available and sufficient to authorize and include such Advance. The Note Resolution has not been amended, modified, withdrawn or rescinded. The attached Exhibit A sets forth the principal amounts of notes authorized under the Note Resolution, the principal amounts of notes issued thereunder, the principal amounts of Series 2016A Notes redeemed pursuant to the Amended and Restated Trust Indenture (as applicable) and the other Tax Anticipation Notes and the principal amount of Tax Anticipation Notes that have been retired by purchase, redemption or maturity.

14. The Trustee is hereby directed to execute and deliver the Certificate of Trustee Regarding [Series 2016A-__] Advance related to the [Series 2016A-__] Advance described herein in substantially the form of *Exhibit C* to the Amended and Restated Trust Indenture as required pursuant to Section 2.7[(c)][(d)][(e)] of the Amended and Restated Trust Indenture.

15. The aggregate principal amount of all outstanding obligations secured by Pledged Tax Receipts, including all Outstanding Tax Anticipation Notes, including the increased principal amount of Series 2016A Notes in connection with this [Series 2016A-__] Advance and any supplemental advance with respect to other Tax Anticipation Notes being made simultaneously herewith, does not exceed the lesser of (1) \$1,550,000,000 and (2) eighty percent (80%) of the Uncollected Pledged Taxes on this date.

Pursuant to the Note Purchase Agreement, JPMS will purchase additional Series 2016A Notes designated as the [Series 2016A-__] Notes in the form of a [Series 2016A-__] Advance, in the amount set forth in paragraph 1 above on the [Series 2016A-__] Advance Date. The following are wire instructions of where JPMS should send the [Series 2016A-__] Advance.

Bank: _____
ABA#: _____
Credit A/C#: _____
FFC Trust #: _____

Dated: _____, 2016

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: _____
Authorized Officer

cc: Co-Bond Counsel

EXHIBIT A

	NOTE RESOLUTION	THIS SERIES
Amount Authorized	\$	
Less Principal Amount Redeemed		
Series 2016A-1 Notes		
Series 2016A-2 Notes		
Series 2016A-3 Notes		
Less Principal Amount Issued and Not Redeemed		
Series 2016A-1 Notes		
Series 2016A-2 Notes		
Series 2016A-3 Notes	_____	_____
Principal Amount Available	\$	\$

EXHIBIT C
TO
AMENDED AND RESTATED TRUST INDENTURE

FORM OF
CERTIFICATE OF TRUSTEE
REGARDING [SERIES 2016A-__] ADVANCE

J.P. Morgan Securities LLC, as Purchaser
Chicago, Illinois

Board of Education of the City of Chicago
Chicago, Illinois

The undersigned hereby certifies that he/she is the authorized representative of Zions Bank, a Division of ZB, National Association, as Trustee under an Amended and Restated Trust Indenture dated as of November 1, 2016 (the “*Amended and Restated Trust Indenture*”) between it and the Board of Education of the City of Chicago (the “*Board*”), pursuant to which the Board has issued its Educational Purposes Tax Anticipation Notes, Series 2016A (the “*Series 2016A Notes*”). This Certificate is delivered pursuant to Section 2.7(c) of the Amended and Restated Trust Indenture and is delivered in connection with a Series 2016A-3 Advance to the Series 2016A Notes. Capitalized terms not otherwise defined herein shall have the meaning specified in the Amended and Restated Trust Indenture.

The undersigned hereby certifies as follows:

1. The Trustee has received the executed Certificate and Direction of Board Regarding [Series 2016A-__] Advance dated _____, 2016 (the “*Certificate and Direction*”) pursuant to Section 2.7(c) of the Amended and Restated Trust Indenture, with respect to the [Series 2016A-__] Advance to be made on _____, 2016, in the amount of \$_____ (the “[*Series 2016A-__*] Advance”).
2. The Trustee has received no notice, either directly or indirectly, from the Board or JPMS of the early termination of the Note Purchase Agreement, nor has it received any notice, either directly or indirectly, from the Board or JPMS of an Event of Default or an event which with the passage of time or the giving of notice would constitute an Event of Default under the Amended and Restated Trust Indenture or the Note Purchase Agreement.
3. The Trustee has authenticated and delivered the [Series 2016A-__] Notes, in the form set forth in Exhibit A to the Amended and Restated Trust Indenture and having the terms described in Schedule I to the Amended and Restated Trust Indenture, to the Initial Purchaser through the facilities of DTC.

4. Upon receipt of the net proceeds of the [Series 2016A-___] Advance contemplated by the Certificate and Direction, the Trustee will deposit such net proceeds in accordance with such instructions.

5. The aggregate principal amount of all outstanding obligations secured by Pledged Tax Receipts, including all Outstanding Tax Anticipation Notes, including the increased principal amount of Series 2016A Notes in connection with this [Series 2016A-___] Advance and any supplemental advance with respect to other Tax Anticipation Notes being made simultaneously herewith, does not exceed the lesser of (1) \$1,550,000,000 on or before March 31, 2017 or \$950,000,000 on or after April 1, 2017 and (2) eighty percent (80%) of the Uncollected Pledged Taxes on this date.

Dated: _____, 2016

Zions Bank, a Division of ZB, National
Association, as Trustee

By: _____
Title: _____

EXHIBIT D
TO
AMENDED AND RESTATED TRUST INDENTURE

FORM OF INVESTOR LETTER

_____, 20__

Board of Education of the City of Chicago
Office of Senior Vice President of Finance
42 West Madison Street
Second Floor
Chicago, IL 60602

Re: \$_____

Board of Education of the City of Chicago
Educational Purposes Tax Anticipation Notes, Series 2016A-__

Ladies and Gentlemen:

This letter is to provide you with certain representations and agreements with respect to our purchase of all or a portion of the above-referenced Series 2016A-__ Notes (the “*Series 2016A-__ Notes*”). The Series 2016A-__ Notes are issued under and secured in the manner set forth pursuant to an Amended and Restated Trust Indenture dated as of November 1, 2016, between the Board of Education of the City of Chicago (the “*Issuer*”) and Zions Bank, a Division of ZB, National Association (the “*Trustee*”) (the “*Amended and Restated Trust Indenture*”). _____ (the “*Purchaser*,” the “*undersigned*,” “*us*” or “*we*,” as applicable) is purchasing beneficial ownership of the Series 2016A-__ Notes in the principal amount identified above, and in connection with such purchase, we hereby represent and warrant to you and agree with you as follows:

1. We understand that the Series 2016A-__ Notes have not been registered pursuant to the Securities Act of 1933, as amended (the “*1933 Act*”), the securities laws of any state, nor has the Amended and Restated Trust Indenture been qualified pursuant to the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. We acknowledge that the Series 2016A-__ Notes (i) are not being registered or otherwise qualified for sale under the “blue sky” laws and regulations of any state, (ii) will not be listed on any securities exchange, (iii) will not carry a rating from any rating service, and (iv) will not be delivered in a form that is readily marketable.

2. We have not offered, offered to sell, offered for sale or sold any of the Series 2016A-__ Notes by means of any form of general solicitation or general

advertising, and we are not an underwriter of the Series 2016A-__ Notes within the meaning of Section 2(11) of the 1933 Act.

3. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Series 2016A-__ Notes.

4. We have authority to purchase the Series 2016A-__ Notes and to execute this letter and any other instruments and documents required to be executed by us in connection with the purchase of the Series 2016A-__ Notes.

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

6. The undersigned is either (a) a “qualified institutional buyer” as defined in Rule 144A promulgated under the 1933 Act (a “*QIB*”) or (b) an “accredited investor” as defined in Rule 501 of Regulation D under the 1933 Act (an “*Accredited Investor*”) and, as such, is able to bear the economic risks of such investment in the Series 2016A Notes-__. The Purchaser understands that, in certain circumstances, it may be required to hold the Series 2016A-__ Notes until the maturity thereof.

7. The undersigned understands that a Limited Offering Memorandum was delivered by the Issuer as required pursuant to the terms of the Note Purchase Agreement, which Limited Offering Memorandum may be updated after its delivery in accordance with the Note Purchase Agreement.

8. We understand and acknowledge that the Series 2016A-__ Notes are limited obligations of the Issuer payable solely from the tax revenue collected from the tax levy of the Board for educational purposes for the year 2016 (the “*2016 Tax Levy*”), and that neither the full faith and credit nor the taxing power of the Issuer is pledged to the payment of the principal of or interest on the Series 2016A-__ Notes.

9. The undersigned acknowledges that it is familiar with the condition, financial or otherwise, of the Issuer and it has either been supplied with or been given access to information, including financial statements and other financial information, regarding the Issuer, to which a reasonable investor would attach significance in making investment decisions, and has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer, the Series 2016A-__ Notes and the security therefor, so that as a reasonable investor, it has been able to make its decision to purchase the Series 2016A-__ Notes. The undersigned acknowledges that it does not require further information from the Board for purposes of purchasing the Series 2016A-__ Notes.

10. The Purchaser has made its own inquiry and analysis with respect to the Series 2016A-__ Notes and the security therefor, and other material factors affecting the security and payment of the Series 2016A-__ Notes. The Purchaser has assumed responsibility for obtaining such information and making such review as the Purchaser deemed necessary or desirable in connection with its decision to purchase the Series 2016A-__ Notes. The Purchaser is aware that the business of the Issuer involves certain economic variables and risks that could adversely affect the security for the Series 2016A-__ Notes.

11. The Series 2016A-__ Notes are being acquired by the Purchaser for its own account with no current intention to resell or distribute the Series 2016A-__ Notes; *provided, however*, that the Purchaser reserves the right to sell, transfer or redistribute its beneficial ownership in the Series 2016A-__ Notes, subject to the provisions of the Indenture, and agrees that any such sale, transfer or distribution by the Purchaser shall be in accordance with the Amended and Restated Trust Indenture. The Purchaser acknowledges that Section 2.5(d) of the Amended and Restated Trust Indenture provides that any transferee or purchaser of all or any portion of the Series 2016A-__ Notes or any beneficial interest therein, by such transfer or purchase will be deemed to have made all the acknowledgements, representations and agreements contained in the Investor Letter substantially in the form attached to the Amended and Restated Trust Indenture as Exhibit D as of the date of such transfer or purchase as if such transferee or purchaser had executed the Investor Letter.

12. The Purchaser agrees to comply with any applicable state and federal securities laws then in effect with respect to any disposition of the Series 2016A-__ Notes by it, and further acknowledges that any current exemption from registration of the Series 2016A-__ Notes does not affect or diminish such requirements.

Capitalized terms used herein without definition shall have the meanings assigned to such terms in the Amended and Restated Trust Indenture.

Very truly yours,

[NAME OF PURCHASER]

By: _____
Name: _____
Title: _____

EXHIBIT E
TO
AMENDED AND RESTATED TRUST INDENTURE

NOTICE REGARDING RECEIPT AND DISTRIBUTION OF PLEDGED REVENUES

Board of Education of the City of Chicago
Office of the Senior Vice President of Finance
Attention: Treasury Department
42 West Madison Street, 2nd Floor
Chicago, Illinois 60602

J.P. Morgan Chase Bank, National Association
383 Madison Avenue, 8th Floor
New York, New York 10179
Mail Code: NY1-M076
Attention: David Weinstein, Executive
Director, Public Finance -Credit Origination

J.P. Morgan Securities LLC
383 Madison Avenue, 8th Floor
New York, New York 10179
Mail Code: NY1-M077
Attention: Charles Giffin, Managing Director

Re: Board of Education of the City of Chicago (the “*Board*”)
Educational Purposes Tax Anticipation Notes, Series 2016A (the “*Series*
2016A Notes”)

Ladies and Gentlemen:

Zions Bank, a Division of ZB, National Association, as trustee (the “*Trustee*”) under that certain Amended and Restated Trust Indenture, dated as of November 1, 2016 (the “*Amended and Restated Trust Indenture*”), between the Board and the undersigned, providing for the issuance of the Series 2016A Notes, hereby notifies you pursuant to Section 6.6(b) of the Amended and Restated Trust Indenture that on the date hereof the Trustee received Pledged Tax Receipts from the Escrow Agent (as defined in the Amended and Restated Trust Indenture) in the amount of \$_____, and of such amounts so received, (A) \$_____ was transferred to the Released Funds Account (as defined in the Amended and Restated Trust Indenture) for immediate payment to, or pursuant to the direction of, the Board free from the lien of the Amended and Restated Trust Indenture and (B) \$_____ was retained in the Debt Service Fund (as defined in the Amended and Restated Trust Indenture) for application to the payment of the principal of and interest on the Series 2016A Notes.

Attached hereto as *Schedule I* is a worksheet supporting the calculations set forth in the preceding paragraph.

IN WITNESS WHEREOF, the Trustee has caused this Notice to be executed by its duly authorized officer, this _____ day of _____, 20__.

Zions Bank, a Division of ZB, National
Association, as Trustee

By: _____
Its: _____

SCHEDULE I

BOARD OF EDUCATION OF CITY OF CHICAGO COVERAGE/LEVERAGE CALCULATION

(a)	Pledged Taxes levied/extended	\$
(b)	Pledged Tax Receipts previously received	\$
(c)	Pledged Tax Receipts received today	\$
(d)	Total Pledged Tax Receipts received	\$
(e)	Total Uncollected Pledged Taxes	\$
(f)	80% of Total Uncollected Pledged Taxes	\$
(g)	Outstanding Principal of Series 2016A-1 Notes	\$
(h)	Outstanding Principal of Series 2016A-2 Notes	\$
(i)	Outstanding Principal of Series 2016A-3 Notes	\$
(j)	Other Outstanding Tax Anticipation Notes	
(k)	Total Tax Anticipation Notes Outstanding	\$
(l)	Mandatory Note Redemption**	\$

* Prior to application pursuant to Indenture

** (k) minus (f) - Required deposit to Debt Service Fund

APPENDIX B

TAX ESCROW AGREEMENT

AMENDED AND RESTATED TAX ESCROW AGREEMENT

This Amended and Restated Tax Escrow Agreement, dated as of November 1, 2016 (the or this “*Agreement*”), by and between the Board of Education of the City of Chicago (the “*Board*”) and Zions Bank, a Division of ZB, National Association, a national banking association, as escrow agent (the “*Escrow Agent*”), in consideration of the mutual promises and agreements herein set forth:

WITNESSETH:

ARTICLE I

DEFINITIONS

The following words and terms used in this Agreement shall have the following meanings unless the context or use indicates another or different meaning:

“*Act*” means Section 34-23.5 of the School Code of the State of Illinois, as amended, and the Local Government Debt Reform Act of the State of Illinois, as amended.

“*Additional Notes*” means any Series of Notes other than the Series 2016A Notes.

“*Agreement*” means this Amended and Restated Tax Escrow Agreement.

“*Allocable Percentage*” means, on any Business Day, and with respect to a Series of Notes, the percentage determined when the numerator of the fraction is the principal amount of Outstanding Notes of such Series and the denominator of the fraction is the principal amount of all Outstanding Notes. For purposes of this Agreement, the Series 2016A-1, SeriesA-2 Notes and the Series 2016A-3 Notes shall each be treated as a separate Series. As used in this definition, the word “*Outstanding*” shall have the same meaning as the defined term “*Outstanding*” in the Series 2016A Indenture.

“*Board*” means the Board of Education of the City of Chicago governed by the Chicago Board of Education.

“Business Day” means any day other than a Saturday, a Sunday or any day on which banking institutions located in the city in which the designated office of the Escrow Agent or the designated office of any of the Trustees is located.

“Collector” means the County Treasurers acting as the County Collectors of The Counties of Cook and DuPage, Illinois.

“District” means the school district administered by the Board.

“Escrow Account” means the special account created by Section 2.01 hereof for the purpose of holding and disbursing the Pledged Tax Receipts.

“Escrow Agent” means Zions Bank, a Division of ZB, National Association, as escrow agent, and any successor thereto as Escrow Agent.

“Lender” means J.P. Morgan Securities LLC, and any other entity providing funds to the Board through the direct purchase of, or the making of loans evidenced by, the Notes.

“Note Maturity Date” means the earlier of (i) December 15, 2017 or (ii) (A) September 30, 2017, if the Tax Penalty Date is on or prior to August 1, 2017 or (B) the 60th day following the Tax Penalty Date, if the Tax Penalty Date is later than August 1, 2017.

“Note Resolution” means Resolution No. 16-0824-RS6 adopted by the Board on August 24, 2016, authorizing the issuance of the Notes and the execution of this Agreement, as the same may be supplemented or amended.

“Notes” means any one or more of the tax anticipation notes issued pursuant to the Act and the Note Resolution, including the Series 2016A Notes and any Additional Notes, *provided*, that the total amount of Notes issued and secured hereunder may not exceed the lesser of (1) \$1,550,000,000 on or before March 31, 2017 or \$950,000,000 on or after April 1, 2017 and (2) eighty percent (80%) of the Uncollected Pledged Taxes.

“Permitted Investments” means (a) any direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of

America, (b) certificates of ownership of the principal of or interest on obligations of the type described in clause (a) of this definition, (i) which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System in the capacity of a custodian, (ii) the owner of which certificate is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations, and (iii) for which the underlying obligations are held in safekeeping in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated and (c) any 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 Series 2016A Trustee or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise.

"Pledged Tax Receipts" means all of the money derived from the collection of the Pledged Taxes.

"Pledged Taxes" means the annual tax levied by the Board upon all taxable property located in the District for educational purposes for the year 2016.

"Series" means the Series 2016A Notes and any Additional Notes so designated by the Board.

"Series 2016A Indenture" means the Amended and Restated Trust Indenture securing the Series 2016A Notes dated as of November 1, 2016 by and between the Board and the Series 2016A Trustee.

"Series 2016A Notes" means the (i) Educational Purposes Tax Anticipation Notes, Series 2016A-1, (ii) Educational Purposes Tax Anticipation Notes, Series 2016A-2, and (iii) Educational Purposes Tax Anticipation Notes, Series 2016A-3, issued by the Board pursuant to the Act, the Note Resolution and the Series 2016A Indenture.

"Series 2016A Trustee" means Zions Bank, a Division of ZB, National Association, and any successor trustee appointed pursuant to the Series 2016A Indenture.

“*State*” means the State of Illinois.

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

“*Trustees*” has the meaning assigned to such term in Section 3.02 hereof.

“*Uncollected Pledged Taxes*” means, as of any date of calculation, an amount equal to the difference between (i) \$2,342,492,519 and (ii) the aggregate amount of the Pledged Taxes deposited in the Escrow Account pursuant to this Agreement as of such date of calculation.

ARTICLE II

CREATION OF THE ESCROW ACCOUNT

2.01. *Establishment of the Escrow Account.* The Escrow Account is hereby established with the Escrow Agent pursuant to the Note Resolution and this Agreement, separate and segregated from all other funds and accounts of the Board.

2.02. *Pledged Tax Receipts.* Pursuant to the Note Resolution and for the purpose of providing the funds required to pay the principal of and interest on the Notes when and as the same falls due, all of the Pledged Tax Receipts shall be paid to the Escrow Agent for deposit in the Escrow Account for the equal and ratable benefit of the holders of the Notes.

Pursuant to Section 13 of the Local Government Debt Reform Act, the Pledged Tax Receipts deposited or to be deposited into the Escrow Account, are pledged as security for the payment of the principal of and interest on the Notes. In accordance with Section 13 of the Local Government Debt Reform Act such Pledged Tax Receipts and the moneys held in the Escrow Account shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge 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 thereof.

ARTICLE III

OPERATION OF THE ESCROW ACCOUNT

3.01. Amounts Held in the Escrow Account. Moneys deposited in the Escrow Account shall be used solely and only for the purpose of paying principal and interest on the Notes and shall not be used for any other purpose so long as the Notes remain outstanding and unpaid. The holders of the Notes shall have a first and prior lien upon all present and future Pledged Tax Receipts when deposited in the Escrow Account until the principal and interest on the Notes are paid in full.

3.02. Allocation of Moneys. On each Business Day, the Escrow Agent shall allocate all of the moneys in the Escrow Account to the payment of each Series of Notes then outstanding and shall pay to the trustee of each Series its Allocable Percentage of all the money held in the Escrow Account. The Board shall provide to the Escrow Agent, the Series 2016A Trustee and any trustee for a Series of Additional Notes (collectively, the “Trustees”) information concerning the outstanding principal amount of each Series of the Notes on each date of issuance of any Note and each date of payment or defeasance of any Note.

3.03. Investment of Moneys in the Escrow Account. Pending the allocation of moneys in the Escrow Account as provided in Section 3.02 hereof, said moneys may be invested by the Escrow Agent in Permitted Investments only in accordance with the written directions of the Senior Vice President of Finance of the Board, the Chief Financial Officer of the Board or the Treasurer of the Board.

3.04. Monthly Reports. The Escrow Agent will submit to the Senior Vice President of Finance of the Board, the Chief Financial Officer of the Board or the Treasurer of the Board and

the Lender on or before the 5th day of each calendar month, commencing in the month of February, 2017, a statement, as of the last day of the prior calendar month, itemizing (i) all moneys received by it and all payments made by it under the provisions of this Agreement during such prior calendar month and (ii) the balances in the Escrow Account as of the end of such prior calendar month, and also listing the Permitted Investments on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the Permitted Investments. The Escrow Agent shall, with reasonable promptness, provide such additional information regarding the Pledged Taxes and the Escrow Account as the Board may request on behalf of the Lender.

3.05. Daily Reports on Tax Receipts and Distributions. On each Business Day that Pledged Tax Receipts are received by the Escrow Agent, the Escrow Agent shall provide to the Senior Vice President of Finance of the Board, the Chief Financial Officer of the Board or the Treasurer of the Board and the Lender a report detailing the amount of Pledged Taxes received by the Escrow Agent. On each Business Day that Pledged Tax Receipts are required to be allocated and distributed pursuant to Section 3.02, the Escrow Agent shall provide to the Treasurer of the Board and the Lender a report detailing the amounts allocated and distributed to each trustee for each Series of Notes then outstanding.

3.06. Payment of Fees. The fees of the Escrow Agent shall be paid by the Board upon receipt of appropriate statements therefor.

ARTICLE IV

COVENANTS

The Board and the Escrow Agent covenant and agree as follows:

The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals herein (except those relating to its own organization); (b) the performance of or compliance with any covenant, condition, term or provision of the Notes, the Note Resolution, or

the Series 2016A Indenture or any other indenture relating to Additional Notes; and (c) any undertaking or statement of the Board hereunder or under the Notes, the Note Resolution, or the Series 2016A Indenture or any other indenture relating to Additional Notes. The Escrow Agent is not a trustee for the Noteholders and has no obligation in its capacity as Escrow Agent to enforce the rights of the holders of the Notes under this Agreement. On the date of execution and delivery of this Agreement, Zions Bank, a Division of ZB, National Association is also serving as the Series 2016A Trustee and its rights, duties and obligations in connection with those roles are governed by the Series 2016A Indenture.

The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own gross negligence or willful misconduct, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be a defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall it be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Board to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees (provided notice is given to the Board of such costs and outlays within a reasonable time after they are incurred), and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

The Escrow Agent, in its separate capacity as a banking institution, may, at the direction of the Senior Vice President of Finance of the Board, the Chief Financial Officer of the Board or the Treasurer of the Board as provided in Section 3.03 hereof, invest for the Escrow Account in Permitted Investments purchased from itself.

All payments to be made by, and all acts, and things required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow

Agent without any further direction or authority of the Board except as expressly provided herein.

The Escrow Agent shall not be personally liable for any act taken or omitted hereunder if taken or omitted by it in good faith and in the exercise of its own best judgment. The Escrow Agent shall also be fully protected in relying upon any written notice, demand, certificate or document which it in good faith believes to be genuine.

The Escrow Agent shall not be responsible for the sufficiency or accuracy of the form, execution, validity or genuineness of any securities now or hereafter deposited hereunder, or of any endorsement thereon, or for any lack of endorsement thereon, or for any description therein, nor shall it be responsible or liable in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any such document, security or endorsement or this Escrow Agreement. The Escrow Agent shall not be liable for any depreciation or change in the value of such investments.

If the Escrow Agent reasonably believes it to be necessary to consult with counsel concerning any of its duties in connection with this Agreement, or in case it becomes involved in litigation on account of being Escrow Agent hereunder or on account of having received property subject hereto, then in either case, its costs, expenses, and reasonable attorneys' fees shall be paid by the Board, and upon timely notice thereof having been given.

This Agreement shall be construed, enforced, and administered in accordance with the laws of the State, and shall inure to, and be binding upon, the respective successors and assigns of the parties hereto.

To the extent that this Agreement confers upon or gives or grants to the Trustees any right, remedy or claim under or by reason of this Agreement, the Trustees are explicitly recognized as being third-party beneficiaries under this Agreement and may enforce any such remedy or claim conferred, given or granted under this Agreement.

ARTICLE V

RESIGNATION OR REMOVAL OF THE ESCROW AGENT

The Escrow Agent may at any time resign as escrow agent under this Agreement by giving thirty days written notice to the Board, and such resignation shall take effect upon the appointment of a successor Escrow Agent by the Board. The Board may select as successor Escrow Agent any financial institution located within the State which is authorized to maintain trust accounts under Federal or State law with capital stock and surplus aggregating at least \$250,000,000.

If at any time the Escrow Agent is no longer legally authorized or qualified (by reason of any Federal or State law or any other law or regulation) to act as escrow agent hereunder, then the Board may remove the Escrow Agent and may select as successor Escrow Agent any financial institution which is authorized to maintain trust accounts under Federal or State law.

ARTICLE VI

ALTERATION AND TERMINATION OF AGREEMENT

The Board and the Escrow Agent may change and alter the terms of this Agreement for the following purposes: (A) to correct errors, resolve ambiguities or insert inadvertently omitted material; or (B) to alter the procedures of Article II of this Agreement and definitions pertaining thereto necessitated by changes in State law and procedures thereunder with respect to the collection and distribution of taxes; *provided, however*, that such changes and alterations shall not materially affect the protections provided by this Agreement to the holders of the Notes.

This Agreement shall be binding on any successor to the Board during the term of this Agreement.

Upon the retirement or defeasance of all of the Notes and the filing with the Escrow Agent of a certificate of the Board signed by its Senior Vice President of Finance of the Board or Chief Financial Officer of the Board that no Notes will be issued or outstanding from and after the date specified in such certificate, the Escrow Agent, as of the date so specified in such

certificate, will transfer any balance remaining in the Escrow Account to the Board, and thereupon this Agreement shall terminate.

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this Agreement to be executed by the Senior Vice President of Finance of the Board and attested by the Secretary of the Board and Zions Bank, a Division of ZB, National Association, in its capacities as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its officers and to be attested by one of its officers, all as of the day and year first above written.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

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

Attest:

Secretary, Board of Education of the
City of Chicago

ZIONS BANK, A DIVISION OF ZB, NATIONAL
ASSOCIATION

By _____
Authorized Officer

Attest:

Authorized Officer

APPENDIX C

FORM OF OPINIONS OF CO-BOND COUNSEL

SERIES 2016A-3 NOTES

Ice Miller LLP, Chicago, Illinois, and Pugh, Jones & Johnson, P.C., Chicago, Illinois, Co-Bond Counsel, will deliver their approving opinions with respect to the Series 2016A-3 Notes in the following form upon the delivery of the Series 2016A-3 Notes, expected to be on the date of this Limited Offering Memorandum. Such opinions speak only as of their date. Co-Bond Counsel have not been engaged to advise on the correctness of such opinions as of any date other than the respective dates thereof, or to revise or supplement such opinions to reflect any facts or circumstances that may have arisen or come to their attention since the respective dates thereof or any change in law that may have occurred since the respective dates thereof. The inclusion of such opinions in this Limited Offering Memorandum shall not constitute any reissuance or republication of such opinions.

_____, 2016

Board of Education of the City of Chicago
Chicago, Illinois

J.P. Morgan Securities LLC,
as Initial Purchaser pursuant to
a Note Purchase Agreement dated
November __, 2016

Zions Bank, a Division of ZB, National
Association, as trustee
Chicago, Illinois

Ladies and Gentlemen:

We hereby certify that we have examined a certified copy of the proceedings (the “*Proceedings*”) of the Board of Education of the City of Chicago (the “*Board*”) passed preliminary to the issue by the Board of its fully registered Educational Purposes Tax Anticipation Notes, Series 2016A-3, in an aggregate principal amount of \$175,000,000 (the “*Series 2016A-3 Notes*”), being issued pursuant to that certain Amended and Restated Trust Indenture dated as of November 1, 2016 (the “*Amended and Restated Trust Indenture*”) between the Board and Zions Bank, a Division of ZB, National Association, as trustee (the “*Trustee*”), dated the date hereof and maturing, bearing interest and being subject to redemption prior to maturity as provided in the Amended and Restated Trust Indenture.

The Series 2016A-3 Notes are being issued pursuant to Section 34-23.5 of the School Code of the State of Illinois, as amended (the “*School Code*”), in lieu of the tax anticipation warrants authorized by Section 34-23 of the School Code, Resolution 16-0824-RS6 adopted by the Board on August 24, 2016 (the “*Note Resolution*”) and the Amended and Restated Trust Indenture.

The Series 2016A-3 Notes are being issued in anticipation of the collection of the taxes levied by the Board for educational purposes for the year 2016 (the “*2016 Educational Fund Levy*”). Pursuant to

Section 34-23.5 of the School Code, the principal amount of all notes, bonds or other obligations issued in lieu of tax anticipation warrants may not exceed 85% of the amount of the 2016 Educational Fund Levy (the “*Statutory Limitation*”). The Board may hereafter authorize and issue “Additional Notes” as provided in the Amended and Restated Trust Indenture.

The Board and Zions Bank, a Division of ZB, National Association, as escrow agent (the “*Escrow Agent*”), have executed and delivered an Amended and Restated 2016 Tax Escrow Agreement dated as of November 1, 2016 (the “*Amended and Restated Tax Escrow Agreement*”) with respect to the application of receipts of the 2016 Educational Fund Levy.

In our capacity as co-bond counsel, we have examined, among other things, the following:

- (a) certified copies of the Proceedings of the Board adopting the Note Resolution and authorizing, among other things, the execution and delivery of the Amended and Restated Trust Indenture and the issuance of the Series 2016A-3 Notes;
- (b) a certified copy of the Note Resolution;
- (c) an executed counterpart of the Amended and Restated Trust Indenture and the Amended and Restated Tax Escrow Agreement; and
- (d) such other certifications, documents, showings and related matters of law as we have deemed necessary in order to render this opinion.

Based upon the foregoing we are of the opinion that:

1. The Board has full power and authority and has taken all necessary corporate action to authorize the execution and delivery of the Amended and Restated Trust Indenture and the Amended and Restated Tax Escrow Agreement and the issuance of the Series 2016A-3 Notes.
2. The Amended and Restated Trust Indenture has been duly and lawfully authorized, executed and delivered by the Board and, assuming the due authorization, execution and delivery by, and the binding effect on, the Trustee, the Amended and Restated Trust Indenture is a legal, valid and binding obligation of the Board, enforceable against the Board in accordance with its terms, except as enforceability may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.
3. The Amended and Restated Tax Escrow Agreement has been duly and lawfully authorized, executed and delivered by the Board and, assuming the due authorization, execution and delivery by, and the binding effect on, the Escrow Agent, the Amended and Restated Tax Escrow Agreement is a legal, valid and binding obligation of the Board, enforceable against the Board in accordance with its terms, except as enforceability may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights generally and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.
4. The Series 2016A-3 Notes have been duly and validly authorized and have been issued in accordance with law. The Series 2016A-3 Notes are valid and legally binding limited obligations of the Board payable, together with any Additional Notes when issued, exclusively from the receipts derived

from the levy and collection of the 2016 Educational Fund Levy (the “*Pledged Tax Receipts*”), and enforceable in accordance with their terms and the terms of the Amended and Restated Trust Indenture, except that the rights of the owners of the Series 2016A-3 Notes and the enforceability of the Series 2016A-3 Notes may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

5. The Series 2016A-3 Notes are entitled to the benefit and security of the Note Resolution, the Amended and Restated Trust Indenture and the Amended and Restated Tax Escrow Agreement.

6. The Amended and Restated Trust Indenture creates the valid pledge which it purports to create of the Trust Estate pledged, held or set aside under the Amended and Restated Trust Indenture, subject to the application thereof to the purposes and on the conditions permitted by the Amended and Restated Trust Indenture.

7. The form of Series 2016A-3 Note prescribed for said issue is in due form of law.

8. The Board has taken all necessary action to cause the County Collectors of the Counties of Cook and DuPage, Illinois, to deposit the respective portions of the Pledged Tax Receipts directly with the Escrow Agent for application pursuant to the Amended and Restated Tax Escrow Agreement.

9. Subject to the Board’s compliance with certain covenants, under present law, interest on the Series 2016A-3 Notes is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the “*Code*”), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Board covenants could cause interest on the Series 2016A-3 Notes to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2016A-3 Notes. Ownership of the Series 2016A-3 Notes may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2016A-3 Notes. Interest on the Series 2016A-3 Notes is not exempt from present State of Illinois income taxes.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Series 2016A-3 Notes.

In rendering this opinion, we have relied upon certifications of the Board with respect to certain material facts within the Board’s knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX D

THE REAL PROPERTY TAX SYSTEM

Real Property Assessment, Tax Levy and Collection Procedures

General. Information in this Appendix provides a general summary of the current procedures for real property assessment, tax levy and tax collection in Cook County (the “**County**”) and that are applicable to the School District. The following is not an exhaustive discussion, nor is there any assurance that the procedures described in this Appendix will not be changed either retroactively or prospectively. The Illinois laws relating to real property taxation are contained in the Illinois Property Tax Code (35 ILCS 200) (the “**Property Tax Code**”).

Substantially all (approximately 99.99%) of the “**Equalized Assessed Valuation**” (as herein defined) of taxable property in the School District is located in the County. The remainder is located in DuPage County. Accordingly, unless otherwise indicated, the information set forth in this Appendix and elsewhere in this Limited Offering Memorandum with respect to taxable property of the School District does not reflect the portion situated in DuPage County.

Assessment. The Cook County Assessor (the “**Assessor**”) is responsible for the assessment of all taxable real property within the County, except for certain railroad property and pollution control equipment assessed directly by the State. One-third of the real property in the County is reassessed each year on a repeating triennial schedule established by the Assessor. The real property within the School District was reassessed in 2015.

Real property in the County is separated into various classifications for assessment purposes. After the Assessor establishes the fair cash value of a parcel of land, that value is multiplied by one of the classification percentages to arrive at the assessed valuation (the “**Assessed Valuation**”) for the parcel. Beginning with the 2009 tax year, the classification percentages range from 10 to 25 percent depending on the type of property (e.g., residential, industrial, commercial) and whether it qualifies for certain incentives for reduced rates. For prior years, the classification percentages ranged from 16 to 38 percent.

The Cook County Board of Commissioners has adopted various amendments to the County’s Real Property Assessment Classification Ordinance (the “**Classification Ordinance**”), pursuant to which the Assessed Valuation of real property is established. Among other things, these amendments have reduced certain property classification percentages, lengthened certain renewal periods of classifications and created new property classifications.

The Assessor has established procedures enabling taxpayers to contest the Assessor’s tentative Assessed Valuations. Once the Assessor certifies final Assessed Valuations, a taxpayer can seek review of its assessment by the Cook County Board of Review (the “**Board of Review**”). The Board of Review has powers to review and adjust Assessed Valuations set by the Assessor. Owners of property are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the “**PTAB**”), a state- wide administrative body, or to the Circuit Court of Cook County (the “**Circuit Court**”). The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Based on the amount of the proposed change in assessed valuation, taxpayers may appeal decisions of the PTAB to either the Circuit Court or the Illinois Appellate Court under the Illinois Administrative Review Law.

In a series of PTAB decisions, the PTAB reduced the assessed valuations of certain commercial and industrial property in the County based upon the application of median levels of assessment derived from Illinois Department of Revenue sales-ratio studies instead of utilizing the assessment percentages provided in the Classification Ordinance. On appeal, the Illinois Appellate Court determined that it was improper for the PTAB, on its own initiative, to use the sales-ratio studies when such studies were not even raised as an issue by the taxpayer before the Board of Review or in its appeal to the PTAB.

The Appellate Court decisions do not preclude a taxpayer in a properly presented case from introducing into evidence sales-ratio studies for the purpose of obtaining an assessment below that which would result from application of the Classification Ordinance. No prediction can be made whether any currently pending or future case would be successful. The Board believes that the impact of any such case on the Board would be minimal, as the Board's ability to levy or collect real property taxes would be unaffected.

As an alternative to seeking review of Assessed Valuations by the PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. In addition, a Circuit Court decision upheld the right of the City (and presumably other taxing districts) to intervene in certain of these proceedings. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct the Assessed Valuation, and thus reduce the amount of taxes due, by issuing a Certificate of Error.

Equalization. After the Assessed Valuation for each parcel of real estate in a county has been determined for a given year, including any revisions made by the Board of Review, the Illinois Department of Revenue reviews the assessments and determines an equalization factor (the "**Equalization Factor**"), commonly called the "*multiplier*," for each county. The purpose of equalization is to bring the aggregate assessed value of all real property, except farmland, wind turbines with a nameplate capacity of at least 0.5 megawatts and undeveloped coal, in each county to the statutory requirement of 33-1/3% of estimated fair cash value. Adjustments in Assessed Valuation made by the PTAB or the courts are not reflected in the Equalization Factor. The Assessed Valuation of each parcel of real estate in the County is multiplied by the County's Equalization Factor to determine the parcel's equalized assessed valuation (the "**Equalized Assessed Valuation**" or "**EAV**").

The Equalized Assessed Valuation for each parcel is the final property valuation used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction, after reduction for all applicable exemptions, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "**Assessment Base**"). The Equalization Factor for a given year is used in computing the taxes extended for collection in the following year. In addition, the Equalized Assessed Valuation used to determine any applicable tax limits is the one for the immediately preceding year and not the current year. See the discussion under the heading "**Property Tax Extension Limitation Law; Issuance of Alternate Revenue Bonds**" below. For a listing of the Equalization Factors for the eleven years ended December 31, 2013, see the section of the Limited Offering Memorandum entitled "**CHICAGO PUBLIC SCHOOLS – Assessed, Equalized Assessed and Estimated Value of All Taxable Property 2003-2013.**"

Exemptions. The Illinois Constitution allows homestead exemptions for residential property. Pursuant to the Property Tax Code, property must be occupied by the owner as a principal residence on January 1 of the tax year for which the exemption will be claimed.

The annual general homestead exemption provides for the reduction of the Equalized Assessed Valuation of certain property owned and used exclusively for residential purposes by the amount of the increase over the 1977 EAV, currently up to a maximum reduction of \$7,000 in the County and \$6,000 in all other counties. There is an additional homestead exemption for senior citizens (individuals at least 65 years of age), for whom the Assessor is authorized to reduce the EAV by \$5,000. There is also an exemption

available for homes owned and exclusively used for residential purposes by disabled veterans or their spouses, for whom the Assessor is authorized to annually exempt up to \$70,000 of the Assessed Valuation. An additional exemption is available for disabled persons, for whom the Assessor is authorized to reduce the EAV by \$2,000. An exemption is available for homestead improvements by an owner of a single family residence of up to \$75,000 of the increase in the fair cash value of a home due to certain home improvements to an existing structure for at least four years from the date the improvement is completed and occupied. Senior citizens whose household income is \$55,000 or less, and who are either the owner of record or have a legal or equitable interest in their residential property, qualify to have the EAV of their property frozen in the year in which they first qualify for the so-called “freeze” and each year thereafter in which the qualifying criteria are maintained.

Aside from homestead exemptions, upon application, review and approval by the Board of Review, or upon an appeal to the Illinois Department of Revenue, there are exemptions generally available for properties of religious, charitable (including qualifying not-for-profit hospitals), and educational organizations, as well as units of federal, state and local governments.

In 2001, the County enacted the “*Longtime Homeowner Exemption Ordinance*,” which provides property tax relief from dramatic rises in property taxes directly or indirectly attributable to gentrification in the form of an exemption. This is generally applicable to homeowners: (i) who have resided in their homes for 10 consecutive years (or five consecutive years for homeowners who have received assistance in the acquisition of the property as part of a government or nonprofit housing program), (ii) whose annual household income for the year of the homeowner’s triennial assessment does not exceed 115 percent of the “*Chicago Primary Metropolitan Statistical Area*” median income as defined by the United States Department of Housing and Urban Development, (iii) whose property has increased in assessed value to a level exceeding 150 percent of the current average assessed value for properties in the assessment district where the property is located, (iv) whose property has a market value for assessment purposes of \$300,000 or less in the current reassessment year, and (v) who, for any triennial assessment cycle, did not cause a substantial improvement which resulted in an increase in the property’s fair cash value in excess of the \$45,000 allowance set forth in the Property Tax Code.

Tax Levy. There are over 800 units of local government (the “**Units**”) located in whole or in part in the County that have taxing power. There are six major units of local government located in whole or in part within the boundaries of the School District which are: the City; the Chicago Park District; Community College District Number 508; the County; the Forest Preserve District of Cook County; and the Metropolitan Water Reclamation District of Greater Chicago.

As part of the annual budgetary process of the Units, each year in which the determination is made to levy real property taxes, proceedings are adopted by the governing body of each Unit. Typically, real property taxes are levied in one calendar year and collected in the following calendar year. The tax levy proceedings impose the Units’ respective real estate taxes in terms of a dollar amount. Each Unit certifies its real estate tax levy, as established by the proceedings, to the County Clerk’s Office. The remaining administration and collection of the real property taxes is statutorily assigned to the County Clerk and the County Treasurer, who is also the County Collector (the “**County Collector**”).

The Local Government Debt Reform Act (30 ILCS 350/16) includes special provisions applicable to tax levies to pay debt service on general obligation bonds, including Alternate Revenue Bonds. A governmental unit may levy a tax for the payment of principal of and interest on general obligation bonds, including Alternate Revenue Bonds, at any time prior to March 1 of the calendar year during which the tax will be collected. The County Clerk is required to accept the filing of the ordinance levying such tax notwithstanding that such time is subsequent to the end of the calendar year next preceding the calendar year during which such tax will be collected. (30 ILCS 350/16).

After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit by dividing the levy of each Unit by the Assessment Base of the respective Unit. If any tax rate thus calculated or any component of such a tax rate (such as a levy for a particular fund) exceeds any applicable statutory rate limit, the County Clerk disregards the excessive rate and applies the maximum rate permitted by law. Pursuant to the Local Government Debt Reform Act (30 ILCS 350/16) In extending taxes for general obligation bonds, including Alternate Revenue Bonds, the County Clerk is required to increase the levy for debt service on such bonds to provide an allowance for loss in collections, in an amount sufficient, in view of all losses and delinquencies in tax collection, to produce tax receipts adequate for the prompt payment of such debt service.

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all the Units having jurisdiction over the particular parcel. The County Clerk enters in the books prepared for the County Collector (the “**Warrant Books**”) the tax (determined by multiplying that total tax rate by the Equalized Assessed Valuation of that parcel), along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. The Warrant Books are the County Collector’s authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

The Illinois Truth in Taxation Law (the “**Truth in Taxation Law**”) contained within the Property Tax Code imposes procedural limitations on a Unit’s real estate taxing powers and requires that a notice in a prescribed form must be published if the aggregate annual levy is estimated to exceed 105 percent of the levy of the preceding year, exclusive of levies for debt service (including debt service on Alternate Revenue Bonds), levies made for the purpose of paying amounts due under public building commission leases and election costs. A public hearing must also be held, which may not be in conjunction with the budget hearing of the Unit on the adoption of the annual levy. No amount in excess of 105% of the preceding year’s levy may be used as the basis for issuing tax bills to property owners unless the levy is accompanied by certification of compliance with the foregoing procedures. The Truth in Taxation Law does not impose any limitations on the rate or amount of the levy to pay principal of and interest on the Unit’s general obligations bonds and notes (including payment of debt service on Alternate Revenue Bonds).

Collection. Property taxes are collected by the County Collector, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. The first installment is an estimated bill calculated at 55% of the prior year’s tax bill. The second installment is for the balance of the current year’s tax bill, and is based on the current levy, assessed value and Equalization Factor and applicable tax rates, and reflects any changes from the prior year in those factors. Taxes on railroad real property used for transportation purposes are payable in one lump sum on the same date as the second installment.

The following table sets forth the second installment penalty date for the tax years 2006 to 2015; the first installment penalty date has been March 2 or March 3 for all years.

Second Installment

Tax Year	Penalty Date
2015	August 1, 2016
2014	August 3, 2015
2013	August 1, 2014
2012	August 1, 2013
2011	November 1, 2012
2010	November 1, 2011
2009	December 13, 2010
2008	December 1, 2009
2007	November 3, 2008
2006	December 3, 2007

The County may provide for tax bills to be payable in four installments instead of two. The County has not determined to require payment of tax bills in four installments. During the periods of peak collections, tax receipts are forwarded to each Unit not less than weekly.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court order resulting from the application for judgment provides for an annual sale of all unpaid taxes shown on the year's Warrant Books (the "**Annual Tax Sale**"). The Annual Tax Sale is a public sale, at which time successful tax buyers pay the unpaid taxes plus penalties. Unpaid taxes accrue interest at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus an additional penalty fee calculated from the penalty bid at sale times a certain multiplier based on each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in Circuit Court, notifying the necessary parties in accordance with applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes, interest and certain other costs to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale, except that a different penalty rate may apply depending on the length of the redemption period.

A scavenger sale (the "**Scavenger Sale**"), like the Annual Tax Sale, is a sale of unpaid taxes. A Scavenger Sale must be held, at a minimum, every two years on all property in which taxes are delinquent for two or more years. The sale price of the unpaid taxes is the amount bid at the Scavenger Sale, which may be less than the amount of the delinquent taxes. Redemption periods vary from six months to two and one-half years depending upon the type and occupancy of the property.

The annual appropriation ordinance of the Board has a provision for an allowance for uncollectible taxes for debt service. The Board reviews this provision annually to determine whether adjustments are appropriate. For tax year 2014, collectible in 2015, the allowance for uncollectible taxes is about four percent of the estimated gross tax levy. For financial reporting purposes, uncollected taxes are written off by the Board after four years, but are fully reserved after one year.

Property Tax Extension Limitation Law

The Property Tax Code specifically limits the annual growth in property tax extensions for certain Units pursuant to the provisions of the Property Tax Extension Limitation Law (35 ILCS 200/18-185) (the “**Limitation Law**”). The Limitation Law was extended in 1995 (effective as of the 1994 assessment year) to non-home rule taxing districts in the County, including the Board. The Limitation Law limits the annual growth in certain property tax extensions by the Board to the lesser of 5% or the percentage increase in the Consumer Price Index for All Urban Consumers during the calendar year preceding the relevant tax levy year. Generally, extensions can be increased beyond this limitation only due to increases in the Equalized Assessed Valuation attributable to new construction and referendum approval of tax or limitation rate increases. The Limitation Law requires the County Clerk in extending taxes to use the Equalized Assessed Valuation of all property within the taxing district for the levy year prior to the levy year for which taxes are then being extended.

The effects of the Limitation Law are to limit or retard the growth in the amount of property taxes that can be extended for a non-home rule taxing body and to impose direct referendum requirements upon the issuance of certain types of general obligation bonds by such non-home rule taxing bodies.

The Limitation Law does not limit the rate or amount of taxes extended by the Board to pay its Alternate Revenue Bonds.