



**Official Report of the Proceedings
of the
BOARD OF EDUCATION
of the City of Chicago**

**Rescheduled Meeting-Wednesday, December 7, 2016
10:30 A.M.
(42 West Madison Street)**

Published by the Authority of the Chicago Board of Education

**Frank M. Clark
President**

**Estela G. Beltran
Secretary**

ATTEST:


Secretary of the Board of Education
of the City of Chicago

President Clark took the Chair and the meeting being called to order there were then:

PRESENT: Mr. Furlong, Mr. Guzman, Dr. Hines, Ms. Ward, Fr. Garanzini, and President Clark – 6

ABSENT: Jordan Turner - 1

ALSO PRESENT: Mr. Forrest Claypool, Chief Executive Officer, Mr. Ronald Marmer, General Counsel, Dr. Janice Jackson, Chief Education Officer, Mr. Patrick Baccellieri, Chief of Diverse Learner Supports and Services, Dariana Walker, Honorary Student Board Member, and Kevin Bautista, Shadow Student.

ABSENT: None

President Clark thereupon opened the floor to the Honoring Excellence segment of the Board Meeting.

President Clark thereupon opened the floor to the CEO report segment of the Board meeting. Mr. Forrest Claypool, Chief Executive Officer, provided remarks on Governor Rauner's Veto of SB 2822 and urged people to take action to help override the Governor's veto by visiting cps.edu/equality. Matthew Walter, Deputy of Management and Budget, provided a presentation on the Amended FY2017 Budget [16-1207-RS1]. Mr. Joseph Moriarty, Labor Relations Officer, provided a presentation on the CTU Tentative Agreement Summary [16-1207-EX16]. Dr. Janice Jackson, Chief Education Officer, provided remarks on the launch of High School Bound (HSBound.org), a new website that allows Chicago students to explore and learn more about the many public high schools and programs offered at CPS; and expansion of International Baccalaureate Programmes in high schools. Mr. Patrick Baccellieri, Chief of Diverse Learner Supports and Services, provided an update on the issues of Special Education funding. Ms. Elizabeth Keenan, Deputy Chief of Specialized Instruction, provided a presentation on Special Education. Ms. Mary Bradley, Executive Director of Innovation and Incubation, provided a presentation on Charter and Contract School Recommendations [16-1207-EX3 through 16-1207-EX13].

President Clark thereupon opened the floor to the Public Participation segment of the Board Meeting.

President Clark thereupon opened the floor to the Discussion of Public Participation.

President Clark thereupon opened the floor to the Discussion of Public Agenda Items.

President Clark proceeded to entertain a Motion to go into Closed Session.

Board Member Dr. Hines presented the following Motion:

16-1207-MO1

MOTION TO HOLD A CLOSED SESSION

MOTION ADOPTED that the Board hold a closed session to consider the following subjects:

- (1) information, regarding appointment, employment, compensation discipline, performance, or dismissal of employees pursuant to Section 2(c)(1) of the Open Meetings Act;

- (2) collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees pursuant to Section 2(c)(2) of the Open Meetings Act;
- (3) the purchase or lease of real property for the use of the Board pursuant to Section 2(c)(5) of the Open Meetings Act;
- (4) the setting of a price for the sale or lease of real property owned by the Board pursuant to Section 2(c)(6) of the Open Meetings Act;
- (5) security procedures and the use of personnel and equipment to respond to an actual, a threatened, or a reasonably potential danger to the safety of employees, students, staff, the public, or public property pursuant to Section 2(c)(8) of the Open Meetings Act;
- (6) matters relating to individual students pursuant to Section 2(c)(10) of the Open Meetings Act;
- (7) pending litigation and litigation which is probable or imminent involving the Board pursuant to Section 2(c)(11) of the Open Meetings Act; and
- (8) discussion of closed session minutes pursuant to Section 2(c)(21) of the Open Meetings Act, including audio tapes created pursuant to Section 2.06 of the Open Meetings Act.

Board Member Ward moved to adopt Motion 16-1207-MO1.

The Secretary called the roll and the vote was as follows:

Yeas: Mr. Furlong, Mr. Guzman, Dr. Hines, Ms. Ward, Fr. Garanzini, and President Clark – 6

Nays: None

President Clark thereupon declared Motion 16-1207-MO1 adopted.

**CLOSED SESSION
RECORD OF CLOSED SESSION**

The following is a record of the Board's Closed Session:

- (1) **The Closed Meeting was held on December 7, 2016, beginning at 2:41 p.m. at the CPS Loop Office, 42 W. Madison Street, Garden Level, Conference Room GC-116, and Chicago Illinois 60602.**
- (2) **PRESENT: Mr. Furlong, Mr. Guzman, Dr. Hines, Ms. Ward, Fr. Garanzini, and President Clark – 6**
- (3) **ABSENT: Ms. Jordan Turner - 1**
 - A. **Counsel Retention**
 - B. **Other Reports**
 - C. **Warning Resolutions**
 - D. **Terminations**
 - E. **Personnel**
 - F. **Collective Bargaining**
 - G. **Real Estate**
 - H. **Security**

- I. Closed Session Minutes
- J. Individual Student Matters

No votes were taken in Closed Session.

After Closed Session the Board reconvened.

Members present after Closed Session: Mr. Furlong, Mr. Guzman, Dr. Hines, Ms. Ward, Fr. Garanzini, and President Clark – 6

Members absent after Closed Session: Ms. Jordan Turner - 1

President Clark thereupon proceeded with Agenda Items.

16-1207-AR5

**AUTHORIZE RETENTION OF THE LAW FIRM
THE DEL GALDO LAW GROUP, LLC**

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

Authorize retention of the law firm The Del Galdo Law Group, LLC.

DESCRIPTION: The General Counsel requests authority to retain the law firm The Del Galdo Law Group, LLC to advise and represent the Board on employee discipline matters and such other legal matters as determined by the General Counsel. Authorization is requested for the firm's services for \$100,000. As invoices are received, they will be reviewed by the General Counsel and, if satisfactory, processed for payment.

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: None.

FINANCIAL: Charge \$100,000.00 to Law Department - Professional Services:
Budget Classification Fiscal Year 2017.....10210-115-54125-231101-000000

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-AR6

**AUTHORIZE RETENTION OF THE LAW FIRM
FOLEY & LARDNER LLP**

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

Authorize retention of the law firm Foley & Lardner LLP.

DESCRIPTION: The General Counsel requests authority to retain the law firm Foley & Lardner LLP to represent the Board on transactional and such other legal matters as determined by the General Counsel. Authorization is requested for the firm's services in the amount of \$60,000. As invoices are received, they will be reviewed by the General Counsel and, if satisfactory, processed for payment.

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: None.

FINANCIAL: Charge \$60,000.00 to Law Department - Professional Services:
Budget Classification Fiscal Year 2017.....10210-115-54125-231101-000000

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board’s Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board’s Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-AR7

**AUTHORIZE CONTINUED RETENTION OF THE LAW FIRM
NIELSEN, ZEHE & ANTAS, P.C.**

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

Continued retention of the law firm Nielsen, Zehe & Antas, P.C.

DESCRIPTION: The General Counsel has continued retention of the law firm Nielsen, Zehe & Antas, P.C. to represent the Board and its agents relating to legal matters including *John Doe 1-19, I Have a Dream Foundation, United Continental Holdings, et al. v. Board, et al.*, Case No. 14 L 3946, and other matters as determined by the General Counsel. Additional authorization is requested in the amount of \$500,000 for the firm’s services. As invoices are received, they will be reviewed by the General Counsel and, if satisfactory, processed for payment.

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: None.

FINANCIAL: Charge \$500,000.00 to Tort Fund:
Budget Classification Fiscal Year 2017.....12460-210-54530-231112-000000

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board Members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board’s Indebtedness Policy adopted June 26, 1996, (96-0626-PO3), as amended from time to time, is hereby incorporated into and made a part of the agreement.

Ethics - The Board’s Ethics Code adopted May 25, 2011, (11-0525-PO2), as amended from time to time, is hereby incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

The Secretary called the roll and the vote was as follows:

Yeas: Mr. Furlong, Mr. Guzman, Dr. Hines, Ms. Ward, Fr. Garanzini, and President Clark – 6

Nays: None

President Clark thereupon declared Board Reports 16-1207-AR5 through 16-1207-AR7 adopted.

16-1207-AR8

WORKERS' COMPENSATION - PAYMENT FOR LUMP SUM SETTLEMENT FOR STEVEN DZIALOWY - CASE NO. 08 WC 38419

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

Authorize settlement of the Workers' Compensation claim for Steven Dzialowy, Case No. 08 WC 38419 and subject to the approval of the Illinois Workers' Compensation Commission, in the amount of **\$192,142.75**.

DESCRIPTION: In accordance with the provisions of the Workers' Compensation Act, the General Counsel has determined that this settlement is in the Board's best interests.

LSC REVIEW: Local school council approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: Charge to Workers' Compensation Fund - General Fixed Charges Account #12470-210-57605-119004-000000 FY 2017\$192,142.75

PERSONNEL IMPLICATIONS: None

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26,1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-AR9

WORKERS' COMPENSATION – APPROVE PARTIAL 5(b) LIEN RECOVERY FOR PATRICIA HABTEMICHAEL – CASE NO. 05 WC 43158

THE GENERAL COUNSEL REPORTS THE FOLLOWING DECISION:

Authorized recovery of partial 5(b) lien in the amount of \$50,000.00 in the Workers' Compensation claim of Patricia Habtemichael, Case No. 05 WC43158.

DESCRIPTION: In accordance with the provisions of the Workers' Compensation Act, the General Counsel has determined that this settlement is in the Board's best interests.

LSC REVIEW: Local school council approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: Credit to Workers' Compensation Fund - General Fixed Charges Account #12470-210-57605-119004-000000 FY 2017 \$50,000.00

PERSONNEL IMPLICATIONS: None

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board’s Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board’s Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-AR10

**APPROVE SETTLEMENT RECOMMENDATION IN
TULLY V. BOARD OF EDUCATION OF THE CITY OF CHICAGO, CASE NO. 14-CV-4434**

GENERAL COUNSEL REPORTS THE FOLLOWING SETTLEMENT:

DESCRIPTION: Subject to Board approval, a tentative settlement has been reached in connection with a lawsuit filed by Ana Tully in the United States District Court for the Northern District of Illinois, Eastern Division. The settlement would dispose of all claims, attorneys’ fees and costs associated with the underlying lawsuit. The General Counsel recommends approval of the settlement, which calls for the payment of \$135,000 (one hundred thirty five thousand dollars and zero cents) for all of Tully’s claims, including attorneys’ fees and costs. The settlement proceeds will be allocated between Plaintiff and her counsel. Plaintiff’s portion of the settlement proceeds will be paid out as back pay, less all applicable payroll deductions (including federal and state income tax payroll withholding deductions, Medicare deductions, and employee pension contributions), and the Board’s pension contribution. The remainder of the settlement proceeds will be paid out as attorneys’ fees for her counsel. The Board’s total payout will not exceed \$135,000.00.

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Affirmative Action review is not applicable to this report.

FINANCIAL: Charge \$135,000.00 to Law Department
Budget Classification Fiscal Year 2017.....12470-115-54530-231122-000000

AUTHORIZATION: Authorize the General Counsel to execute the Settlement Agreement and all ancillary documents related thereto.

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1 the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board’s Indebtedness Policy adopted June 26, 1996 (96-0626-P03), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board’s Ethics Code adopted May 25, 2011 (11-0525-P02), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriate in the subsequent fiscal year budget(s).

President Clark indicated that if there are no objections, Board Reports 16-1207-AR8 through 16-1207-AR10 would be adopted by the last favorable roll call vote, all members voting therefore.

President Clark thereupon declared Board Reports 16-1207-AR8 through 16-1207-AR10 adopted.

16-1207-AR11

APPOINT ASSISTANT GENERAL COUNSEL
DEPARTMENT OF LAW
(LAURA L. SMITH)

THE GENERAL COUNSEL REPORTS THE FOLLOWING RECOMMENDATION:

Appoint the following named individual to the position listed below effective December 8, 2016.

DESCRIPTION:

NAME:	FROM:	TO:
Laura L. Smith	Law Clerk	Functional Title: Professional IV External Title: Assistant General Counsel Pay Band: A06 Department of Law Position No. 245038 Flat rate Annual Salary: \$63,800.00

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: The expenditure involved in this report is not in excess of the regular budget appropriation.

PERSONNEL IMPLICATIONS: The position to be affected by approval of this action is contained in the FY17 School budget.

16-1207-AR12

APPOINT ASSISTANT GENERAL COUNSEL
DEPARTMENT OF LAW
(SUSAN J. BEST)

THE GENERAL COUNSEL REPORTS THE FOLLOWING RECOMMENDATION:

Appoint the following named individual to the position listed below effective December 8, 2016.

DESCRIPTION:

NAME:	FROM:	TO:
Susan J. Best	New Hire	Functional Title: Professional IV External Title: Assistant General Counsel Pay Band: A06 Department of Law Position No. 436383 Flat rate Annual Salary: \$80,000.00

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: The expenditure involved in this report is not in excess of the regular budget appropriation.

PERSONNEL IMPLICATIONS: The position to be affected by approval of this action is contained in the FY17 School budget.

16-1207-AR13

APPOINT ASSISTANT GENERAL COUNSEL
DEPARTMENT OF LAW
(SHIRLEY Z. BLAZEJCZYK)

THE GENERAL COUNSEL REPORTS THE FOLLOWING RECOMMENDATION:

Appoint the following named individual to the position listed below effective December 8, 2016.

DESCRIPTION:

NAME:	FROM:	TO:
Shirley Z. Blazejczyk	New Hire	Functional Title: Professional IV External Title: Assistant General Counsel Pay Band: A06 Department of Law Position No. 288668 Flat rate Annual Salary: \$83,000.00

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Not applicable.

FINANCIAL: The expenditure involved in this report is not in excess of the regular budget appropriation.

PERSONNEL IMPLICATIONS: The position to be affected by approval of this action is contained in the FY17 School budget.

President Clark indicated that if there are no objections, Board Reports 16-1207-AR11 through 16-1207-AR13 would be adopted by the last favorable roll call vote, all members voting therefore.

President Clark thereupon declared Board Reports 16-1207-AR11 through 16-1207-AR13 adopted.

16-1207-EX16

RATIFY TENTATIVE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE BOARD OF
EDUCATION OF THE CITY OF CHICAGO AND THE CHICAGO TEACHERS UNION,
LOCAL 1, AMERICAN FEDERATION OF TEACHERS, AFL-CIO

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

That the Board approve and ratify tentative collective bargaining agreement between the Board of Education of the City of Chicago and Chicago Teachers Union, Local 1, American Federation of Teachers, AFL-CIO covering the terms and conditions of employment of teachers, related service providers and paraprofessionals in the CTU bargaining unit, effective during the period of July 1, 2015 to June 30, 2019.

DESCRIPTION: On October 10, 2016, Board and CTU representatives entered a written tentative agreement for a collective bargaining agreement between the Board and the CTU covering the period of July 1, 2015 to June 30, 2019. The tentative agreement modifies and amends the collective bargaining agreement that expired on June 30, 2015. A copy of the fully executed agreement will be placed on file in the Board's office.

LSC REVIEW: Not applicable

FINANCIAL: Since the School Code prohibits incurring any liability unless an appropriation has been previously made, the expenditures are deemed to be contingent liabilities only subject to appropriation in FY17, 18 and 19.

16-1207-EX17

RATIFY TENTATIVE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE BOARD OF EDUCATION OF THE CITY OF CHICAGO AND THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 143 (ENGINEERS BARGAINING UNIT)

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

That the Board approve and ratify a tentative collective bargaining agreement between the Board of Education of the City of Chicago and International Union of Operating Engineers, Local 143 (Engineers Bargaining Unit), covering the terms and conditions of employment of Board Engineers for the period of July 1, 2016 to June 30, 2021.

DESCRIPTION: On October 19, 2016 Board and IUOE, Local 143 representatives entered a written tentative agreement for a collective bargaining agreement between the Board and the IUOE, Local 143 covering the period of July 1, 2016 to June 30, 2021. The tentative agreement modifies and amends the collective bargaining agreement that expired on June 30, 2016. A copy of the fully executed agreement will be placed on file in the Board's office.

LSC REVIEW: Not applicable

FINANCIAL: Since the School Code prohibits incurring any liability unless an appropriation has been previously made, the expenditures are deemed to be contingent liabilities only subject to appropriation in FY17, 18, 19, 20 and 21.

16-1207-EX18

RATIFY TENTATIVE COLLECTIVE BARGAINING AGREEMENT BETWEEN THE BOARD OF EDUCATION OF THE CITY OF CHICAGO AND THE INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 143B (FINANCIAL SERVICES BARGAINING UNIT)

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

That the Board approve and ratify a tentative collective bargaining agreement between the Board of Education of the City of Chicago and the International Union of Operating Engineers, Local 143B (Financial Services Bargaining Unit), covering the terms and conditions of employment of Board employees in the bargaining unit for the period of July 1, 2016 to June 30, 2021.

DESCRIPTION: On October 19, 2016 Board and IUOE, Local 143B representatives entered a written tentative agreement for a collective bargaining agreement between the Board and the IUOE, Local 143B covering the period of July 1, 2016 to June 30, 2021. The tentative agreement modifies and amends the collective bargaining agreement that expired on June 30, 2016. A copy of the fully executed agreement will be placed on file in the Board's office.

LSC REVIEW: Not applicable

FINANCIAL: Since the School Code prohibits incurring any liability unless an appropriation has been previously made, the expenditures are deemed to be contingent liabilities only subject to appropriation in FY17, 18, 19, 20 and 21.

President Clark indicated that if there are no objections, Board Reports 16-1207-EX16 through 16-1207-EX18 would be adopted by the last favorable roll call vote, all members voting therefore.

President Clark thereupon declared Board Reports 16-1207-EX16 through 16-1207-EX18 adopted.

16-1207-EX19

TRANSFER AND APPOINT CHIEF OPERATING OFFICER EFFECTIVE OCTOBER 31, 2016 AND RATIFY ALL LAWFUL ACTIONS TAKEN AS CHIEF OPERATING OFFICER SINCE OCTOBER 31, 2016 (Denise Little)

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THAT THE BOARD:

- (1) Transfer and appoint Denise Little to the position of Chief Operating Officer, effective October 31, 2016 at the salary set forth below.
- (2) Ratify, adopt, and assume all lawful acts taken by Denise Little as Chief Operating between 12:00 a.m. October 31, 2016 and the Board's approval of this Board Report.

DESCRIPTION:

<u>NAME</u>	<u>FROM</u>	<u>TO</u>
Denise Little	External Title: Senior Advisor to the CEO Functional Title: Chief Position No: 519364 Basic Salary: \$185,000.00 Pay Band: A10	External Title: Chief Operating Officer Functional Title: Chief Position No: 546317 Basic Salary: \$200,000.00 Pay Band: A10 Budget Classification:

FINANCIAL: The expenditure involved in this appointment is not in excess of the regular budget appropriation. The position approved by this action shall be included in the FY17 department budget.

16-1207-EX20

**TRANSFER AND APPOINT CHIEF OFFICER STRATEGIC PLANNING & COMMUNICATIONS EFFECTIVE NOVEMBER 1, 2016 AND RATIFY ALL LAWFUL ACTIONS TAKEN AS CHIEF OFFICER STRATEGIC PLANNING & COMMUNICATIONS SINCE NOVEMBER 1, 2016
(Emily Bittner)**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THAT THE BOARD:

- (1) Transfer and appoint Emily Bittner to the position of Chief Officer Strategic Planning & Communications, effective November 1, 2016 at the salary set forth below.
- (2) Ratify, adopt, and assume all lawful acts taken by Emily Bittner as Chief Officer Strategic Planning & Communications between 12:00 a.m. November 1, 2016 and the Board's approval of this Board Report.

DESCRIPTION:

<u>NAME</u>	<u>FROM</u>	<u>TO</u>
Emily Bittner	External Title: Director of Communications Functional Title: Director Position No: 517787 Basic Salary: \$150,000.00 Pay Band: A08	External Title: Chief Officer Strategic Planning & Communications Functional Title: Officer Position No: 521294 Basic Salary: \$165,000.00 Pay Band: A10 Budget Classification: 10510-115-52100-221205-000000

FINANCIAL: The expenditure involved in this appointment is not in excess of the regular budget appropriation. The position approved by this action shall be included in the FY17 department budget.

16-1207-EX21

**APPROVE APPOINTMENT OF CHIEF HEALTH OFFICER EFFECTIVE NOVEMBER 17, 2016 AND RATIFY ALL LAWFUL ACTIONS TAKEN AS CHIEF HEALTH OFFICER SINCE NOVEMBER 17, 2016
(Kenneth Fox)**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THAT THE BOARD:

- (1) Approve the appointment of Kenneth Fox to the position of Chief Health Officer, effective November 17, 2016 as set forth in the description below; and,
- (2) Ratify, adopt, and assume all lawful acts taken by Kenneth Fox as Chief Health Officer between 12:00 a.m. November 17, 2016 and the Board's approval of this Board Report.

DESCRIPTION:

<u>NAME</u>	<u>FROM</u>	<u>TO</u>
Kenneth Fox	New	External Title: Chief Health Officer Functional Title: Chief Position Number: 543812 Basic Salary: \$165,000 Pay Band: A09 Budget Classification: 14050-312-52100-230012-000000

FINANCIAL: The expenditure involved in this appointment is not in excess of the regular budget appropriation. The position approved by this action shall be included in the FY17 department budget.

President Clark indicated that if there are no objections, Board Reports 16-1207-EX19 through 16-1207-EX21 would be adopted by the last favorable roll call vote, all members voting therefore.

President Clark thereupon declared Board Reports 16-1207-EX19 through 16-1207-EX21 adopted.

16-1207-EX22

**WARNING RESOLUTION – KEVIN LEE, TENURED TEACHER,
ASSIGNED TO NEAL F. SIMEON CAREER ACADEMY HIGH SCHOOL**

TO THE CHICAGO BOARD OF EDUCATION

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

That the Chicago Board of Education adopts a Warning Resolution for Kevin Lee and that a copy of this Board Report and Warning Resolution be served upon Kevin Lee.

DESCRIPTION: Pursuant to the provisions of 105 ILCS 5/34-85, the applicable statute of the State of Illinois, and the Rules of the Board of Education of the City of Chicago, a Warning Resolution be adopted and issued to Kevin Lee, Teacher, to inform him that he has engaged in unsatisfactory conduct.

The conduct outlined in the Warning Resolution will result in the preferring of dismissal charges against Kevin Lee, pursuant to the Statute, if said conduct is not corrected immediately and maintained thereafter in a satisfactory fashion following receipt of the Warning Resolution. Directives for improvement of this conduct are contained in the Warning Resolution.

LSC REVIEW: LSC review is not applicable to this report.

**AFFIRMATIVE
ACTION REVIEW:** None.

FINANCIAL: This action is of no cost to the Board.

**PERSONNEL
IMPLICATIONS:** None.

16-1207-EX23

**WARNING RESOLUTION – BEVERLY TATUM, TENURED TEACHER,
ASSIGNED TO LUDWIG VAN BEETHOVEN ELEMENTARY SCHOOL**

TO THE CHICAGO BOARD OF EDUCATION

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

That the Chicago Board of Education adopts a Warning Resolution for Beverly Tatum and that a copy of this Board Report and Warning Resolution be served upon Beverly Tatum.

DESCRIPTION: Pursuant to the provisions of 105 ILCS 5/34-85, the applicable statute of the State of Illinois, and the Rules of the Board of Education of the City of Chicago, a Warning Resolution be adopted and issued to Beverly Tatum, Teacher, to inform her that she has engaged in unsatisfactory conduct.

The conduct outlined in the Warning Resolution will result in the preferring of dismissal charges against Beverly Tatum, pursuant to the Statute, if said conduct is not corrected immediately and maintained thereafter in a satisfactory fashion following receipt of the Warning Resolution. Directives for improvement of this conduct are contained in the Warning Resolution.

LSC REVIEW: LSC review is not applicable to this report.

AFFIRMATIVE ACTION REVIEW: None.

FINANCIAL: This action is of no cost to the Board.

PERSONNEL IMPLICATIONS: None.

President Clark indicated that if there are no objections, Board Reports 16-1207-EX22 and 16-1207-EX23 would be adopted by the last favorable roll call vote, all members voting therefore.

President Clark thereupon declared Board Reports 16-1207-EX22 and 16-1207-EX23 adopted.

16-1207-EX24

**REMOVE AND REPLACE THE PRINCIPAL OF
STEPHEN F. GALE ELEMENTARY COMMUNITY ACADEMY
AND TERMINATE THE PRINCIPAL'S CONTRACT**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the principal of Stephen F. Gale Elementary Community Academy ("Gale"), Cassandra Washington, be removed and replaced pursuant to Section 34-8.3(d) of the Illinois School Code and that her contract be terminated pursuant to Section V of the Board's Uniform Principal's Performance Contract.

DESCRIPTION:

I. Legal Framework

The Illinois School Code grants the Chief Executive Officer of the Chicago Public Schools ("CEO") the authority to place schools on probation to correct deficiencies in their academic performance (105 ILCS 5/34-8.3). The Illinois School Code further grants the Board of Education of the City of Chicago ("Board") the authority to establish guidelines to determine the factors for placing an attendance center on probation. 105 ILCS 5/34-8.3(b).

Pursuant to that authority, the Board has adopted policies under which Gale was placed on probation eight (8) years ago. The Board adopted the "School Quality Rating Policy (Begins with the 2014-2015 School Year)" (Board Report 14-1119-PO1) ("SQR") and Gale remained on probation last year in accordance with the terms of that policy.

The Illinois School Code provides that when a school on probation fails to make adequate progress to correct deficiencies within one year, the CEO, with the approval of the Board and after an opportunity for a hearing, may remove and replace the school's principal. 105 ILCS 5/34-8.3(d)(2). Pursuant to Section V of the Board's Uniform Principal's Performance Contract, a principal's contract may be terminated before the expiration of its four-year term based upon the principal's removal pursuant to Section 34-8.3(d).

II. Hearing on Principal Removal

Pursuant to the CEO's "Guidelines for the Removal and Replacement of Principals of Schools on Probation" and the "Procedures Governing Principal Removal Hearings," Cassandra Washington, and the Gale Local School Council (LSC) members were duly notified that the CEO was contemplating the removal of Cassandra Washington as principal pursuant to Section 34-8.3(d) to further the school's educational improvement. Margaret Fitzpatrick, Esq., an independent hearing officer, presided over the Gale principal removal hearing on October 14, 2016, in an efficient and impartial manner.

The Law Department, representing the CEO, presented the statements of the Chief of Schools for Network 2, Philip Salemi, and the Director of School Quality Measurement for the Chicago Public Schools, Ryan Crosby, as well as documentation to support a recommendation to remove Cassandra Washington as Gale's principal to the hearing officer. The hearing was uncontested.

The hearing officer has submitted a written report to the CEO summarizing all relevant evidence offered during the hearing, making findings of fact, and advised the CEO that sufficient evidence exists to support the removal of Cassandra Washington as the principal of Gale.

III. Chief Executive Officer's Recommendation

The CEO has reviewed the Hearing Officer's report and hereby recommends that Cassandra Washington be removed and replaced as the principal of Gale effective on December 7, 2016. The CEO further recommends that Cassandra Washington's Uniform Principal's Performance Contract, with a term beginning July 1, 2014, and ending on June 30, 2018, be terminated on December 7, 2016. These recommendations are based upon the following factors:

- A. Gale has a history of poor performance. Gale has been on probation for the past eight (8) consecutive school years. Cassandra Washington has been the principal of Gale for the past seven (7) years.
- B. Under the Board's Performance Policy (the District's accountability policy used prior to SQRP), Gale received a Level 3 rating each year between 2009-10 and 2013-14. Under the SQRP, Gale received a Level 2 rating in each of the last three years. Gale remained on probation under the CEO's discretion as its score was 2.5 or lower for three consecutive years.
- C. Gale's National School Growth Percentile has been below national average in two of the last three years in reading and math. In 2015-16 school year, Gale's National School Attainment Percentile in reading has not been above the 30th percentile in the last four years. In math, the National School Attainment Percentile has not exceeded the 17th percentile over the last four years.
- D. In addition to standardized test scores, the SQRP evaluates schools on attendance rate. The attendance rate for Gale has been consistently lower than the District average and has declined over time. Since the 2005-2006 school year, when Gale's attendance rate was 93.4% - within one percentage point of the elementary school district average - Gale's attendance rate has declined to 91.7%, while the elementary school district average has increased to 95.5%.
- E. Network 2 provided Gale with instructional leadership, professional development, and recommendations based on instruction and social-emotional learning support for students. Unfortunately, these additional supports were insufficient to raise Gale out of probationary status.
- F. Cassandra Washington waived her right to a hearing regarding her removal as Principal.

If the Board adopts the CEO's recommendation to remove the Gale principal, the following actions will occur:

- 1. The CEO will appoint an interim principal for Gale. The interim principal will serve at the pleasure of the CEO;
- 2. The LSC shall have no authority to select a new four-year contract principal until Gale makes sufficient academic progress to be removed from probation; and
- 3. The Uniform Principal's Performance Contract of Cassandra Washington will be terminated effective December 7, 2016.

LSC REVIEW: LSC approval is not applicable to this report.

FINANCIAL: The interim principal position will be filled at a cost within current budget appropriations.

PERSONNEL IMPLICATIONS: An Interim Principal will be selected, who will serve at the pleasure of the CEO. Until the school comes off probation, the Local School Council of Gale will have no authority to select a new four-year contract principal, as required by Board Policy.

President Clark indicated that if there are no objections, Board Report 16-1207-EX24 would be adopted by the last favorable roll call vote, all members voting therefore.

President Clark thereupon declared Board Report 16-1207-EX24 adopted.

16-1207-RS6

**RESOLUTION APPROVING CHIEF EXECUTIVE OFFICER'S RECOMMENDATION
TO DISMISS EDUCATIONAL SUPPORT PERSONNEL**

WHEREAS, on December 2, 2016 the Chief Executive Officer submitted a written recommendation, including the reasons for the recommendation, to the Board to dismiss the following educational support personnel pursuant to Board Rule 4-1:

Name	School	Effective Date
Charles Akins	Ellen Mitchell Elementary School	December 7, 2016
Patricia Barton	Chicago High School for Agricultural Sciences	December 7, 2016
Alfreda Bass	Jacqueline B Vaughn Occupational High School	December 7, 2016
Crystal Bullette	Charles W Earle Elementary School	December 7, 2016
Marrio Butler	William F Finkl School	December 7, 2016
Ariel Carr	Courtenay Language Arts Center	December 7, 2016
Elizabeth Casillas	William F Finkl School	December 7, 2016
Dennis Conda	Adam Clayton Powell Paideia Elementary School	December 7, 2016
Vernon Dandridge	Southside Occupational Academy	December 7, 2016
Alejandro Garza	George Armstrong School	December 7, 2016
Terry Gavin	Edward Coles Elementary School	December 7, 2016
Erica Graham	Jackie R Robinson Elementary School	December 7, 2016
Pamela Johnson	Andrew Carnegie Elementary School	December 7, 2016
Jacqueline Jordan	Eric Solorio Academy High School	December 7, 2016
Arick Lockhart	Willa Cather Elementary School	December 7, 2016
Kathie O'Boyle	William J Onahan School	December 7, 2016
Marissa Perales	Sarah Goode High School	December 7, 2016
Clausell Ray	Mount Vernon Elementary School	December 7, 2016
Corey Riley	Theodore Herzl Elementary School	December 7, 2016
Sindya Roman	Charles R Darwin Elementary School	December 7, 2016
Alicja Ruszel	Edison Park Elementary School	December 7, 2016

WHEREAS, the Chief Executive Officer followed the procedures established by him prior to making the recommendation;

WHEREAS, the Board has reviewed the reasons for the Chief Executive Officer's recommendation;

WHEREAS, the Chief Executive Officer or his designee has previously notified the affected educational support personnel of their pending dismissal;

NOW, THEREFORE, BE IT RESOLVED:

1. That pursuant to Board Rule 4-1, the above-referenced educational support personnel are dismissed from Board employment effective on the date set opposite their names.
2. The Board hereby approves all actions taken by the Chief Executive Officer or his designee to effectuate the dismissal of the above-named educational support personnel.
3. The Chief Executive Officer or his designee shall notify the above-named educational support personnel of their dismissal.

16-1207-RS7

**RESOLUTION APPROVING CHIEF EXECUTIVE OFFICER'S RECOMMENDATION
TO DISMISS PROBATIONARY APPOINTED TEACHERS**

WHEREAS, on December 2, 2016, the Chief Executive Officer submitted written recommendations, including the reasons for the recommendations, to the Board to dismiss the following probationary appointed teachers pursuant to Board Rule 4-1 and 105 ILCS 5/34-84:

Name	School	Effective Date
Giordan Gibson	Emmit Louis Till Math and Science Academy	December 7, 2016
Laura Laughlin	Clara W Barton Elementary School	December 7, 2016
Adriana Taylor	Bernhard Moos Elementary School	December 7, 2016

WHEREAS, the Chief Executive Officer followed the procedures established by him prior to making the recommendation;

WHEREAS, the Board has reviewed the reasons for the Chief Executive Officer's recommendation;

WHEREAS, the Chief Executive Officer or his designee has previously notified the affected probationary appointed teachers of their pending dismissal;

NOW, THEREFORE, BE IT RESOLVED:

1. That pursuant to Board Rule 4-1 and 105 ILCS 5/34-84, the above-referenced probationary appointed teachers are dismissed from Board employment effective on the date set opposite their names.
2. The Board hereby approves all actions taken by the Chief Executive Officer or his designee to effectuate the dismissal of the above-named probationary appointed teachers.
3. The Chief Executive Officer or his designee shall notify the above-named probationary appointed teachers of their dismissal.

The Secretary presented the following Statement for the Public Record:

I would like to note for the record that on December 2, 2016, the Board members and the Office of the Board received the CEO's recommendation to dismiss Probationary Appointed Teachers pursuant to Board Rule 4-1 and 105 ILCS 5/34-84. His recommendation included the names of the teachers affected and the reasons. He also noted that the teachers affected will be notified of their dismissal after adoption of the Resolution.

16-1207-RS8

**RESOLUTION AUTHORIZING THE HONORABLE TERMINATION
OF REGULARLY CERTIFIED AND APPOINTED TEACHER**

WHEREAS, the Chicago Board of Education ("Board") has the power under Sections 34-8.1, 34-16 and 34-84 of the Illinois School Code (105 ILCS 5/34-1, *et. seq.*) to lay off employees; and

WHEREAS, the Board has the power under Section 34-18(31) of the Illinois School Code to promulgate rules establishing procedures governing the layoff or reduction in force of employees; and

WHEREAS, the Board has the power under Section 34-19 of the Illinois School Code to delegate to the Chief Executive Officer ("CEO") the authorities granted to the Board provided that such delegation and appropriate oversight procedures are made pursuant to Board by-laws, rules, regulations, adopted pursuant to Section 34-19 of the Illinois School Code; and

WHEREAS, the Board, pursuant to the above articulated powers, promulgated its Policy Regarding Reassignment and Layoff of Regularly Appointed and Certified Teachers ("Reassignment Policy") on July 23, 1997 and amended from time to time thereafter, and which is incorporated into collective bargaining agreements; and

WHEREAS, the Board has delegated its power to layoff tenured teachers in accordance with the Reassignment Policy to the CEO under Board Rules 2-13, and 4-1 (a), and 4.6; and

WHEREAS, the Reassignment Policy provides that teachers honorably terminated under its provisions, who are rehired in a permanent teaching position within two school years after their honorable termination, shall have their tenure and prior seniority restored as of the date of rehire; and

WHEREAS, the employee(s) identified on Attachment A were removed from the attendance center to which they were assigned pursuant to Section 2 of the Reassignment Policy, and the Chief Executive Officer directed that each employee receive a notice of removal and each employee did receive said notice; and

WHEREAS, all of the identified employees failed to secure a permanent appointment within at least 10 school months after they received their notice of removal and the Chief Executive Officer directed that each of the identified employees receive at least 14 days' notice that they would be honorably terminated from service and each employee has received said notice.

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

That the employee(s) listed on Attachment A are honorably terminated from service effective on the date of honorable termination indicated on Attachment A, pursuant to the Board's Reassignment Policy.

That those employee(s) listed on Attachment A, who were tenured at the time of their honorable termination, shall have their tenure and full seniority restored without further formal Board action, if they are rehired by the Board to a permanent teaching position within two (2) years of the date of their honorable termination.

ATTACHMENT A

REASSIGNED TEACHER(S) SCHEDULED FOR HONORABLE TERMINATION

First Name	Last Name	Termination Date
Mercy	Kurian	December 16, 2016

President Clark indicated that if there are no objections, Board Reports 16-1207-RS6 through 16-1207-RS8 would be adopted by the last favorable roll call vote, all members voting therefore.

President Clark thereupon declared Board Reports 16-1207-RS6 through 16-1207-RS8 adopted.

Vice President Guzman presented the following Motion:

16-1207-MO2

**MOTION RE: ADOPT AND MAINTAIN AS CONFIDENTIAL
CLOSED SESSION MINUTES FROM OCTOBER 26, 2016**

MOTION ADOPTED that the Board adopt the minutes of the closed session meeting of October 26, 2016 pursuant to Section 2.06 of the Open Meetings Act. Board Members reviewed these minutes and determined that the need for confidentiality exists. Therefore, the minutes of the closed session meeting held on October 26, 2016 shall be maintained as confidential and not available for public inspection.

Board Member Fr. Garanzinin moved to adopt Motion 16-1207-MO2.

The Secretary called the roll and the vote was as follows:

Yeas: Mr. Furlong, Mr. Guzman, Dr. Hines, Ms. Ward, Fr. Garanzini, and President Clark – 6

Nays: None

President Clark thereupon declared Motion 16-1207-MO2 adopted.

Board Member Furlong presented the following Motion:

16-1207-MO3

**MOTION RE: APPROVAL OF RECORD OF PROCEEDINGS OF MEETING
OPEN TO THE PUBLIC OCTOBER 26, 2016**

MOTION ADOPTED that the record of proceedings of the Regular Board Meeting of October 26, 2016 prepared by the Board Secretary be approved and that such records of proceedings be posted on the Chicago Board of Education website in accordance with Section 2.06(b) of the Open Meetings Act.

Board Member Ward moved to adopt Motion 16-1207-MO3.

The Secretary called the roll and the vote was as follows:

Yeas: Mr. Furlong, Mr. Guzman, Dr. Hines, Ms. Ward, Fr. Garanzini, and President Clark – 6

Nays: None

President Clark thereupon declared Motion 16-1207-MO3 adopted.

16-1207-OP12

**AUTHORIZE THE CONDEMNATION SETTLEMENT AND ACQUISITION
OF THE PROPERTY AT 19TH WEST 16TH STREET
FOR THE CONSTRUCTION OF A NEW ELEMENTARY SCHOOL
TO RELIEVE OVERCROWDING**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

On May 25, 2016, the Board adopted Resolution Number 16-0525-RS10 designating and authorizing the acquisition of the property at the southeast corner of 16th Street and South Dearborn ("Property") for the construction of a new elementary school to relieve overcrowding. On August 16, 2016 the Board filed condemnation to acquire the Property for the new school project.

The purpose of this Board Report is to authorize the settlement and condemnation award to be paid for the Property in the amount of \$5,100,000. The authorization granted herein will automatically rescind in the event the settlement agreement and the final judgment order are not executed and entered within 120 days of this Board Report. Information pertinent to the acquisition is as follows:

- OWNERS:** 19 W. 16th Street (Sanctuary), LLC
c/o CMK Companies and Colin Kihnke
225 W. Ohio 6th Floor
Chicago, Illinois 60654
- PROPERTY:** 55,394 square foot (1.27 acres) site in the South Loop. The Property is zoned DS-5 Downtown Service District. It is improved with a 30,000 square foot industrial building. The Board will demolish the improvements after the Property is acquired. Exhibit A is the legal description for the Property.
- PIN:** 17-21-402-001-0000
- USE:** For construction of a new elementary school to relieve overcrowding in the South Loop.
- APPRAISALS:**

<u>For the Board of Education:</u>	
KMD Valuation:	\$4,600,000 to \$4,800,000
<u>For the Owner:</u>	
McCann Appraisal & Consulting	\$12,000,000
- SETTLEMENT:** \$5,100,000
- AUTHORIZATION:** Authorize the settlement of the acquisition of the Property for \$5,100,000. Authorize the General Counsel or his designee to negotiate and include other relevant terms and conditions in the Stipulation and Final Judgment Order, including indemnification, as he deems appropriate. Authorize the General Counsel to execute all ancillary and related documents to complete the land acquisition and transaction. Authorize the Comptroller to issue a check to the Treasurer of Cook County for \$5,100,000 for the acquisition of the Property and to sign tax forms to acknowledge donation of property.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: None. Local School Council is not applicable to this report.

FINANCIAL: Charge to Operations Department: \$5,100,000
 Budget Classification No.:
 Fiscal Year: 2016-2017
 Source of Funds: Capital Improvement

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

EXHIBIT A

LEGAL DESCRIPTION:

LOTS 2, 3, 6, 7, 10, 11 AND 14 IN BLOCK 1 IN CANAL TRUSTEE'S NEW SUBDIVISION OF BLOCKS IN CANAL TRUSTEES' SUBDIVISION IN SOUTHEAST 1/4 OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PROPERTY INDEX NUMBER:

17-21-402-001-0000

COMMON ADDRESS:

19 W. 16th STREET, CHICAGO, IL 60616

(SOUTHEAST CORNER OF DEARBORN AND 16TH STREET)

16-1207-OP13

**DISPOSITION OF BIDS RECEIVED FOR THE SALE OF LAND
 LOCATED AT 13425 S. BALTIMORE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

That the Board request the City of Chicago in Trust for Use of Schools ("City") convey to Christine Spanos, ("Purchaser"), the property located at 13425 S. Baltimore, Chicago, Illinois ("Property") as further described herein. The Offer to Purchase Real Estate contained in the bid solicitation which has been executed by the Purchaser will convert to a contract upon acceptance and execution by the Board. Information pertinent to this agreement is stated below.

LEGAL DESCRIPTION & PIN: See the attached Exhibit A.

BID INFORMATION: In accordance with 105 ILCS 5/34-21, the Property was advertised for sale from July 29, 2016 to September 15, 2016. Bids were received by the Procurement Department by 2:00 p.m. on September 15, 2016, and opened on the same date. The following 2 bids were received:

<u>Bidder</u>	<u>Offer</u>	<u>Date received</u>
1. Melissa O'Malley	\$28,000	September 15, 2016
2. Christine Spanos	\$21,000	September 15, 2016

On September 27, 2016, the highest 2 bidders were asked to submit their best and final offers. On October 3, 2016, the following two best and final bids were received:

<u>Bidder</u>	<u>Final Offer</u>	<u>Date received</u>
1. Melissa O'Malley	\$29,050	October 3, 2016
2. Christine Spanos	\$30,400	October 3, 2016

APPRAISAL: An appraisal was made for the benefit of the Board for the Property indicating a fair market value as follows:

Appraiser: KMD Valuation Group, LLC
Market Value: \$ 30,000 to \$33,500

RECOMMENDATION AND USE RESTRICTION: The Property is not needed for school purposes. The sale of the Property is in the best interests of the Board in accordance with 105 ILCS 5/34-21 (2011). The Property is to be sold "as is, where is." The Board is to be discharged from any future liability and responsibility for the Property after it is sold.

The appraisal and the bids received were reviewed and it is recommended that the following bid be accepted:

Name: Christine Spanos
Address: 10943 S. Trumbull Avenue, Chicago, Illinois 60655
Contact: Christine Spanos
Original Offer: \$21,000
Best & Final Offer: \$30,400

AUTHORIZATION: Authorize the President and Secretary to execute the Offer to Purchase agreement and to modify the legal description if necessary upon receipt of a title commitment and survey. Authorize the City of Chicago in Trust for Use of Schools to issue a quitclaim deed in favor of Christine Spanos. Authorize the General Counsel to take any and all actions required to effectuate this transaction. Authorize the General Counsel and Chief Facilities Officer to execute any and all ancillary documents required to administer or effectuate this transaction.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this transaction.

FINANCIAL: Proceeds (Purchaser's best and final offer, less closing costs and commission) to be credited to the Capital Improvement Fund.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-P03), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-P02), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

EXHIBIT A

PROPERTY COMMON ADDRESS:

13425 S. Baltimore, Chicago, IL 60633

PIN: 26-31-402-048-0000-0000

LEGAL DESCRIPTION:

ALL OF LOT THIRTY SEVEN (37), ALL OF LOT THIRTY EIGHT (38), LOT THIRTY NINE (EXCEPT THE NORTH FIFTEEN (15) FEET THEREOF) (39) IN BLOCK TWO (2) IN THE CALUMET AND CHICAGO CANAL AND DOCK COMPANY'S SUBDIVISION OF THAT PART NORTHEAST OF RAILROAD OF THE WEST HALF (1/2) OF THE SOUTHEAST QUARTER (1/4) OF SECTION 31, TOWNSHIP 37 NORTH, RANGE 15 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

The Board may modify the legal description if necessary upon receipt of a title commitment and survey.

President Clark indicated that if there are no objections, Board Reports 16-1207-OP12 and 16-1207-OP13 would be adopted by the last favorable roll call vote, all members voting therefore.

President Clark thereupon declared Board Reports 16-1207-OP12 and 16-1207-OP13 adopted.

16-1207-RS1

RESOLUTION ADOPTING THE AMENDED ANNUAL SCHOOL BUDGET FOR FISCAL YEAR 2017

WHEREAS, on August 24, 2016, pursuant to Section 34-43 of the Illinois School Code (the "Code"), the Board of Education of the City of Chicago ("the Board") adopted an Annual School Budget for Fiscal Year 2017 (the "Budget"); and

WHEREAS, pursuant to Section 34-47 of the Code the Board may amend its budget by the same procedure provided for the adoption of the original budget; and

WHEREAS, the Board has agreed on a tentative collective bargaining agreement with the Chicago Teachers Union; and

WHEREAS, that agreement requires additional appropriation authority in Fiscal Year 2017 above what was adopted by the Board on August 24, 2016; and

WHEREAS, the Board has amended its Capital Improvement Plan for fiscal year 2016-2017; and

WHEREAS, the Board wishes to amend the Budget adopted on August 24, 2016 to provide the appropriation authority and revenues necessary to implement the tentative collective bargaining agreement with the Chicago Teachers Union and additional improvements identified in the Capital Improvement Plan;

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

Section 1. Findings. It is found, declared and determined as follows.

(a) Pursuant to Section 34-43 of the Code, the Board has previously established standards by which its budgets shall be balanced in each fiscal year, consistent with the requirements of the Code. These standards and policies referenced by the Board in the August 24, 2016 resolution approving the Budget (16-0824-RS2) remain in force and govern this Amended Budget.

(b) The amended Budget was prepared was prepared in tentative form by the Board and was available for public inspection for at least fifteen days prior to adoption (to wit, since November 16, 2016, and, as supplemented, since November 21, 2016) by having at least five copies of the tentative budget on file in the Office of the Secretary of the Board; the amended Budget was also posted on the district's website at <http://cps.edu/fy17budget/documents/fy17budgetbook.pdf>.

(c) On November 28, 2016, two public hearings were held concerning the adoption of the Amended Budget; notice of such hearings having been given by publication in a newspaper of general circulation in the City of Chicago and on the www.cps.edu website.

Section 2. Budget Approval. The Amended Budget, incorporating Exhibit A of this Resolution and the website at <http://cps.edu/fy17budget/documents/fy17budgetbook.pdf>, is adopted.

Section 3. Severability. To the extent that any prior resolution or policy of the Board (excluding Board Rules) is in conflict with the provisions of this Resolution, the provisions of this Resolution shall be controlling. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the other provisions of this Resolution.

Section 4. Effectiveness. This Resolution is effective immediately upon its adoption.



Fund Summary by Department
(Network and Collaboratives Collapsed)

EXHIBIT A

Department	Special Education Fund - FG114	General Education Fund - FG115	Workers' & Unemployment Compensation/Tort - FG219	Public Building Commission O & M - FG239	General Funds	Tuition Based Program - FG117
Board of Trustees - U10110		1,018,975			1,018,975	
Law Office Total - U10200	500,900	12,709,443			13,209,443	
Inspector General - U10320		2,054,175			2,054,175	
Executive Office Total - U10402		1,410,037			1,410,037	
Accountability Total - U11200		2,993,573			2,993,573	
Title I and School Improvement Programs Total - U11205		132,486			132,486	
Network Offices Total - U02000		17,822,622			17,822,622	
Arts - U10880		899,442			899,442	
Literacy - U13700		509,152			509,152	
Literacy Total - U13709		509,152			509,152	
Science - U13715		87,895			87,895	
Mathematics - U13717						
Core Curriculum Office Total - U10802		1,723,360			1,723,360	
Chief Teaching & Learning Officer - U10910		2,156,559			2,156,559	
Department of Personalized Learning - U10829		781,350			781,350	
Personalized Learning Office Total - U10829		781,350			781,350	
Instructional Supports - U11551		1,837,562			1,837,562	
Early Childhood Development - U11380						
Early Childhood Development - City Wide - U11388	200,000	353,520			553,520	311,098
Early Childhood Development Total - U11389	200,000	353,520			553,520	311,098
Grant Funded Programs Office - U12620						
Grant Funded Programs Office - City Wide - U12625						
Grant Funded Programs Total - U12905						
Sports Administration - City Wide - U13737		13,822,026			13,822,026	
Office of Student Health & Wellness - U14050		4,005,591			4,005,591	
Language & Cultural Education - U11510		465,927			465,927	
Language & Cultural Education - City Wide - U11540		60,870			60,870	
Language & Cultural Education Total - U11500		526,797			526,797	
Chief Education Office Total - U10800	224,121,218	57,514,201			281,635,419	311,098
Magnet - U10845		4,085,617			4,085,617	
Student Support and Engagement - U11371		7,456,616			7,456,616	
Counseling and Postsecondary Advising - U10850		1,451,271			1,451,271	
Counseling and Postsecondary Advising - City Wide - U10855		28,089			28,089	
Counseling and Postsecondary Advising Total - U10859		1,479,360			1,479,360	
College and Career Success Office - U10670		444,291			444,291	
Science Technology Engineering & Math (STEM) Programs - U10871		1,148,438			1,148,438	
Social and Emotional Learning - U10695		2,174,588			2,174,588	
Social and Emotional Learning - City Wide - U10698		3,639,477			3,639,477	
Social and Emotional Learning Total - U10699		5,814,065			5,814,065	
Early College and Career - U13725		605,731			605,731	
Early College and Career - City Wide - U13727		963,508			963,508	
Early College and Career Total - U13729		1,569,239			1,569,239	
College and Career Success Total - U11400		17,902,059			17,902,059	
Diverse Learner Supports & Services Total - U11600	223,921,218				223,921,218	
LSC Relations Total - U10905		1,210,541			1,210,541	
Family & Community Engagement Office Total - U10901		5,160,533			5,160,533	
Intergovernmental Affairs - U10450		1,255,520			1,255,520	
External Affairs and Partnerships - U14040		283,894			283,894	
Public and External Affairs Office Total - U10700		283,894			283,894	
Intergovernmental Relations Total - U10900		1,539,415			1,539,415	
Communications Office Total - U10500		1,900,845			1,900,845	
Office of Education Options - U05281						
Innovation and Incubation Office - U13610		2,170,445			2,170,445	
New School Development - City Wide - U13515		2,447,750			2,447,750	
Innovation and Incubation Total - U10404		4,618,195			4,618,195	
Human Capital Office - City Wide - U11070		5,333,893			5,333,893	
Human Capital Office Total - U11035		5,333,893			5,333,893	
Talent Office - U11010		9,499,907			9,499,907	
Talent Office Total - U11000		14,833,799			14,833,799	
Pensions and District-Wide Set-Asides Total - U00180		493,708,409	5,072		498,786,481	856,419
School Support Center - U15010		5,370,214			5,370,214	
Payroll Services - U12450		2,061,004			2,061,004	
Office of Planning and Data Management - U15500		1,530,346			1,530,346	
Food Services Total - U12000						
Budget Management Office Total - U00010		2,239,070			2,239,070	
Office of Internal Audit and Compliance - U10430		3,789,359			3,789,359	
Business Diversity - U12280		319,326			319,326	
Corporate Accounting Total - U12400		4,032,351			4,032,351	
Risk Management - U12460		191,016	8,550,588		8,741,604	
Treasury Total - U12305		1,407,966			1,407,966	
Facility Operations & Management Total - U11800		2,348,343		331,153,605	333,502,148	
Student Transportation Total - U11900	93,803,947	23,996,810			117,800,757	
Safety & Security Total - U10900			31,057,389		31,057,389	
Information & Technology Services Total - U12500		77,852,591			77,852,591	
Procurement and Contracts Total - U12200		1,456,117			1,456,117	
Chief Administrative Office Total - U14000	93,803,947	31,854,132	31,057,389	331,153,605	487,668,253	
Network 1 Total - U02410	10,503,548	218,141,618	3,844,821		232,289,984	182,614
Network 2 Total - U02420	4,225,521	152,196,858	3,088,689		159,511,068	176,483
Network 3 Total - U02430	2,620,327	125,303,285	2,773,030		130,696,641	
Network 4 Total - U02440	2,386,872	148,133,665	2,805,870		154,326,407	1,361,832
Network 5 Total - U02450	2,622,787	89,649,118	3,451,197		105,723,112	
Network 6 Total - U02460	5,118,067	96,481,810	2,334,369		103,933,837	213,180
Network 7 Total - U02470	2,181,850	99,840,868	2,617,440		104,639,656	
Network 8 Total - U02480	2,818,668	140,544,214	4,121,450		147,484,332	
Network 9 Total - U02490	2,072,306	88,339,051	3,570,623		95,041,980	
Network 10 Total - U02500	4,675,950	155,623,042	3,593,631		163,892,624	
Network 11 Total - U02510	8,653,616	111,543,903	4,156,803		124,654,322	
Network 12 Total - U02520	3,246,547	88,750,917	3,676,416		106,673,881	
Network 13 Total - U02530	2,028,368	104,883,982	3,691,973		110,674,331	
Alternative Schools Network Total - U67000	3,239,051	32,554,202			35,844,053	
ALSL Schools Network Total - U09100	1,750,824	102,586,477	3,037,588		107,374,889	
Contract Schools Network Total - U63000	4,057,466	24,848,905	213,003		29,119,374	
Charter Schools Network Total - U60005	75,483,118	905,168,255	332,828		580,974,201	
Non-Public Schools Network Total - U69000						
Independent Schools Network Total - U02270	4,985,693	238,371,726	5,799,962		249,145,400	985,500
School Networks Total - U02005	143,143,171	2,579,185,263	53,658,876		2,766,907,310	2,932,638
Total Departments	467,000,000	3,315,226,639	93,371,905	331,153,605	4,146,752,549	4,189,175



Fund Summary by Department
(Network and Collaboratives Collapsed)

EXHIBIT A

Department	School Special Income Fund - FG124	Supplemental General State Aid - FG225	School Based Funds	Federal Special Education IDEA Programs - FG220	Lunchroom Fund - FG312	Lunchroom - Lighthouse - FG314
Board of Trustees - U10116						
Law Office Total - U10290	11,543		11,543			
Inspector General - U10320						
Executive Office Total - U10402						
Accountability Total - U11280						
Title I and School Improvement Programs Total - U11285						
Network Offices Total - U02300	1,007,829		1,007,829			
Arts - U10890	510,921		510,921			
Literacy - U13700	29,421		29,421			
Literacy Total - U13709	29,421		29,421			
Science - U13716						
Mathematics - U13717						
Core Curriculum Office Total - U10862	798,667		798,667			
Chief Teaching & Learning Officer - U10810						
Department of Personalized Learning - U10825						
Personalized Learning Office Total - U10829						
Instructional Supports - U11551						
Early Childhood Development - U11350						
Early Childhood Development - City Wide - U11385	148,964		458,062			
Early Childhood Development Total - U11389	148,964		458,062			
Grant Funded Programs Office - U12620						
Grant Funded Programs Office - City Wide - U12625				3,985,391		
Grant Funded Programs Total - U12605				3,985,391		
Sports Administration - City Wide - U13737	41,543		41,543			
Office of Student Health & Wellness - U14050	207,533		207,533		577,635	
Language & Cultural Education - U11510						
Language & Cultural Education - City Wide - U11540	493,300		493,300			
Language & Cultural Education Total - U11500	493,300		493,300			
Chief Education Office Total - U10800	3,253,908		3,685,006	14,948,802		
Magnet - U10845						
Student Support and Engagement - U11371	233,895		233,895			
Counseling and Postsecondary Advising - U10850						
Counseling and Postsecondary Advising - City Wide - U10855	22,170		22,170			
Counseling and Postsecondary Advising Total - U10859	22,170		22,170			
College and Career Success Office - U10970						
Science Technology Engineering & Math (STEM) Programs - U10871						
Social and Emotional Learning - U10895	38,544		38,544			
Social and Emotional Learning - City Wide - U10896	352,189		352,189			
Social and Emotional Learning Total - U10899	390,733		390,733			
Early College and Career - U13725						
Early College and Career - City Wide - U13727	156,801		156,801			
Early College and Career Total - U13729	156,801		156,801			
College and Career Success Total - U11400	807,149		807,149			
Diverse Learner Supports & Services Total - U11600				14,948,802		
LSC Relations Total - U10905						
Family & Community Engagement Office Total - U10961	2,631		2,631			
Intergovernmental Affairs - U10450						
External Affairs and Partnerships - U14040						
Public and External Affairs Office Total - U10700						
Intergovernmental Relations Total - U10900						
Communications Office Total - U10500						
Office of Education Options - U05281						
Innovation and Incubation Office - U13810						
New School Development - City Wide - U13615						
Innovation and Incubation Total - U10404						
Human Capital Office - City Wide - U11070				2,194,658		
Human Capital Office Total - U11005				2,194,658		
Talent Office - U11010	40,249		40,249			
Talent Office Total - U11000	40,249		40,249	2,194,658		
Pensions and District Wide Ser-Aides Total - U00190	45,000,000	25,000,000	70,856,419	19,110,441	11,883,794	2,803,611
School Support Center - U15010		194,015	194,015			
Payroll Services - U12450						
Office of Planning and Data Management - U15500						
Food Services Total - U12000					122,190,436	6,491,544
Budget Management Office Total - U00010						
Office of Internal Audit and Compliance - U10430						
Business Diversity - U12280						
Corporate Accounting Total - U12400	100,000		100,000			
Risk Management - U12460						
Treasury Total - U12305						
Facility Operations & Management Total - U11800	343,093		343,093			
Student Transportation Total - U11900						
Safety & Security Total - U10600	665,042		665,042			
Information & Technology Services Total - U12500	40,077		40,077			
Procurement and Contracts Total - U12200						
Chief Administrative Office Total - U14000	1,215,688		1,215,688		122,726,671	6,491,544
Network 1 Total - U02410	827,685	21,876,215	22,896,514	9,628,337	6,335,675	
Network 2 Total - U02420	758,431	17,616,029	18,553,923	4,717,802	6,258,945	
Network 3 Total - U02430	332,570	16,947,287	17,280,257	2,539,525	5,844,782	
Network 4 Total - U02440	2,055,404	13,337,651	16,785,947	2,156,602	4,823,621	
Network 5 Total - U02450	287,882	13,105,088	13,392,961	2,346,171	5,442,472	
Network 6 Total - U02460	927,842	9,823,050	10,564,082	4,575,839	3,894,596	
Network 7 Total - U02470	45,344	15,304,068	15,349,412	1,576,418	5,325,731	
Network 8 Total - U02480	160,203	19,284,928	19,445,131	2,304,312	6,359,569	
Network 9 Total - U02490	200,252	10,281,634	10,481,887	2,280,281	3,923,419	
Network 10 Total - U02500	247,787	18,447,826	18,695,613	6,536,618	5,142,151	
Network 11 Total - U02510	122,482	14,007,773	14,130,255	6,673,014	5,540,637	
Network 12 Total - U02520	81,157	11,419,217	11,480,374	3,635,939	4,755,678	
Network 13 Total - U02530	126,528	12,074,181	12,201,109	1,596,800	4,627,417	
Alternative Schools Network Total - U87000						
AJSL Schools Network Total - U20100	1,517,408	15,888,164	17,415,570	872,609	5,588,910	
Contract Schools Network Total - U63000	29,223	1,818,545	1,847,768		427,617	
Charter Schools Network Total - U60005	71,947	43,442,692	43,514,639		3,011,628	
Non-Public Schools Network Total - U69000						
Independent Schools Network Total - U02270	1,183,621	24,597,385	27,146,607	5,739,524	8,459,786	
School Networks Total - U02005	5,876,270	284,757,390	296,666,317	57,820,337	86,391,289	
Total Departments	58,683,889	309,351,484	372,735,469	97,849,729	221,003,134	9,295,155



Fund Summary by Department
(Network and Collaboratives Collapsed)

EXHIBIT A

Department	Miscellaneous Federal & State Block Grants - FG324	Government Funded School Based Grants - FG326	NCLB Title I Regular Fund - FG332	NCLB Title I - Neglected & Delinquent - FG334	NCLB Title V Fund - FG338	Title II - Teacher Quality - FG353
Board of Trustees - U10110						
Law Office Total - U10200						
Inspector General - U10320						
Executive Office Total - U10402						
Accountability Total - U11200	43,624					
Title I and School Improvement Programs Total - U11205			107,414			
Network Offices Total - U02800	835,581		3,878,086			11,413,872
Arts - U10800			68,859		335,003	22,953
Literacy - U13700	130,039		288,165			590,481
Literacy Total - U13709	130,039		288,165			590,481
Science - U13716	21,633		462,368			154,133
Mathematics - U13717			518,711			421,904
Core Curriculum Office Total - U10802	213,489		1,595,828		335,003	1,269,470
Chief Teaching & Learning Officer - U10810	3,023		69,526			314,073
Department of Personalized Learning - U10825			950,412			855,046
Personalized Learning Office Total - U10829			950,412			855,046
Instructional Supports - U11551	370,858		10,419,338			
Early Childhood Development - U11380						122,084
Early Childhood Development - City Wide - U11385						40,580
Early Childhood Development Total - U11389						162,664
Grant Funded Programs Office - U12620			1,398,836			
Grant Funded Programs Office - City Wide - U12625			20,664,748	600,846		2,642,121
Grant Funded Programs Total - U12605			22,063,534	600,846		2,642,121
Sports Administration - City Wide - U13737					414,729	
Office of Student Health & Wellness - U14050	611,443					29,528
Language & Cultural Education - U11510			86,593			25,273
Language & Cultural Education - City Wide - U11540	346,894		78,816			55,801
Language & Cultural Education Total - U11500	346,894		167,402			
Chief Education Office Total - U10800	15,734,849		34,235,116	1,285,915	335,003	14,270,928
Magnet - U10845	327,320					
Student Support and Engagement - U11371	1,231,941		6,852,696			
Counseling and Postsecondary Advising - U10850	68,336		791,000			
Counseling and Postsecondary Advising - City Wide - U10855	2,215,001					
Counseling and Postsecondary Advising Total - U10859	2,283,338		791,000			
College and Career Success Office - U10870						
Science Technology Engineering & Math (STEM) Programs - U15871	12,000		2,880,524			
Social and Emotional Learning - U10895	107,304					
Social and Emotional Learning - City Wide - U10898	271,424		4,712,250			
Social and Emotional Learning Total - U10899	378,728		4,712,250			
Early College and Career - U13725	622,658					400,000
Early College and Career - City Wide - U13727	598,548		812,640			400,000
Early College and Career Total - U13729	1,211,207		812,640			
College and Career Success Total - U11400	13,636,073		17,848,110	1,285,915		400,000
Diverse Learner Supports & Services Total - U11600	491,531					
LSC Relations Total - U10905			302,827			
Family & Community Engagement Office Total - U10901	342,088		1,637,932			
Intergovernmental Affairs - U10450						
External Affairs and Partnerships - U14040						
Public and External Affairs Office Total - U10700						
Intergovernmental Relations Total - U10900						120,101
Communications Office Total - U10500						
Office of Education Options - U06291	332,011					
Innovation and Incubation Office - U13610						
New School Development - City Wide - U13615						
Innovation and Incubation Total - U10404	332,011					
Human Capital Office - City Wide - U11070						482,568
Human Capital Office Total - U11005						482,568
Talent Office - U11010						5,782,175
Talent Office Total - U11000						6,264,743
Pensions and District-Wide Set-Asides Total - U00100	16,653,908	220,006	23,896,099	59,763	250,088	
School Support Center - U15010						
Payroll Services - U12450						
Office of Planning and Data Management - U15900						
Food Services Total - U12000	2,192,412					
Budget Management Office Total - U00010			82,544			
Office of Internal Audit and Compliance - U10430			444,518			
Business Diversity - U12280						
Corporate Accounting Total - U12400			320,687			
Risk Management - U12480						
Treasury Total - U12305						
Facility Operations & Management Total - U11800						
Student Transportation Total - U11900			75,000			
Safety & Security Total - U10600	751,667					
Information & Technology Services Total - U12500	39,860		296,625	6,000		
Procurement and Contracts Total - U12200						
Chief Administrative Office Total - U14000	3,755,522		75,000		414,729	
Network 1 Total - U02410			11,390,648			4,621,500
Network 2 Total - U02420	86,380		12,240,993			2,376,303
Network 3 Total - U02430	36,492	5,586	13,551,227			420,518
Network 4 Total - U02440			7,685,230			1,643,290
Network 5 Total - U02450			11,822,280			410,800
Network 6 Total - U02460			6,305,932			1,129,700
Network 7 Total - U02470			11,183,875			816,200
Network 8 Total - U02480		1,743	15,136,963			816,200
Network 9 Total - U02490		16,831	8,371,727			816,200
Network 10 Total - U02500	10,950		12,434,370			2,277,877
Network 11 Total - U02510			19,886,232			821,800
Network 12 Total - U02520	83,604	30,617	9,636,590			718,802
Network 13 Total - U02530			10,993,809			908,552
Alternative Schools Network Total - U67000	967,920		2,695,654			78,630
AUSL Schools Network Total - U20100			12,627,304			818,200
Contract Schools Network Total - U63000			1,504,289			251,865
Charter Schools Network Total - U60005			38,411,601			5,243,774
Non-Public Schools Network Total - U69000				59,886		
Independent Schools Network Total - U02270	132,358	39,727	15,495,063			3,687,230
School Networks Total - U02005	1,459,946	94,804	223,220,683	59,886		27,095,166
Total Departments	35,026,400	314,510	306,263,080	2,080,280	999,800	47,872,760



Fund Summary by Department
(Network and Collaboratives Collapsed)

EXHIBIT A

Department	Title III - Emergency Immigrant Language Acquisition - FG356	Early Childhood Development - FG362	Title I - Comprehensive School Reform - FG367	Title I - School Improvement Carl Perkins - FG369	Other Operating Funds	Operating Funds
Board of Trustees - U0110						1,018,975
Law Office Total - U10200						13,220,986
Inspector General - U10320						2,054,175
Executive Office Total - U10402						1,410,037
Accountability Total - U11200					43,624	3,037,197
Title I and School Improvement Programs Total - U11205			2,566,814		2,676,228	2,906,715
Network Offices Total - U02000			2,697,016		18,824,535	37,654,986
Arts - U10690					426,815	1,837,178
Literacy - U13700			3,750		1,012,435	1,551,008
Literacy Total - U13709			3,750		1,012,435	1,551,008
Science - U13716					638,163	726,058
Mathematics - U13717					940,614	940,614
Core Curriculum Office Total - U16802			3,750		3,417,540	5,939,567
Chief Teaching & Learning Officer - U10610					385,621	2,542,180
Department of Personalized Learning - U10825					1,805,459	2,368,809
Personalized Learning Office Total - U10829					1,805,459	2,368,809
Instructional Supports - U11561					10,780,196	12,627,759
Early Childhood Development - U11380		1,296,240			1,418,323	1,418,323
Early Childhood Development - City Wide - U11385		65,069,901			65,130,481	66,142,053
Early Childhood Development Total - U11369		66,366,141			65,548,804	67,560,386
Grant Funded Programs Office - U12320					1,398,836	1,398,836
Grant Funded Programs Office - City Wide - U12625	501,072				28,402,178	28,402,178
Grant Funded Programs Total - U12636	501,072				29,801,014	29,801,014
Sports Administration - City Wide - U13737					13,853,569	13,853,569
Office of Student Health & Wellness - U14050		42,447			1,846,254	6,059,368
Language & Cultural Education - U11510	1,094,462				1,212,583	1,678,519
Language & Cultural Education - City Wide - U11540	6,135,401				6,587,476	7,141,946
Language & Cultural Education Total - U11590	7,229,863				7,800,069	8,820,165
Chief Education Office Total - U10800	7,229,863	67,565,122	5,384,392	16,820,367	171,790,467	456,998,892
Magnet - U10845					327,320	4,412,937
Student Support and Engagement - U11571					8,084,637	15,775,148
Counseling and Postsecondary Advising - U10860				271,324	1,100,961	2,951,931
Counseling and Postsecondary Advising - City Wide - U10856					2,215,001	2,265,260
Counseling and Postsecondary Advising Total - U10859				271,324	3,315,962	4,817,192
College and Career Success Office - U10870						444,291
Science Technology Engineering & Math (STEM) Programs - U10871					2,901,524	4,049,962
Social and Emotional Learning - U10895					107,304	2,320,438
Social and Emotional Learning - City Wide - U10690			114,812		5,098,466	9,090,132
Social and Emotional Learning Total - U10899			114,812		5,205,790	11,410,568
Early College and Career - U13725					2,995,330	3,601,062
Early College and Career - City Wide - U13727					8,176,370	10,809,918
Early College and Career Total - U13729					10,849,043	14,480,979
College and Career Success Total - U11400			114,812	10,820,367	42,685,278	61,394,465
Diverse Learner Supports & Services Total - U11600		1,178,982			16,529,415	240,450,633
LSC Relations Total - U10905					302,827	1,513,368
Family & Community Engagement Office Total - U10901					1,979,932	7,143,098
Intergovernmental Affairs - U10450						1,255,520
External Affairs and Partnerships - U14040						283,894
Public and External Affairs Office Total - U10700						283,894
Intergovernmental Relations Total - U10960						1,539,415
Communications Office Total - U18500					128,101	2,028,946
Office of Education Options - U05281					332,011	332,011
Innovation and Incubation Office - U13610						2,170,445
New School Development - City Wide - U13815						2,447,790
Innovation and Incubation Total - U10404					332,011	4,950,296
Human Capital Office - City Wide - U11070					2,567,226	8,001,119
Human Capital Office Total - U11005					2,567,226	8,001,119
Talent Office - U11010					5,762,175	15,322,330
Talent Office Total - U11900					8,449,401	23,323,449
Pensions and District-Wide Set-Asides Total - U00180	2,069,742	19,849,648	5,932,190	169,317	100,387,816	610,388,380
School Support Center - U15010						5,964,229
Payroll Services - U12450						2,061,004
Office of Planning and Data Management - U15900						1,530,346
Food Services Total - U12000					130,834,392	130,834,392
Budget Management Office Total - U00010					92,544	2,331,614
Office of Internal Audit and Compliance - U10430	200,506				645,024	4,434,383
Business Diversity - U12230						319,326
Corporate Accounting Total - U12400					320,887	4,453,236
Risk Management - U12460						8,941,904
Treasury Total - U12305						1,407,966
Facility Operations & Management Total - U11600		1,006,361			1,006,361	334,851,603
Student Transportation Total - U11900					75,000	117,875,757
Safety & Security Total - U10600					751,857	32,088,078
Information & Technology Services Total - U12500					329,586	78,222,263
Procurement and Contracts Total - U12200						1,455,117
Chief Administrative Office Total - U14600		1,048,809			134,513,675	623,398,596
Network 1 Total - U02410	2,956,612			94,835	45,791,404	300,977,902
Network 2 Total - U02420	2,373,323	8,245,872		32,400	36,331,829	214,397,220
Network 3 Total - U02430	1,254,658	10,381,772			33,544,551	181,521,459
Network 4 Total - U02440	2,238,840	7,725,128			26,241,620	197,333,974
Network 5 Total - U02450	626,001	11,738,448	497,151		33,193,323	152,299,389
Network 6 Total - U02460	1,254,632	4,814,187			22,344,875	136,243,183
Network 7 Total - U02470	2,307,808	8,170,925			29,160,956	149,190,024
Network 8 Total - U02480	2,265,223	7,096,067	545,075	75,045	34,402,226	201,331,689
Network 9 Total - U02490	83,336	7,729,782	519,438	38,449	23,559,463	129,093,329
Network 10 Total - U02500	1,601,332	6,381,982			34,385,279	216,893,516
Network 11 Total - U02510	167,374	10,015,695	483,589	145,821	43,734,280	182,528,837
Network 12 Total - U02520	306,498	5,280,353	1,089,585	47,828	25,464,394	143,618,649
Network 13 Total - U02530	416,082	7,371,079		37,390	25,891,139	146,826,579
Alternative Schools Network Total - U67000	6,852				3,802,054	42,216,654
AUSL Schools Network Total - U20100	532,352	8,280,431			26,517,806	151,306,366
Contract Schools Network Total - U63000					2,183,790	33,150,922
Charter Schools Network Total - U69005	3,182,535				48,849,599	674,336,439
Non-Public Schools Network Total - U69300					59,686	59,688
Independent Schools Network Total - U02270	2,438,271	11,044,203	136,891	156,450	47,399,483	323,632,350
School Networks Total - U02005	24,349,398	122,729,220	3,271,728	628,216	946,911,156	3,810,485,784
Total Departments	34,350,689	211,193,699	14,588,389	11,637,890	995,395,227	5,514,875,245



Fund Summary by Department
(Network and Collaboratives Collapsed)

EXHIBIT A

Department	All Fund Grant
Board of Trustees - U10110	1,016,975
Law Office Total - U10200	13,220,986
Inspector General - U10320	2,054,175
Executive Office Total - U10402	1,410,037
Accountability Total - U11200	3,037,197
Title I and School Improvement Programs Total - U11265	2,886,715
Network Offices Total - U02000	37,654,986
Arts - U10860	1,837,178
Literacy - U13700	1,551,006
Literacy Total - U13709	1,551,006
Science - U13716	726,658
Mathematics - U13717	940,614
Core Curriculum Office Total - U10602	5,839,567
Chief Teaching & Learning Officer - U10810	2,542,180
Department of Personalized Learning - U10625	2,306,869
Personalized Learning Office Total - U10829	2,386,809
Instructional Supports - U11651	12,627,759
Early Childhood Development - U11390	1,418,323
Early Childhood Development - City Wide - U11385	66,142,063
Early Childhood Development Total - U11369	67,560,386
Grant Funded Programs Office - U12620	1,396,836
Grant Funded Programs Office - City Wide - U12825	28,402,178
Grant Funded Programs Total - U12805	29,801,014
Sports Administration - City Wide - U13737	13,863,599
Office of Student Health & Wellness - U14050	6,059,368
Language & Cultural Education - U11510	1,678,519
Language & Cultural Education - City Wide - U11540	7,141,646
Language & Cultural Education Total - U11500	8,820,165
Chief Education Office Total - U10800	456,980,892
Magnet - U10845	4,412,937
Student Support and Engagement - U11371	15,775,148
Counseling and Postsecondary Advising - U10850	2,551,931
Counseling and Postsecondary Advising - City Wide - U10865	2,265,260
Counseling and Postsecondary Advising Total - U10859	4,817,192
College and Career Success Office - U10870	444,281
Science Technology Engineering & Math (STEM) Programs - U10871	4,049,862
Social and Emotional Learning - U10895	2,320,436
Social and Emotional Learning - City Wide - U10898	9,060,132
Social and Emotional Learning Total - U10899	11,410,868
Early College and Career - U13725	3,601,062
Early College and Career - City Wide - U13727	10,889,918
Early College and Career Total - U13729	14,490,979
College and Career Success Total - U11400	61,394,485
Diverse Learner Supports & Services Total - U11600	240,456,633
LSC Relations Total - U10605	1,513,388
Family & Community Engagement Office Total - U10901	7,143,096
Intergovernmental Affairs - U10450	1,255,520
External Affairs and Partnerships - U14040	263,694
Public and External Affairs Office Total - U10700	263,694
Intergovernmental Relations Total - U10900	1,539,415
Communications Office Total - U10500	2,020,946
Office of Education Options - U05231	332,011
Innovation and Incubation Office - U13610	2,170,446
New School Development - City Wide - U13615	2,447,750
Innovation and Incubation Total - U10404	4,950,266
Human Capital Office - City Wide - U11070	8,001,119
Human Capital Office Total - U11005	8,001,119
Talent Office - U11010	15,322,330
Talent Office Total - U11000	23,323,449
Pensions and District-Wide Set-Asides Total - U00180	610,389,380
School Support Center - U15010	5,564,229
Payroll Services - U12450	2,061,004
Office of Planning and Data Management - U15500	1,530,346
Food Services Total - U12030	130,834,382
Budget Management Office Total - U00010	2,331,614
Office of Internal Audit and Compliance - U10430	4,434,363
Business Diversity - U12280	319,326
Corporate Accounting Total - U12400	4,453,238
Risk Management - U12480	8,841,604
Treasury Total - U12305	565,142,716
Facility Operations & Management Total - U11800	672,358,242
Student Transportation Total - U11800	117,875,757
Safety & Security Total - U10600	32,088,079
Information & Technology Services Total - U12500	78,222,253
Procurement and Contracts Total - U12200	1,455,117
Chief Administrative Office Total - U14000	968,965,235
Network 1 Total - U02410	300,977,902
Network 2 Total - U02420	214,397,220
Network 3 Total - U02430	181,521,459
Network 4 Total - U02440	197,333,974
Network 5 Total - U02450	152,289,386
Network 6 Total - U02460	136,243,493
Network 7 Total - U02470	149,150,024
Network 8 Total - U02480	201,351,889
Network 9 Total - U02490	129,063,329
Network 10 Total - U02500	216,863,916
Network 11 Total - U02510	182,529,837
Network 12 Total - U02520	143,518,649
Network 13 Total - U02530	148,823,579
Alternative Schools Network Total - U67000	42,215,054
AUSL Schools Network Total - U02100	151,308,365
Contract Schools Network Total - U63000	33,150,922
Charter Schools Network Total - U60305	674,338,439
Non-Public Schools Network Total - U68000	59,666
Independent Schools Network Total - U02270	323,692,360
School Networks Total - U02005	3,610,486,784
Total Departments	6,416,114,632

16-1207-RS2

**RESOLUTION AFFIRMING THE ADOPTION OF, AND RESTATING AND SUPPLEMENTING
RESOLUTION 16-1026-RS1,
RESOLUTION PROVIDING FOR THE ISSUE OF ONE OR MORE
SERIES OF CAPITAL IMPROVEMENT BONDS OF
THE BOARD OF EDUCATION OF THE CITY OF CHICAGO IN AN
AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$840,000,000**

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

WHEREAS, on October 26, 2016, the Board adopted Resolution 16-1026-RS1 (the “**Original Resolution**”) which, among other matters, authorized the issuance, sale and delivery of certain Bonds (as defined in the Original Resolution) for the purposes described therein; and

WHEREAS, the Board has determined and does hereby determine that it is in the best interest of the School District and the Board to affirm the adoption of the Original Resolution, restate the terms of the Original Resolution and supplement the Original Resolution as set forth herein.

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

Section 1. Incorporation of Preambles. The Board hereby finds that all of the recitals contained in the preambles of this Supplemental Resolution (the “**Supplemental Resolution**”) are full, true and correct and does hereby incorporate them into this Supplemental Resolution as if set out herein in full. Capitalized terms used herein without otherwise being defined have the same meaning ascribed thereto in the Original Resolution.

Section 2. Adoption of the Original Resolution. The Board hereby affirms the adoption of the Original Resolution, the form of which is attached hereto as *Exhibit A*, all provisions of which are considered adopted as of the date hereof, as may be supplemented by this Supplemental Resolution.

Section 3. Approval of Master Trust Indenture and Supplemental Trust Indenture. In addition to the form of Indenture authorized to be executed and delivered pursuant to the Original Resolution, each Designated Official is hereby authorized to execute and deliver, and the Secretary of the Board is hereby authorized to attest to (i) a Master Trust Indenture (the “**Master Trust Indenture**”) on behalf of the Board, by and between the Board and a Trustee (as defined in the Master Trust Indenture), such Master Trust Indenture to be in substantially the form attached hereto as *Exhibit B*, but with such changes therein as shall be within the authorizations granted by the Original Resolution as supplemented by this Supplemental Resolution (collectively, the “**Resolution**”) as shall be approved by the Designated Official executing the same, with such execution to constitute conclusive evidence of such Designated Official’s approval and this Board’s approval of any changes or revisions therein from the form of Master Trust Indenture authorized hereby; and (ii) one or more Supplemental Trust Indentures (each, a “**Supplemental Trust Indenture**”) on behalf of the Board, each by and between the Board and a Trustee, each such Supplemental Trust Indenture to be in substantially the form attached hereto as *Exhibit C*, but with such changes therein as shall be within the authorizations granted by the Resolution as shall be approved by the Designated Official executing the same, with such execution to constitute conclusive evidence of such Designated Official’s approval and this Board’s approval of any changes or revisions therein from the form of Supplemental Trust Indenture authorized hereby.

Section 4. Creation of Consolidated Debt Service Reserve Fund and Debt Service Reserve Accounts. In addition to any additional Funds or Accounts set forth in the Master Trust Indenture or any Supplemental Trust Indenture, the Board may establish one or more Consolidated Debt Service Reserve Funds and Debt Service Reserve Accounts for the purposes set forth in the Master Trust Indenture. Such Funds and Accounts may be funded with monies lawfully available and as directed by the Board. Monies on deposit in a Consolidated Debt Service Reserve Fund or Debt Service Reserve Account may be used in the manner set forth in the Master Trust Indenture or in any Supplemental Trust Indenture.

Section 5. Affirmation of Levy and Letters of Direction to County Collectors. Pursuant to Section 4(a) of the Original Resolution, the Board has levied the Pledged Capital Improvement Taxes. Pursuant to the authority granted in Section 13 of the Act, the Board hereby binds itself irrevocably for the term of the Dedicated Tax Bonds to impose the Pledged Capital Improvement Taxes to the fullest extent permitted by law and hereby further confirms and covenants that any such levy of the Pledged Capital Improvement Taxes shall be irrevocable during such time as any series of Dedicated Tax Bonds remains outstanding under the Resolution. At or prior to the issuance of any series of Dedicated Tax Bonds, the Board shall (i) deliver to each County Clerk an irrevocable letter of direction to levy and extend for collection the Pledged Capital Improvement Taxes as set forth in the Resolution and (ii) deliver to each County Collector an irrevocable letter of direction to deposit all collections of the Pledged Capital Improvement Taxes in each year directly with the Trustee. The provisions of the Resolution shall be considered part of the contract with all owners of the Dedicated Tax Bonds for so long as any Dedicated Tax Bonds remain outstanding.

Section 6. Approval of Project List. The proceeds of the Bonds will be used for capital Projects in accordance with the provisions of the Resolution and 105 ILCS 5/34-53.5. A list of Projects to be financed with the proceeds of the Bonds is attached hereto as Exhibit D and the list of Projects contained in Exhibit D is hereby approved.

Section 7. Further Acts. All actions of the officials or officers of the Board that are in conformity with the purposes and intent of the Resolution are hereby in all respects ratified, approved, and confirmed.

Section 8. Severability. The provisions of the Resolution are hereby declared to be severable; and if any section, phrase, or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, or provisions.

Section 9. Repealer and Effective Date. All resolutions or parts of resolutions in conflict herewith are, to the extent of such conflict, hereby repealed. The Resolution is effective immediately upon its adoption.

Exhibit A

FINAL

16-1026-RS1

October 26, 2016

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

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

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

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

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

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

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

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

WHEREAS; pursuant to and in accordance with the provisions of the Bond Issue Notification Act, 30 Illinois Compiled Statutes 352, the Board called a public hearing (the “**Hearing**”) for August 24, 2016, concerning the intent of the Board to sell up to \$945,000,000 of the 2016 Authorization Bonds from time to time in one or more series; and

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

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

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

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

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

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

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

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

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

WHEREAS, the Alternate Bonds will be payable from (i) the revenues derived and to be derived by the Board from the imposition of the Capital Improvement Tax in accordance with Section 34-53.5 of the School Code to the extent determined by a Designated Official (as hereinafter defined) at the time of sale of such Alternate Bonds (the “**Pledged Capital Improvement Taxes**”) and (ii) the ad valorem taxes levied or to be levied against all of the

taxable property in the School District without limitation as to rate or amount pursuant to Section 3 of this Resolution (the “**Pledged Debt Service Taxes**”), for the purpose of providing funds in addition to the Pledged Capital Improvement Taxes to pay the principal of and interest on the Alternate Bonds; and

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

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

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

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

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

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

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

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

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

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

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

Section 2. Issuance of Bonds. (a) There shall be authorized the borrowing for and on behalf of the Board of the aggregate principal amount of not to exceed \$840,000,000 for the purpose of paying (i) costs of the Project that are "**Capital Expenditures**" and "**Permitted Expenditures**" each as defined in the applicable Indenture, (ii) capitalized interest on the Bonds, and (iii) costs of issuance of the Bonds, including the cost of bond insurance or other credit enhancement. The Bonds are hereby authorized to be issued in an aggregate principal amount not to exceed \$840,000,000. The Bonds may be issued from time to time, as Alternate Bonds, as Dedicated Tax Bonds or as a combination of Alternate Bonds and Dedicated Tax Bonds, in one or more Series, in said aggregate principal amount, or such lesser aggregate principal amounts, as may be determined by either (i) the President of the School Board (the "**President**"), or (ii) the Vice President of the School Board (the "**Vice President**") or any Member of the Board who is authorized to execute documents or take action in lieu of the President, (iii) the Chief Executive Officer, (iv) the Senior Vice President of Finance or (v) the Chief Financial Officer (each, a "**Designated Official**"). The Bonds of each Series shall be distinguished from each other Series by a designation or title, with such Series designation and with such additions, modifications or revisions as shall be determined to be necessary by any Designated Official at the time of the sale of such Bonds to reflect the order of sale of such Bonds, whether such Bonds are Capital Appreciation Bonds, Current Interest Bonds or Convertible Bonds (each as defined herein) and any other authorized features of such Bonds determined by any Designated Official as desirable to be reflected in the title of the Bonds being issued and sold as part of such Series. The Designated Officials are each hereby authorized to appoint a Trustee for each Series of the Bonds so issued; *provided*, that such Trustee shall be a bank, trust company or national banking association doing business and having a corporate trust office in the State of Illinois and having capital and undivided surplus aggregating at least \$15,000,000 or shall be a wholly-owned subsidiary of such an entity. The Bonds of each Series shall be issued and secured pursuant to the terms of an Indenture authorizing Capital Appreciation Bonds, Current Interest Bonds or Convertible Bonds, as appropriate. Each of the Designated Officials is hereby authorized to execute and deliver, and the Secretary is hereby authorized to attest to an Indenture on behalf of the Board, such Indenture to be in substantially the form attached hereto as Exhibit A, but with such changes therein as shall be within the authorizations granted by this Resolution as shall be approved by the Designated Official executing the same, with such execution to constitute conclusive evidence of such Designated Official's approval and this Board's approval of any changes or revisions therein from the form of Indenture authorized hereby.

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

(b) In order to secure the payment of the principal of, redemption price of, interest on and the Compound Accreted Value (as hereinafter defined) of each Series of the Alternate Bonds, the Board hereby authorizes the inclusion in each Indenture securing Alternate Bonds of a pledge of all or a portion of the Pledged Capital Improvement Taxes to the payment of such Series. In accordance with Section 15 of the Act, the Board covenants and agrees to provide for, collect and apply such Pledged Capital Improvement Taxes, to the payment of the Alternate Bonds of such Series and the provision of an additional .25 times annual debt service. The determination of the sufficiency of the Pledged Capital Improvement Taxes pledged pursuant to this paragraph (b) is supported by the Audit or the Feasibility Report, as applicable, and acceptance of the Audit by the Board or of the Feasibility Report by the Senior Vice President of Finance or the Chief Financial Officer, on behalf of the Board, if applicable, shall constitute conclusive evidence that the conditions of Section 15 of the Act have been met. Each of the Designated Officials is authorized to allocate all or a portion of the Pledged Capital Improvement Taxes to the payment of the principal of, redemption price of, interest on and the Compound

Accreted Value of each Series of the Alternate Bonds and the Indenture pursuant to which such Series of Alternate Bonds is issued and the notification of sale of such Series of the Alternate Bonds delivered by the Designated Officials pursuant to Section 5(e) hereof shall identify the specific Pledged Capital Improvement Taxes allocated to such Series. Once issued, the Alternate Bonds shall be and forever remain until paid or defeased the general obligation of the Board, for the payment of which its full faith and credit are pledged, and shall be payable, in addition to the Pledged Capital Improvement Taxes, from the levy of the Pledged Debt Service Taxes as provided in the Act and as set forth in Section 3 hereof.

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

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

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

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

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

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

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

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

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

Section 3. Tax Levy For Alternate Bonds; Pledged Debt Service Taxes. (a) For the purpose of providing funds in addition to the Pledged Capital Improvement Taxes to pay the principal of and interest on the Alternate Bonds, there is hereby levied upon all of the taxable property within the School District, in the years for which any of the Alternate Bonds are outstanding, a direct annual tax for each of the years while the Alternate Bonds or any of them are outstanding, in amounts sufficient for that purpose, and there be and there hereby is levied upon all of the taxable property in the School District the following direct annual taxes:

FOR THE LEVY YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:
2016	\$ 35,996,400
2017	38,318,400
2018	38,318,400
2019	38,318,400
2020	38,318,400
2021	38,318,400
2022	38,318,400
2023	38,318,400
2024	38,318,400

2025	38,318,400
2026	38,318,400
2027	38,318,400
2028	38,318,400
2029	38,318,400
2030	38,318,400
2031	38,318,400
2032	104,938,272
2033	104,938,272
2034	104,938,272
2035	104,938,272
2036	104,938,272
2037	104,938,272
2038	104,938,272
2039	104,938,272
2040	104,938,272
2041	104,938,272
2042	104,938,272
2043	104,938,272
2044	104,938,272
2045	104,938,272
2046	104,938,272
2047	104,938,272
2048	104,938,272
2049	104,938,272
2050	104,938,272
2051	104,938,272
2052	104,938,272
2053	104,938,272
2054	104,938,272

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

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

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

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

Section 4. Tax Levy For Dedicated Tax Bonds and Alternate Bonds; Pledged Capital Improvement Taxes. (a) For the purpose of providing funds to pay the principal of and interest on the Dedicated Tax Bonds and the Alternate Bonds, and to provide for the debt service coverage required for the Alternate Bonds by Section 15 of the Act, there is hereby levied upon all of the taxable property within the School District, in the years for which any of the Dedicated

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

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

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

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

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

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

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

Section 5. Sale of the Bonds, Purchase and Sale Agreements. (a) Each Series of the Bonds shall be sold and delivered to the Purchasers thereof, subject to the terms and conditions of the applicable Purchase and Sale Agreement; *provided*, (i) that the aggregate purchase price of any Current Interest Bonds paid by the Purchaser shall be not less than 97 percent of the principal amount thereof to be issued (less any original issue discount used in the marketing thereof) plus accrued interest from their date to the date of delivery thereof, (ii) that the aggregate purchase price of any Capital Appreciation Bonds or Convertible Bonds paid by the Purchaser shall not be less than 97 percent of the aggregate original principal amount thereof and (iii) that the compensation paid to the Purchasers in connection with the sale of any Variable Rate Bonds shall not exceed 3 percent of the principal amount thereof. Each of the Senior Vice President of Finance and the Chief Financial Officer are hereby authorized to execute and deliver on behalf of the Board a Purchase and Sale Agreement with respect to the sale of the Bonds of each Series, which (i) in the case of a Bond Purchase Agreement shall be in substantially the form used in previous financings of the Board and (ii) in the case of a Placement Agreement or a Competitive Sale Agreement shall contain terms and provisions no less favorable to the Board as those contained in a Bond Purchase Agreement. Any such Purchase and Sale Agreement shall contain such final terms as shall be approved by the Senior Vice President of Finance or the Chief Financial Officer, such approval to be evidenced by such Senior Vice President of Finance's or Chief Financial Officer's execution thereof, and the Senior Vice President of Finance or the Chief Financial Officer is also authorized to do all things necessary and essential to effectuate the provisions of such Purchase and Sale Agreement, as executed, including the execution of any documents and certificates incidental thereto or necessary to carry out the provisions thereof. The Senior Vice President of Finance shall make a finding in connection with the execution of each Purchase and Sale Agreement that (i) the Bonds sold thereunder have been sold at such price and bear interest at such rate that neither the true interest cost (yield) nor the net interest rate received upon the sale of such Bonds exceeds the maximum rate otherwise authorized by applicable law, and (ii) that no person holding any office of the Board, either by election or appointment is in any manner interested, either directly or indirectly, in his or her own name, in the name of any other person, association, trust or corporation, in the Indenture, any escrow or similar agreement executed and delivered pursuant to Section 6 hereof, the applicable Purchase and Sale Agreement or any agreement with a Bond Insurer, Debt Reserve Credit Facility Provider or Credit Provider authorized by paragraphs (b), (c) and (d) of this Section, or in the issuance and sale of such Bonds, in accordance with the laws of the State of Illinois and the Code of Ethics of the Board (Board Rule No. 11-0525-P02, as amended).

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

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

(d) In connection with the sale of the Bonds of any Series, to provide additional security and liquidity for such Bonds, each of the Designated Officials is hereby authorized to obtain a letter of credit, line of credit or other credit or liquidity facility, including similar agreements with or facilities issued by a Bond Insurer (a “**Credit Facility**”), if determined by such Designated Official to be desirable in connection with such sale of Bonds. Each of the Designated Officials is hereby further authorized to appoint one or more banks, Bond Insurers or other financial institutions to issue such Credit Facility (the “**Credit Provider**”) and to execute and deliver on behalf of the Board a credit, reimbursement or similar agreement (the “**Credit Agreement**”) providing for the issuance of the Credit Facility and the obligation of the Board to repay funds borrowed under the Credit Facility or advances made by the Credit Provider under the Credit Facility with respect to such Bonds. The Credit Facility may be in a form that provides for the purchase of such Bonds by the Credit Provider (any such Bond so purchased being referred to as a “**Bank Bond**”) and the Indenture as executed and delivered shall reflect the terms and provisions of such Bank Bonds. Any Bonds outstanding as Bank Bonds shall be secured as provided in the applicable Indenture. The annual fee paid to any Credit Provider for the provision of a Credit Facility shall not exceed 3 percent of the amount available to be drawn or advanced under such Credit Facility.

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

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

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

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

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

In the event that the Designated Official executing such notification of sale with respect to Alternate Bonds or Dedicated Tax Bonds determines that the Alternate Bonds or Dedicated Tax Bonds have been sold in such principal amount or maturing or bearing interest so as to require the levy of Pledged Capital Improvement Taxes in any year less than the amount specified therefor in Section 4(a) hereof, then such Designated Official shall include, in the notification of sale described in this Section, the amount of reduction in the amount levied in Section 4(a) hereof for each year resulting from such sale, and in addition, either or both of the Designated Officials shall file in the respective offices of the County Clerks certificates of tax abatement for such years. No such reduction in the amounts levied in Section 4(a) hereof need be made nor must any certificate of tax abatement be filed as described in the preceding sentence until any one or more of the Designated Officials have determined that any amount so levied in Section 4(a) hereof will not be needed to secure the Alternate Bonds or Dedicated Tax Bonds being sold at that time or any Series of Alternate Bonds or Dedicated Tax Bonds to be sold in the future. Any certificate of abatement delivered pursuant to this paragraph shall refer to the amount of Pledged Capital Improvement Taxes levied pursuant to Section 4(a) hereof, shall indicate the amount of reduction in the amount of Pledged Capital Improvement Taxes levied by the Board resulting from the sale of such Alternate Bonds or Dedicated Tax Bonds, which reduced amount is to be abated from such Pledged Capital Improvement Taxes, and shall further indicate the remainder of such Pledged Capital Improvement Taxes which is to be extended for collection by the County Clerks. Each of the Designated Officials is also authorized to file in the respective offices of the County Clerks certificates of tax abatement that reflect the refunding of any obligations of the Board. Any abatement or reduction of Pledged Capital Improvement Taxes shall not constitute a reduction in the annual amount of Capital Improvement Tax that the Board is authorized to levy pursuant to Section 34-53.5 of the School Code

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

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

In connection with the sale of a Series of the Bonds, the Designated Officials are hereby authorized to provide to prospective Placement Purchasers such information regarding the Board’s operations and finances as would typically be included in a Disclosure Document and to enter into such discussions and negotiations with such prospective Placement Purchasers as such Designated Officials shall deem appropriate. In addition, the Designated Officials are hereby authorized to prepare a Notice of Sale for distribution to potential bidders in connection with a public, competitive sale of a Series of the Bonds and to take all actions necessary to conduct any such sale.

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

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

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

Section 7. Escrow Directions. Each of the Designated Officials is hereby authorized, pursuant to authority contained in Section 20-90 of the Property Tax Code, 35 Illinois Compiled Statutes 200, to execute a written direction to the County Collectors of The Counties of Cook and DuPage, Illinois (the “**County Collectors**”), (i) to deposit the collections of the Pledged Debt Service Taxes as and when extended for collection directly with such escrow agent designated pursuant to Section 5 in order to secure the payment of the principal of and interest on the Alternate Bonds, and (ii) to the extent necessary, advising the County Collectors of the abatement of the Pledged Debt Service Taxes. Each of the Designated Officials is hereby authorized pursuant to the authority contained in Section 20-90 of the Property Tax Code to execute a written direction to the County Collectors, (i) to deposit the collections of the Capital Improvement Taxes as and when extended for collection directly with such escrow agent designated pursuant to Section 6 in order to secure the payment of the principal of and interest on the Bonds and to provide for the disposition of the Pledged Capital Improvement Taxes and (ii) to the extent necessary, advising the County Collectors of the abatement of Pledged Capital Improvement Taxes. The Designated Officials are directed to file a certified copy of this Resolution with each of the County Collectors.

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

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

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

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

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

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

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

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

THIS SPACE INTENTIONALLY LEFT BLANK

Exhibit B

MASTER TRUST INDENTURE

by and between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

AMALGAMATED BANK OF CHICAGO
as Trustee

Dated as of December 1, 2016

SECURING BOARD OF EDUCATION OF THE CITY OF CHICAGO
DEDICATED CAPITAL IMPROVEMENT TAX BONDS

TABLE OF CONTENTS

	<u>Page</u>
Parties	1
ARTICLE I Definitions and Construction	3
Section 101. Definitions	3
Section 102. Interpretations	15
ARTICLE II Authorization and Issuance of Bonds	16
Section 201. Authorization of Bonds	16
Section 202. General Provisions for Issuance of Bonds	16
Section 203. 2016 Bonds	18
Section 204. Additional Bonds	18
Section 205. Refunding Bonds	18
Section 206. Certificates of Authorized Officer	19
ARTICLE III General Terms and Provisions of Bonds	20
Section 301. Medium of Payment; Form and Date; Letters and Numbers	20
Section 302. Legends	20
Section 303. Execution and Authentication	20
Section 304. Exchangeability of Bonds	21
Section 305. Negotiability, Transfer and Registration	21
Section 306. Provisions with Respect to Exchanges and Transfers	21
Section 307. Bonds Mutilated, Destroyed, Stolen or Lost	22
ARTICLE IV Subordinated Indebtedness and Tax Anticipation Notes	22
Section 401. Subordinated Indebtedness	22
Section 402. Tax Anticipation Notes	23
ARTICLE V Tax Receipts and Funds	23
Section 501. Pledge Effected by This Indenture	23
Section 502. Establishment of Funds and Accounts	24
Section 503. Required Deposit of Capital Improvement Tax Receipts	25
Section 504. Allocation of Escrow Fund	25
Section 505. Disbursements from Debt Service Fund	28
Section 506. Use of Moneys in Debt Service Fund	28
Section 507. Consolidated Debt Service Reserve Fund	28
Section 508. Debt Service Reserve Accounts	30

ARTICLE VI Depositaries, Security for Deposits and Investments of Funds30

 Section 601. Depositaries 30

 Section 602. Deposits 30

 Section 603. Investment of Moneys 31

ARTICLE VII Particular Covenants and Representations of the Board32

 Section 701. Authority for Indenture..... 32

 Section 702. Indenture to Constitute Contract 33

 Section 703. Punctual Payment of Bonds..... 33

 Section 704. Extension of Payment of Bonds 33

 Section 705. Annual Levy Amount 33

 Section 706. Further Assurance 34

 Section 707. Power to Issue Bonds and Pledge Trust Estate 34

 Section 708. Indebtedness and Liens..... 34

 Section 709. Covenants Regarding Pledged Capital Improvement Taxes 35

 Section 710. Accounts and Reports..... 35

 Section 711. Reports to City Council 35

 Section 712. Equality of Security 35

 Section 713. Equality of Bonds 36

ARTICLE VIII Remedies of Owners36

 Section 801. Events of Default 36

 Section 802. Application of Funds After Default..... 36

 Section 803. Proceedings Brought by Trustee 38

 Section 804. Restriction on Owners’ Action..... 39

 Section 805. Remedies Not Exclusive..... 39

 Section 806. Effect of Waiver and Other Circumstances..... 39

 Section 807. Notices of Default..... 40

 Section 808. Rights of Bond Insurer 40

ARTICLE IX Concerning the Fiduciaries40

 Section 901. Trustee; Appointment and Acceptance of Duties..... 40

 Section 902. Paying Agents; Appointment and Acceptance of Duties 40

 Section 903. Registrar; Appointment and Acceptance of Duties 41

 Section 904. Responsibilities of Fiduciaries 41

 Section 905. Evidence on Which Fiduciaries May Act..... 42

 Section 906. Compensation 42

 Section 907. Certain Permitted Acts 43

 Section 908. Resignation of Trustee..... 43

 Section 909. Removal of Trustee 44

Section 910. Appointment of Successor Trustee.....	44
Section 911. Transfer of Rights and Property to Successor Trustee	44
Section 912. Merger or Consolidation.....	45
Section 913. Adoption of Authentication.....	45
Section 914. Resignation or Removal of Paying Agent and Appointment of Successor.....	45
Section 915. Resignation or Removal of Registrar and Appointment of Successor...	46
Section 916. Trustee Not Deemed to Have Notice of Default	46
Section 917. Monthly Report by Trustee	46
ARTICLE X Supplemental Indentures	47
Section 1001. Supplemental Indentures Not Requiring Consent of Owners	47
Section 1002. Supplemental Indentures Effective upon Consent of Owners	48
Section 1003. Filing of Counsel’s Opinion	48
Section 1004. Notice to Parties	48
ARTICLE XI Amendments	48
Section 1101. Mailing.....	48
Section 1102. Powers of Amendment	48
Section 1103. Consent of Owners	49
Section 1104. Modifications by Unanimous Action	50
Section 1105. Exclusion of Bonds.....	50
Section 1106. Notation on Bonds.....	51
ARTICLE XII Miscellaneous	51
Section 1201. Defeasance.....	51
Section 1202. Evidence of Signatures of Owners and Ownership of Bonds	53
Section 1203. Moneys Held for Particular Bonds	54
Section 1204. Preservation and Inspection of Documents	54
Section 1205. Cancellation and Destruction of Bonds.....	54
Section 1206. Parties Interested Herein.....	54
Section 1207. No Recourse on Bonds	55
Section 1208. Bond Insurer Provisions	55
Section 1209. Successors and Assigns	56
Section 1210. Severability of Invalid Provisions	56
Section 1211. Notices	56
Section 1212. Construction	57
Section 1213. Multiple Counterparts.....	57

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

W I T N E S S E T H:

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

WHEREAS, pursuant to Section 34-53.5 of the School Code the Board is authorized to levy annually a tax for capital improvement purposes (the “*Capital Improvement Tax*”); and

WHEREAS, the Board adopted Resolution No. 16-1026-RS1 on October 26, 2016 (the “*Bond Resolution*”) authorizing the issuance, from time to time, in one or more series, of its Dedicated Capital Improvement Tax Bonds in an aggregate principal amount not to exceed \$840,000,000 (the “*2016 Authorized Bonds*”) for the purpose of financing capital improvements permitted under Section 34-53.5 of the School Code; and

WHEREAS, the Board adopted Resolution No. 16-1207-RS__ on December 7, 2016 (the “*Supplemental Resolution*”) supplementing the Bond Resolution and the Bond Resolution as supplemented by the Supplemental Resolution is herein defined as the “2016 Authorizing Resolution”; and

WHEREAS, pursuant to the 2016 Authorizing Resolution, the Board has appointed Amalgamated Bank of Chicago to act as Trustee under this Indenture; and

WHEREAS, no bonds or other obligations have heretofore been issued pursuant to Section 34-53.5 of the School Code or the 2016 Authorizing Resolution; and

WHEREAS, for the 2015 tax levy year and for the 2016 tax levy year the Board has levied the Capital Improvement Tax; and

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

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

WHEREAS, pursuant to Section 34-53.5(f) of the School Code the Board may issue bonds, in accordance with the Local Government Debt Reform Act, against any revenues to be collected from the Capital Improvement Tax in any year or years; and

WHEREAS, pursuant to Section 13 of the Local Government Debt Reform Act, the Board may pledge as security for the payment of bonds issued pursuant to Section 34-53.5(f) and the Local Government Debt Reform Act, (i) the revenues to be derived from the levy of the Capital Improvement Tax and (ii) moneys deposited or to be deposited into any special fund of the Board and may bind itself to impose the Capital Improvement Tax to the fullest extent permitted by applicable law; and

WHEREAS, pursuant to Section 4 of the Bond Resolution and for the tax levy years 2017 to 20__, both inclusive, the Board has levied and dedicated specific annual amounts of the Capital Improvement Tax to provide funds to pay the principal of and interest on the 2016 Authorized Bonds; and

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

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

GRANTING CLAUSES

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

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

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

IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Bonds secured by this Indenture, including any Bonds hereafter issued, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Bond 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 (except as expressly provided in this Indenture), so that each and all of such Bonds shall have the same right, lien and privilege under this Indenture and shall be equally secured hereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery hereof (all except as expressly provided in this Indenture, as aforesaid).

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

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

ARTICLE I

Definitions and Construction

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

“*Accounts*” means the special accounts created and established pursuant to Article V or any Supplemental Indenture.

“*Accreted Amount*” means, with respect to any Capital Appreciation Bonds, the amount set forth in the Supplemental Indenture authorizing such Bonds as the amount representing the initial public offering price thereof, plus the amount of interest that has accreted on such Bonds, compounded periodically, to the date of calculation, determined by reference to accretion tables contained in each such Bond or contained or referred to in any Supplemental Indenture authorizing the issuance of such Bonds. The Accreted Amounts for such Bonds as of any date not stated in such tables shall be calculated by adding to the Accreted Amount for such Bonds as of the date stated in such tables immediately preceding the date of computation a portion of the difference between the Accreted Amount for such preceding date and the Accreted Amount for such Bonds as of the date shown on such tables immediately succeeding the date of calculation, apportioned on the assumption that interest accretes during any period in equal daily amounts on the basis of a 360-day year consisting of twelve 30-day months.

“*Act*” means the Loan Government Debt Reform Act, 30 Illinois Compiled Statutes 350, as the same may be amended and supplemented from time to time.

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

“*Annual Debt Service Requirement*” means, with respect to any Bond Year, the aggregate of the Interest Requirement and the Principal Requirement for such Bond Year.

“*Annual Levy Amount*” means the aggregate amount of the Capital Improvement Tax (including each Bond Resolution Series Levy for Outstanding Bonds) levied or to be levied in a particular calendar year for collection in the following calendar year.

“*Applicable Bond Year*” means the Bond Year commencing on April 2 of the Tax Collection Year.

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

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

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

“*Bond*” or “*Bonds*” means any bond or bonds, including any 2016 Bond, any Additional Bond, and any Refunding Bond, authenticated and delivered under and pursuant to this Indenture.

“*Bond Insurance Policy*” means any municipal bond insurance policy insuring and guaranteeing the payment of the principal of and interest on a Series of Bonds or certain maturities thereof as may be provided in the Supplemental Indenture authorizing such Series or as otherwise may be designated by the Board.

“*Bond Insurer*” means any person authorized under law to issue a Bond Insurance Policy.

“*Bond Resolution*” means (i) with respect to the 2016 Bonds, the 2016 Authorizing Resolution and (ii) with respect to any Series of Additional Bonds or Refunding Bonds, the resolution of the Board authorizing such Series.

“*Bond Resolution Series Levy*” means the levy of Capital Improvement Tax pursuant to a Bond Resolution for the payment of the Annual Debt Service Requirements for the term of a Series of Bonds issued pursuant to such Bond Resolution.

“*Bond Year*” means the 12-month period commencing on April 2 of a year and ending on April 1 of the next succeeding year.

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

“*Capital Appreciation and Income Bond*” means any Bond as to which accruing interest is not paid prior to the Interest Commencement Date specified therefor and is compounded periodically on certain designated dates prior to the Interest Commencement Date specified therefor, all as provided in the Supplemental Indenture authorizing the issuance of such Capital Appreciation and Income Bond.

“*Capital Appreciation Bond*” means any Bond the interest on which (i) shall be compounded periodically on certain designated dates, (ii) shall be payable only at maturity or redemption prior to maturity and (iii) shall be determined by subtracting from the Accreted Amount the initial public offering price thereof, all as provided in the Supplemental Indenture authorizing the issuance of such Capital Appreciation Bond. The term “Capital Appreciation Bond” as used throughout this Indenture also includes any Capital Appreciation and Income Bond prior to the Interest Commencement Date specified therefor.

“*Capital Expenditure*” means an authorized expenditure of the Board that is or may be capitalized under generally accepted accounting practices applicable to the Board

and is made with respect to a project or system of the Board. This definition may be revised without the consent of the Owners to reflect the requisites of “projects and systems” as such term is used in Section 902 of the United States Bankruptcy Code (11 U.S. Code 902).

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

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

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

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

“*Consolidated Debt Service Reserve Fund*” means the Consolidated Debt Service Reserve Fund established in Section 502 for the benefit of Consolidated Reserve Fund Bonds.

“*Consolidated Reserve Fund Bonds*” means Bonds of a Series so designated by the Board in the Supplemental Indenture authorizing such Series.

“*Consolidated Reserve Requirement*” means, as of the date of calculation and with respect to all Series of Consolidated Reserve Fund Bonds, an amount equal to fourteen percent (14%) of the largest Annual Debt Service Requirement on Outstanding Consolidated Reserve Fund Bonds in the then current or any future Bond Year.

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

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

“*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.

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

“*Current Interest Bond*” means any Bond the interest on which is payable on the Interest Payment Dates provided therefor in the Supplemental Indenture authorizing such Bond. The term “Current Interest Bond” as used throughout this Indenture also includes any Capital Appreciation and Income Bond from and after the Interest Commencement Date specified therefor.

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

“*Debt Service Reserve Account*” means any reserve account within the Debt Service Fund established pursuant to Section 508.

“*Default Day*” means any day that an Event of Default has happened and has not been remedied.

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

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

“*Deposit Direction*” means each written direction of the Board filed with the County Collectors pursuant to Section 20-90 of the Property Tax Code, 35 Illinois Compiled Statutes 200 (or other applicable statutory authority) directing the County Collectors to deposit Capital Improvement Taxes directly into the Escrow Fund.

“*Escrow Fund*” means the Escrow Fund established in Section 502.

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

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

“*Fitch*” means Fitch Ratings.

“*Forward Supply Contract*” means any contract entered into between the Board and a supplier of Investment Securities selected by or pursuant to the direction of the Board (a “*Counterparty*”) pursuant to which the Counterparty agrees to sell to the Board (or to the Trustee on behalf of the Board) and the Board (or the Trustee on behalf of the Board) agrees to purchase specified Investment Securities on specific dates at specific purchase prices, all as established at the time of the execution and delivery of such contract and as set forth in such contract. Any amounts due and owing from the Board to the Counterparty pursuant to any Forward Supply Contract (other than the specified purchase prices of the Investment Securities set forth therein) shall be treated as current

operating expenses of the Board subject to annual appropriation, and shall not constitute indebtedness of the Board.

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

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

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

“*Insured Bond*” means any Bond with respect to which the payment of principal and interest is guaranteed under a Bond Insurance Policy.

“*Interest Commencement Date*” means, with respect to any Capital Appreciation and Income Bond, the date specified in the Supplemental Indenture authorizing the issuance of such Bond (which date must be prior to the maturity date for such Capital Appreciation and Income Bond) after which interest accruing on such Capital Appreciation and Income Bond shall be payable periodically, with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

“*Interest Payment Date*” means any Payment Date on which interest on any Bond is payable.

“*Interest Period*” means the period from the date of any Bond to and including the day immediately preceding the first Interest Payment Date and thereafter shall mean each period from and including an Interest Payment Date to and including the day immediately preceding the next Interest Payment Date.

“*Interest Requirement*” for any Bond Year or any Interest Period, as the context may require, as applied to Bonds of any Series then Outstanding, shall mean the total of the sums that would be deemed to accrue on such Bonds during such Bond Year or Interest Period if the interest on the Bonds were deemed to accrue daily during such Bond Year or Interest Period in equal amounts; *provided, however*, that interest expense shall be excluded from the determination of Interest Requirement to the extent that such interest is to be paid from the proceeds of Bonds allocable to the payment of such interest as provided in the Supplemental Indenture authorizing the issuance of a Series of Bonds or other available moneys or from investment (but not reinvestment) earnings thereon if

such proceeds shall have been invested in Investment Securities and to the extent such earnings may be determined precisely.

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

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

(i) Government Obligations;

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

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

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

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

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

(vi) Investments in a money market fund which at the time of purchase is rated “AAAm” or “AAAm G” or better by S&P, including those for which the

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

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

(viii) Pre-refunded Municipal Obligations; and

(ix) Any Forward Supply Contract;

“*Maximum Annual Debt Service Requirement*” means, as of any date of calculation, the largest Annual Debt Service Requirement occurring in the then current and any succeeding Bond Year.

“*Moody’s*” means Moody’s Investors Service.

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

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

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

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

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

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

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

“*Payment Date*” shall mean any date on which the principal of (including any Sinking Fund Installment) or interest on any Series of Bonds is payable in accordance with its terms and the terms of this Indenture and the Supplemental Indenture creating such Series.

“*Permitted Expenditures*” means, as provided in Section 34-53.5 of the School Code, expenditures for capital improvement purposes, including without limitation (i) the construction and equipping of a new school building or buildings or an addition or additions to an existing school building or buildings, (ii) the purchase of school grounds on which any new school building or an addition to an existing school building is to be constructed or located, (iii) both items (i) and (ii) of this definition, or (iv) the rehabilitation, renovation, and equipping of an existing school building or buildings. This definition may be revised to reflect any amendment of State law pertaining to permitted uses of the Capital Improvement Taxes.

“*Permitted Expenditures Account*” means the Permitted Expenditures Account established by Section 502.

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

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

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

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Government Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is

sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

“*Principal*” or “*principal*” means (i) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest) except as used in this Indenture in connection with the authorization and issuance of Bonds and with the order of priority of payments of Bonds after an event of default, in which case “principal” means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest) but when used in connection with determining whether the Owners of the requisite principal amount of Bonds then Outstanding have given any request, demand, authorization, direction, notice, consent or waiver or with respect to the Redemption Price of any Capital Appreciation Bond, “principal amount” means the Accreted Amount or (ii) with respect to the principal amount of any Current Interest Bond, the principal amount of such Bond payable in satisfaction of a Sinking Fund Installment, if applicable, or at maturity.

“*Principal Payment Date*” means any Payment Date upon which the principal of any Bond is stated to mature or upon which the principal of any Term Bond is subject to redemption in satisfaction of a Sinking Fund Installment.

“*Principal Requirement*” for any Bond Year, as applied to the Bonds of any Series, or any Section 207 Obligation means, the last day of the Bond Year (the “Applicable Principal Payment Date”) an amount calculated beginning

(i) on the preceding Principal Payment Date, if any, that occurs one year or less before each Applicable Principal Payment Date, or

(ii) one year prior to each Applicable Principal Payment Date if there is no prior Principal Payment Date or if the preceding Principal Payment Date is more than one year prior to the Applicable Principal Payment Date;

which amount shall equal the sums that would be deemed to accrue on such Bonds during such Bond Year of

(i) the principal of the Current Interest Bonds of such Series scheduled to mature or have a required Sinking Fund Installment on or prior to the Applicable Principal Payment Date, and

(ii) the Accreted Amount of the Capital Appreciation Bonds of such Series, scheduled to become due at maturity or have a required Sinking Fund Installment on or prior to the Applicable Principal Payment Date,

were each deemed to accrue daily during such year in equal amounts to but not including the Applicable Principal Payment Date; *provided, however*, that an amount of principal shall be excluded from the determination of Principal Requirement to the extent that such amount is to be paid from the proceeds of Bonds allocable to the payment of such principal as provided in the Supplemental Indenture authorizing the issuance of such Bonds or other available moneys or from the investment (but not reinvestment) earnings thereon if such proceeds or other moneys shall have been invested in Investment Securities and to the extent such earnings may be determined precisely.

“*Property Tax Code*” means the Property Tax Code, 35 Illinois Compiled Statutes 200, as the same may be amended and supplemented from time to time.

“*Pro Rata Share*” means with respect to a Series of Bonds and on a Business Day, the amount held in the Escrow Fund on that Business Day for distribution pursuant to Clause First of Section 504 multiplied by a fraction the numerator of which is the Series Debt Service for that Series for the Applicable Bond Year and the denominator of which is the aggregate Series Debt Service for all Series of Outstanding Bonds for the Applicable Bond Year.

“*Qualified Credit Provider*” means the issuer of a Qualified Reserve Credit Instrument.

“*Qualified Reserve Credit Instrument*” means a letter of credit, surety bond or non-cancelable insurance policy issued by a domestic or foreign bank, insurance company or other financial institution whose debt obligations are rated “Aa2” or better by Moody’s or “AA” or better by S&P or “AA” or better by Fitch as of the date of issuance thereof.

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

“*Record Date*” means the fifteenth (15th) day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date (and any redemption date) or such other day as may be determined in the applicable Supplemental Indenture.

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

“*Refunding Bonds*” means Bonds issued pursuant to Section 205.

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

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

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

“*Serial Bonds*” means the Bonds of a Series which shall be stated to mature in annual installments.

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

“*Series Debt Service*” means, for a Bond Year and with respect to a Series of Bonds, the Annual Debt Service Requirement for that Series.

“*Series Sub-Fund*” means a dedicated Sub-Fund created pursuant to a Supplemental Indenture authorizing a Series of Bonds.

“*Sinking Fund Installment*” means, as of any particular date of determination and with respect to the Outstanding Bonds of any Series, the amount required by the Supplemental Indenture creating such Series to be paid in any event by the Board on a single future date for the retirement of such Bonds which mature after said future date, but does not include any amount payable by the Board by reason only of the maturity of a Bond.

“*State*” means the State of Illinois.

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

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

“*Subordinated Indebtedness*” means indebtedness permitted to be issued or incurred pursuant to Section 401.

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

“*Tax Anticipation Note*” means any tax anticipation note, tax anticipation warrant or similar indebtedness issued in anticipation of the collection of Capital Improvement Taxes.

“*Tax Collection Year*” means with respect to each annual levy of the Capital Improvement Tax, the calendar year such annual levy is extended for collection.

“*Term Bonds*” means the Bonds of a Series other than Serial Bonds which shall be stated to mature on one or more dates through the payment of Sinking Fund Installments.

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

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

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

“*2016 Authorizing Resolution*” means Resolution Number 16-1026-RS1 of the Board as supplemented by Resolution Number 16-1207-RS__ of the Board.

“*2016 Bonds*” means the \$_____ principal amount of Dedicated Capital Improvement Tax Bonds, Series 2016, of the Board authorized to be issued pursuant to the 2016 Authorizing Resolution.

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

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

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

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

ARTICLE II

Authorization and Issuance of Bonds

Section 201. Authorization of Bonds. (A) The Board shall not issue any Bonds while this Indenture is in effect except in accordance with the provisions of this Article II. All Bonds issued under this Indenture shall be designated “Dedicated Capital Improvement Tax Bonds” or, in the case of Refunding Bonds issued pursuant to Section 205, “Dedicated Capital Improvement Tax Refunding Bonds” and shall include such further appropriate designations as the Board may determine.

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

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

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

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

(3) In the case of 2016 Bonds, an executed copy of this Indenture and a copy of the Resolution Number 16-1026-RS1 of the Board and Resolution Number 16-1207-RS of the Board, each certified by the Secretary or the Assistant Secretary of the Board.

(4) In the case of each Series of Additional Bonds or Refunding Bonds, a copy of the Bond Resolution authorizing such Series and providing for the Bond Resolution Series Levy, certified by the Secretary or the Assistant Secretary of the Board.

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

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

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

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

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

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

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

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

(h) The amount and date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series, provided that the aggregate of such Sinking Fund Installments shall equal the aggregate principal amount of all such Bonds less the principal amount scheduled to be retired at maturity.

(i) A determination as to whether such Series is or is not a Series of Consolidated Reserve Fund Bonds.

(j) The Funds, Sub-Funds, Accounts and Sub-Accounts into which proceeds of such Series will be deposited and the amounts of such deposits.

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

(7) An executed copy of each Deposit Direction filed with the County Collectors providing for the direct deposit into the Escrow Fund of the Capital Improvement Taxes constituting the Bond Resolution Series Levy for such Series.

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

(B) Bonds of the same Series and maturity shall be of like tenor except as to interest rate, denomination and form. After the original issuance of Bonds of a Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of

such Series pursuant to Article III or Section 1106 or as permitted by Supplemental Indenture.

(C) Bonds may be issued as Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Current Interest Bonds, Serial Bonds or Term Bonds or any combination thereof, all as provided in the Supplemental Indenture providing for the issuance thereof.

(D) No Series of Consolidated Reserve Fund Bonds shall be delivered unless, as of the time immediately following the issuance of such Series, the sum then held in the Consolidated Debt Service Reserve Fund, after taking into account any concurrent deposit of the proceeds of such Series into the Consolidated Debt Service Reserve Fund, equals or exceeds the Consolidated Reserve Requirement.

Section 203. 2016 Bonds. One or more Series of Bonds entitled to the benefit, protection and security of this Indenture and constituting the Series of 2016 Bonds may be authorized and delivered upon original issuance for the purpose of financing the Permitted Expenditures of the capital improvement projects or purposes approved by the 2016 Authorizing Resolution, to pay costs and expenses incident to the issuance of such Series and to make deposits into any Fund, Sub-Fund, Account or Sub-Account under this Indenture or any Supplemental Indenture. Any such Series shall be authenticated and delivered by the Trustee only upon receipt by it of the documents required by Section 202 with respect to 2016 Bonds.

Section 204. Additional Bonds. One or more Series of Bonds entitled to the benefit, protection and security of this Indenture and constituting a Series of Additional Bonds may be authorized and delivered upon original issuance for the purpose of financing Permitted Expenditures of any capital improvement project or purpose of the Board permitted under Section 34-53.5 of the School Code, to pay costs and expenses incident to the issuance of such Additional Bonds and to make deposits into any Fund, Sub-Fund, Account or Sub-Account under this Indenture or any Supplemental Indenture. Any such Series shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the documents required by Section 202 with respect to Additional Bonds) of a Certificate of an Authorized Officer as set forth in Section 206.

Section 205. Refunding Bonds. (A) One or more Series of Bonds entitled to the benefit, protection and security of this Indenture and constituting a Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund or advance refund any or all Outstanding Bonds of one or more Series, to pay costs and expenses incident to the issuance of such Refunding Bonds and to make deposits in any Fund, Sub-Fund, Account or Sub-Account under this Indenture or any Supplemental Indenture.

(B) Refunding Bonds of a Series shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the documents required by Section 202 with respect to Refunding Bonds) of:

(1) Such instructions to the Trustee as necessary to comply with all requirements set forth in Section 1201 so that the Bonds to be refunded or advance refunded will be paid or deemed to be paid pursuant to said Section 1201.

(2) Either (i) moneys in an amount sufficient to effect payment of the principal and Redemption Price, if applicable, and interest due and to become due on the Bonds to be refunded or advance refunded on and prior to the redemption date or maturity date thereof, as the case may be, which moneys shall be held by the Trustee or any of the Paying Agents in a separate account irrevocably in trust for and assigned to the respective Owners of the Bonds, to be refunded or advance refunded, or (ii) Defeasance Obligations in such principal amounts, of such maturities, and bearing interest at such rates as shall be necessary, together with the moneys, if any, deposited with the Trustee at the same time, to comply with the provisions of Section 1201(B).

(3) (a) a Certificate of an Authorized Officer as set forth in Section 206, or (b) a Certificate of an Authorized Officer evidencing that for the then current and each future Bond Year, the Annual Debt Service Requirements for each such Bond Year on account of all Bonds Outstanding as of the time immediately after the issuance of such Refunding Bonds does not exceed the Annual Debt Service Requirements for the corresponding Bond Year on account of all Bonds as of the time immediately prior to the issuance of such Refunding Bonds.

Section 206. Certificates of Authorized Officer. (A) The Certificate of an Authorized Officer to be filed with the Trustee as a condition precedent to the issuance of a Series of Additional Bonds pursuant to Section 204 or a Series of Refunding Bonds pursuant to Section 205(B)(3)(a) shall set forth, for each Tax Collection Year that the Capital Improvement Tax will be required to be collected to produce revenues to satisfy the Annual Debt Service Requirements for all Bond Years with respect to which Bonds will be Outstanding as of the time immediately following the issuance of the Series of Bonds proposed to be issued; (i) the amount of Capital Improvement Taxes projected to be collected in each such Tax Collection Year and (ii) the Annual Debt Service Requirement in each Applicable Bond Year and (iii) demonstrating that the amount of Capital Improvement Taxes projected to be collected in each such Tax Collection Year will not be less than 110% of the Annual Debt Service Requirement for the Applicable Bond Year.

(B) With respect to the Certificate of an Authorized Officer to be filed with the Trustee pursuant to Subsection (A) of this Section 206, in determining the Annual Levy Amount in any year and the Capital Improvement Taxes projected to be collected in any

corresponding Tax Collection Year, the Annual Levy Amount shall be determined on the assumption that (i) the Capital Improvement Tax will be authorized to be levied and will be levied each year at the maximum amount permitted under Section 34-53.5 of the School Code, (ii) there will be no increase in any such maximum amount by virtue of an adjustment for inflation other than adjustments made under said Section 34-53.5 prior to the date such Certificate of the Authorized Officer is filed with the Trustee and (iii) all of the Capital Improvement Taxes levied for any year will be collected in full during the corresponding Tax Collection Year.

ARTICLE III

General Terms and Provisions of Bonds

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

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

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

Section 303. Execution and Authentication. (A) The Bonds shall be executed in the name of the Board by the manual or facsimile signatures of the President of the Board or the Vice President of the Board (or such other officers of the Board as may be authorized by a Bond Resolution to execute in the name of the Board Bonds of the Series authorized by that Bond Resolution) and attested by the manual or facsimile signatures of the Secretary or Assistant Secretary of the Board. In case any one or more of the officers who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed such Bonds had not ceased to hold such offices. Any Bond may

be signed on behalf of the Board by such persons who at the time of the execution of such Bond shall hold the proper office in the Board, although at the date of such Bond such persons may not have been so authorized or have held such office.

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

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

Section 305. Negotiability, Transfer and Registration. (A) Each Bond shall be transferable only upon the registration books of the Board, which shall be kept for that purpose by the Registrar, by the Owner in person or by its attorney duly authorized in writing, upon surrender thereof with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney. Upon the transfer of any such Bond, the Board shall issue in the name of the transferee a new Bond or Bonds in Authorized Denominations of the same aggregate principal amount, Series, maturity and interest rate as the surrendered Bond.

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

Section 306. Provisions with Respect to Exchanges and Transfers. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the Board shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchanges shall

forthwith be canceled by the Trustee. For any exchange or transfer of Bonds, whether temporary or definitive, the Board, the Trustee or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid. The Registrar and the Trustee shall not be required to make any registration, transfer or exchange of any Bond during the period after such Bond has been called for redemption or, in the case of any proposed redemption of Bonds, during the 15 days next preceding the date of first giving notice of such redemption.

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

ARTICLE IV

Subordinated Indebtedness and Tax Anticipation Notes

Section 401. Subordinated Indebtedness. (A) Subject to the terms and provisions of Subsection (B) of this Section 401, the Board reserves the right (i) to issue bonds, certificates or other evidences of indebtedness or contractual obligations payable as to principal and interest from Capital Improvement Taxes, and (ii) to incur contractual obligations that are payable from Capital Improvement Taxes, but, in each case, only if such indebtedness or contractual obligation is junior and subordinate in all respects to any and all Bonds issued and Outstanding under this Indenture.

(B) Subordinated Indebtedness issued or incurred pursuant to this Section 401 may only be issued or incurred for the purpose of financing or refinancing of Capital Expenditures that are Permitted Expenditures of any capital improvement or purpose of

the Board permitted under Section 34-53.5 of the School Code, to pay costs and expenses incident to the issuance of such Subordinated Indebtedness, and to capitalize interest and fund reserves with respect to such Subordinated Indebtedness. Proceeds derived from the sale of an issue of Subordinated Indebtedness shall be deposited into an escrow account administered by an escrow agent and moneys in each such escrow account shall be subject to withdrawal and expenditure only upon satisfaction of terms and conditions similar to the terms and conditions that apply for the withdrawal and expenditures of moneys from the Permitted Expenditures Account.

Section 402. Tax Anticipation Notes. The Board reserves the right to issue Tax Anticipation Notes in anticipation of the collection of Capital Improvement Taxes to be collected in the current Tax Collection Year or the next ensuing Tax Collection Year. The aggregate principal amount of Tax Anticipation Notes issued in anticipation of the collection of Capital Improvement Taxes in a particular Tax Collection Year shall not exceed 90 percent of the anticipated amount of Capital Improvement Taxes to be collected in such Tax Collection Year. Tax Anticipation Notes shall only be issued in anticipation of the collection of levied Capital Improvement Taxes. All of the net proceeds of sale of an issue of Tax Anticipation Notes shall be paid to the Trustee for deposit into the Escrow Fund. If such Tax Anticipation Notes are issued in anticipation of Capital Improvement Taxes to be collected in the current Tax Collection Year, then such proceeds shall be allocated immediately upon receipt in the same manner that other moneys deposited into the Escrow Fund are allocated pursuant to Section 504(A). If such Tax Anticipation Notes are issued in anticipation of Capital Improvement Taxes to be collected in the next Tax Collection Year, then such proceeds shall be deposited into a special account and held therein until the first Business Day of such next Tax Collection Year, and thereupon shall be allocated in the same manner that other moneys deposited into the Escrow Fund are allocated pursuant to Section 504(A).

Tax Anticipation Notes may be made payable from amounts to be withdrawn from the Escrow Fund pursuant to Clause Fourth of Section 504(A). Such right of payment shall be junior and subordinate in all respects to any and all Bonds issued and Outstanding under this Indenture.

ARTICLE V

Tax Receipts and Funds

Section 501. Pledge Effected by This Indenture. (A) There are hereby pledged for the payment of the principal and Redemption Price of, and interest on, the Bonds, in accordance with their terms and the provisions of this Indenture, and a lien is hereby granted for such purpose, subject only to the provisions of this Indenture permitting or requiring the application thereof for the purposes and on the terms and conditions set forth in this Indenture and the terms and provisions of a Supplemental Indenture with

respect to any Debt Service Reserve Account established by such Supplemental Indenture, on (i) the Capital Improvement Taxes; (ii) all moneys, securities and earnings thereon in all Funds, Sub-Funds, Accounts and Sub-Accounts established under this Indenture or any Supplemental Indenture, subject however to the right of the Board to make periodic withdrawals from the Escrow Fund as permitted by Section 504, from the Debt Service Fund as permitted by Section 505 (including from Sub-Funds established by Supplemental Indentures) and from the Consolidated Debt Service Reserve Fund as permitted by Section 507, and (iii) any and all other moneys and securities furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other persons to be held by the Trustee under the terms of this Indenture.

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

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

Section 502. Establishment of Funds and Accounts. Pursuant to Section 20-90 of the Property Tax Code and Section 34-53.5 of the School Code, the Board hereby establishes the School Construction Tax Escrow Fund (the "*Escrow Fund*") as a special fund of the Board held in trust by the Trustee as part of the Trust Estate. The Board hereby establishes within the Escrow Fund the Permitted Expenditures Account, as a special account of the Board held in trust by the Trustee as part of the Trust Estate. The Board hereby establishes the Debt Service Fund, which shall be a special fund of the Board held in trust by the Trustee as part of the Trust Estate. The Board hereby establishes the Consolidated Debt Service Reserve Fund, which shall be a special fund of the Board held in trust by the Trustee as part of the Trust Estate for the benefit and security of the Owners of each Series of Consolidated Reserve Fund Bonds.

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

extent provided in this Indenture, shall be subject to the lien of this Indenture and a security interest in said Fund is hereby granted in favor of the Trustee for the benefit of the Owners of a Series of Consolidated Reserve Fund Bonds.

The Trustee shall, at the written request of the Board, establish such additional Funds, Sub-Funds within Funds, and Accounts and Sub-Accounts within any such Sub-Funds, as shall be specified in such written request, for the purpose of identifying more precisely the sources of payments into and disbursements from the Escrow Fund and the Debt Service Fund or such Sub-Funds, Accounts and Sub-Accounts and in addition, the Board shall, at the written request of the Trustee, establish additional Funds or Accounts for the purpose of segregating amounts available to pay the principal of, premium, if any, and interest on separate Series of Bonds.

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

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

Section 503. Required Deposit of Capital Improvement Tax Receipts. For the purpose of providing funds required to pay the principal of and interest on the Bonds when and as the same becomes due and for the payment of Capital Expenditures that are Permitted Expenditures, all of the Capital Improvement Taxes shall be paid to the Trustee, as escrow agent thereof, for immediate deposit into the Escrow Fund. The Board shall do, or cause to be done, all acts and things necessary to cause the Capital Improvement Taxes to be deposited into the Escrow Fund and not to any other fund or account of the Board or any other person, including without limiting the foregoing, filing Deposit Directions with the County Collectors.

Section 504. Allocation of Escrow Fund. (A) On each Business Day the Trustee shall allocate the moneys in the Escrow Fund in the following order of priority and if the moneys deposited into the Escrow Fund are insufficient to make any required deposit, the deposit shall be made up on the next Business Day after required deposits having a higher priority shall have been made in full:

First: to each applicable Series Sub-Fund in the Debt Service Fund, the Pro Rata Share for that Series until there is held in each such Series Sub-Fund an amount sufficient for the payment of the unpaid Series Debt Service for that Series payable on each Payment Date on or prior to April 1 of the then Applicable Bond Year.

Second: to the Consolidated Debt Service Reserve Fund, the amount, if any, required to increase the sum then held in the Consolidated Debt Service Reserve Fund, to the Consolidated Reserve Requirement.

Third: to the Debt Service Fund, to fund any other deposits required under the terms of any Supplemental Indenture.

Fourth: on any Business Day that is not a Default Day, at the direction of the Board expressed in a Certificate filed with the Trustee, the amount specified in such Certificate for the payment of Tax Anticipation Notes issued in accordance with Section 402.

Fifth: on any Business Day that is not a Default Day, at the direction of the Board expressed in a Certificate filed with the Trustee, the amount specified in such Certificate for the payment of Subordinated Indebtedness issued in accordance with Section 401.

Sixth: to the Permitted Expenditures Account of the Escrow Fund for disbursement in accordance with Subsection (B) of this Section 504.

(B) Amounts held in the Permitted Expenditures Account may be paid to the Board from time to time, on any Business Day that is not a Default Day for the payment or reimbursement of Permitted Expenditures that are Capital Expenditures, but only upon the filing by the Board with the Trustee of the following items:

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

(2) its Certificate attached to the requisitions certifying: (a) that obligations in the stated amounts have been incurred by the Board, and that each item thereof (i) is a proper charge against the Permitted Expenditures Account; (ii) is a proper Capital Expenditure; (iii) is a proper Permitted Expenditure and (iv) has not been paid or previously reimbursed pursuant to Subsection (C) of this Section 504 or from Bond proceeds; (b) that there has not been filed with or served upon the Board notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable under

such requisition, or if any such lien, attachment or claim has been filed or served upon the Board, that such lien, attachment or claim has been released or discharged, and (c) that such requisition contains no item representing payment on account of any retained percentages which the Board is at the date of such Certificate entitled to retain.

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

(C) The Trustee shall pay from the Permitted Expenditures Account to the Board, upon its requisitions therefor, at one time or from time to time, a sum or sums aggregating not more than \$5,000,000, exclusive of and in addition to reimbursements paid pursuant to Subsection (B) of this Section, such sums and such reimbursements to be used by the Board as a revolving fund for the payment of Capital Expenditures that are Permitted Expenditures that cannot conveniently be paid as otherwise provided in Subsection (B) of this Section. Such revolving fund shall be reimbursed by the Trustee from time to time for such expenses so paid, by payments from the Permitted Expenditures Account upon requisitions of the Board accompanied by its Certificate specifying the payee and the amount and particular purpose of each payment from such revolving fund for which such reimbursement is requested and certifying that each such amount so paid was necessary for the payment of an expense constituting a Capital Expenditure and a Permitted Expenditure and that such expense could not conveniently be paid except from such revolving fund. In making such reimbursements the Trustee may rely upon such requisitions and accompanying Certificates. The revolving fund maintained by the Board pursuant to this Section 504 shall be held separate and apart from all other funds and accounts of the Board and the amounts held in the revolving fund may only be used for payments to vendors for Capital Expenditures that are Permitted Expenditures or for the reimbursement of the Board for prior payments to vendors of Capital Expenditures that are Permitted Expenditures. Each transfer to the revolving fund maintained by the Board pursuant to this Section 504 may not exceed the aggregate amount of the vendor invoices to be paid or reimbursed with respect to the revolving fund, and may only be made after a careful review by the Board to confirm that all transfers to the revolving fund match invoiced amounts for Capital Expenditures that are Permitted Expenditures.

(D) Without regard to the requirements of Subsections (B) and (C) of this Section 504 with respect to the withdrawal of funds from the Permitted Expenditures Account, at the direction of the Board expressed in a Certificate of an Authorized Officer filed with the Trustee, the Board may direct the withdrawal of moneys from the Permitted Expenditures Account for the payment on any Payment Date of principal of (including any Sinking Fund Installment) or interest on any Bonds due and payable on such Payment Date.

Section 505. Disbursements from Debt Service Fund. The moneys in the Debt Service Fund shall be disbursed and applied by the Trustee as required to make the following deposits on the dates and in the amounts provided:

(1) Sub-Fund Deposits. On any date required by the provisions of a Supplemental Indenture creating a Series of Bonds, the Trustee shall segregate within the Debt Service Fund and credit to such Sub-Funds, Accounts, and Sub-Accounts therein as may have been created for the benefit of such Series such amounts as may be required to be so credited under the provisions of such Supplemental Indenture to pay the principal of and interest on such Bonds; and

(2) Other Required Deposits. On any date required by the provisions of a Supplemental Indenture for any other purpose, the Trustee shall segregate within the Debt Service Fund and credit to such Sub-Funds, Accounts and Sub-Accounts therein as are specified in such Supplemental Indenture the amounts required so to be withdrawn and deposited by the provisions of such Supplemental Indenture or such instrument.

Section 506. Use of Moneys in Debt Service Fund. (A) Moneys on deposit in the Debt Service Fund and which have been credited to such Sub-Funds, Accounts and Sub-Accounts therein as may have been created for the benefit of a Series of Bonds shall be used for the purposes specified in the Supplemental Indenture creating such Series.

(B) On any Business Day that is not a Default Day there are moneys in the Debt Service Fund in excess of the amounts required to be disbursed as required in clauses (1) and (2) of Section 505, then the Board, pursuant to the written direction of the Board expressed in a Certificate filed with the Trustee, may direct the transfer of all or a portion of such excess amount to the Escrow Fund or the Consolidated Debt Service Reserve Fund.

Section 507. Consolidated Debt Service Reserve Fund. (A) The Board shall maintain the Consolidated Debt Service Reserve Fund in an amount equal to the Consolidated Reserve Requirement, which requirement may be satisfied in whole or in part with one or more Qualified Reserve Credit Instruments. Any such Qualified Reserve Credit Instrument shall be issued in the name of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payments thereunder other than a

certification of the Trustee that the funds drawn thereunder are to be used for the purposes for which moneys in the Consolidated Debt Service Reserve Fund may be used. If any time the Consolidated Debt Service Reserve Fund holds one or more Qualified Reserve Credit Instruments and Investment Securities, the Investment Securities shall be liquidated and the proceeds applied to fund transfers permitted under Subsections (B) and (C) of this Section prior to any draw being made on any Qualified Reserve Credit Instrument. If the Consolidated Debt Service Reserve Fund holds multiple Qualified Reserve Credit Instruments, draws shall be made under such Qualified Reserve Credit Instruments on a pro-rata basis to the extent of available funds.

(B) If on the Business Day prior to any Interest Payment Date there shall not be a sufficient amount in any Sub-Fund of the Debt Service Fund maintained under a Supplemental Indenture for the payment of interest on a Series of Consolidated Reserve Fund Bonds due on such Interest Payment Date, then the Trustee shall withdraw from the Consolidated Debt Service Reserve Fund and deposit into the appropriate Account or Sub-Account in such Sub-Fund, the amount needed to cure such deficiency and provide for the punctual payment of such interest.

(C) If on any Business Day prior to any Principal Payment Date there shall not be a sufficient amount in any Sub-Fund of the Debt Service Fund maintained under a Supplemental Indenture for the payment of the principal of a Series of Consolidated Reserve Fund Bonds due on such Principal Payment Date, then the Trustee, after making all withdrawals then required by Subsection (B) of this Section, shall withdraw from the Consolidated Debt Service Reserve Fund and deposit into the appropriate Account or Sub-Account in such Sub-Fund, the amount needed to cure such deficiency and provide for the punctual payment of such principal.

(D) In the event that the sum available for withdrawal from the Consolidated Debt Service Reserve Fund is not sufficient to satisfy all the withdrawals required by Subsections (B) and (C) of this Section, then the sum held therein shall be allocated first for the withdrawals required by Subsection (B) and among the various withdrawals required by a Subsection, pro-rata based upon the amount needed to cure each such deficiency.

(E) Amounts deposited into the Consolidated Debt Service Reserve Fund for the purpose of restoring amounts withdrawn therefrom shall be applied first to reimburse each Qualified Credit Provider and thereby reinstate the Qualified Reserve Credit Instrument of each Qualified Credit Provider. If at the time of such reimbursement the Consolidated Debt Service Reserve Fund holds multiple Qualified Reserve Credit Instruments for which restoration is required, then reimbursement shall be made on a pro-rata basis upon the amount of prior draws that are unreimbursed.

(F) If on any Business Day all withdrawals or payments from the Consolidated Debt Service Reserve Fund required by any other provision of this Indenture or any

Supplemental Indenture shall have been made and no Event of Default then exists under Section 801, then, the Trustee, at the direction of the Board expressed in a Certificate filed with the Trustee, shall withdraw from the Consolidated Debt Service Reserve Fund the amount of any excess therein over the Consolidated Reserve Requirement and deposit such moneys into any one or more of the Funds, Sub-Funds, Accounts or Sub-Accounts maintained under the Indenture or any Supplemental Indenture.

(G) At the direction of the Board expressed in a Certificate filed with the Trustee, moneys in the Consolidated Debt Service Reserve Fund may be withdrawn from the Consolidated Debt Service Reserve Fund and deposited with the Trustee for the payment of the Principal or Redemption Price of or the interest on Bonds in accordance with Section 1201 of this Indenture, provided that immediately after such withdrawal the amount held in the Consolidated Debt Service Reserve Fund equals or exceeds the Consolidated Reserve Requirement.

Section 508. Debt Service Reserve Accounts. Any Supplemental Indenture pursuant to which a Series is issued may establish a Debt Service Reserve Account and a Series reserve account requirement with respect thereto. Any such Supplemental Indenture may provide that the reserve account requirement may be satisfied as a whole or in part with one or more Qualified Reserve Credit Instruments. Any such Qualified Reserve Credit Instrument shall be issued in the name of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payments thereunder other than a certification of the Trustee that the funds drawn thereunder are to be used for purposes for which moneys in the Debt Service Reserve Account may be used.

ARTICLE VI

Depositaries, Security for Deposits and Investments of Funds

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

Section 602. Deposits. (A) All moneys held by any Depositary under this Indenture may be placed on demand or time deposit, as directed by an Authorized Officer, provided that such deposits shall permit the moneys so held to be available for use when needed. Any such deposit may be made in the commercial banking department

of any Fiduciary which may honor checks and drafts on such deposit as if it were not a Fiduciary. All moneys held by a Fiduciary may be deposited in its banking department on demand or, if and to the extent directed by an Authorized Officer, on time deposit, provided that such moneys on deposit be available for use when needed. Such Fiduciary shall allow and credit on such moneys such interest, if any, as it customarily allows upon similar funds of similar size.

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

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

Section 603. Investment of Moneys. (A) Moneys held in the several Funds, Sub-Funds, Accounts and Sub-Accounts shall be invested and reinvested by the Trustee at the written direction of the Treasurer or an Authorized Officer in Investment Securities within the parameters of this Indenture and the Investment Policy which mature no later than necessary to provide moneys when needed for payments to be made from such Fund, Sub-Fund, Account or Sub-Account. The Trustee may conclusively rely upon the Treasurer's or Authorized Officer's written instructions as to both the suitability and legality of the directed investments. Ratings of Investment Securities shall be determined at the time of purchase of such Investment Securities. In the absence of written investment instructions from the Board, the Trustee shall not be responsible or liable for keeping the moneys held by it hereunder fully invested in Investment Securities, but shall immediately notify the Board in the event moneys are being held uninvested hereunder. Nothing contained in this Indenture shall be construed to prevent such Treasurer or Authorized Officer from directing the Trustee to make any such investments or reinvestments through the use of a Forward Supply Contract, to the extent permitted by State law and the Investment Policy, and the Trustee shall comply with the terms and provisions of any such Forward Supply Contract. The Trustee may make any and all such investments through its trust department or the bond department of any bank (including the Trustee) or trust company under common control with the Trustee. The Board has provided a certified copy of the Investment Policy to the Trustee in connection with the initial delivery of the 2016 Bonds and the Board covenants and agrees to provide to the Trustee in a timely fashion any amendments to or revisions of such Investment

Policy. The Trustee shall be entitled to conclusively rely on the Investment Policy provided to it by the Board as the Investment Policy in effect at the time any investment is made. All investment income shall be retained in the Fund or Account to which the investment is credited from which such income is derived.

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

(C) Valuations of Investment Securities held in the Funds, Sub-Funds, Accounts and Sub-Accounts established hereunder shall be made by the Trustee as often as may be necessary or requested by the Board to determine the amounts held therein except that the value of Investment Securities held in the Consolidated Debt Service Reserve Fund must be valued as of April 15 and October 15 of each year. In computing the amounts in such Funds, Sub-Funds, Accounts and Sub-Accounts, Investment Securities therein shall be valued as provided in Subsection (D) of this Section 604.

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

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

ARTICLE VII

Particular Covenants and Representations of the Board

Section 701. Authority for Indenture. This Indenture is executed and delivered by the Board by virtue of and pursuant to Section 34-53.5 of the School Code, the Act and the 2016 Authorizing Resolution. The Board has ascertained and hereby determines

and declares that the execution and delivery of this Indenture is necessary to meet the public purposes and obligations of the Board, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate such purposes of the Board and to carry out its powers and is in furtherance of the public benefit, safety and welfare and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Bonds and are contracts or agreements necessary, useful or convenient to carry out and effectuate the corporate purposes of the Board.

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

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

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

Section 705. Annual Levy Amount. As authorized by Section 8 of the Act, the Board shall, to the fullest extent permitted by applicable law, provide for the annual levy of the Capital Improvement Tax such that the Annual Levy Amount for each year, and the amount of Capital Improvement Tax extended for collection in the corresponding Tax Collection Year, will each be in an amount not less than 110% of the Annual Debt Service Requirement for the Applicable Bond Year.

Section 706. Further Assurance. At any and all times the Board shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming, all and singular, the Trust Estate and the rights hereby pledged or assigned, or which the Board may become bound to pledge or assign. The Board and the Trustee shall take such actions as shall be necessary from time to time to preserve the priority of the Trust Estate under State law.

Section 707. Power to Issue Bonds and Pledge Trust Estate. The Board is duly authorized under all applicable laws to issue the Bonds and to execute and deliver this Indenture and to pledge the Trust Estate pledged by this Indenture and to grant the lien granted by this Indenture thereon in the manner and to the extent provided in this Indenture. The Trust Estate, so pledged and subject to the lien of this Indenture, as described in Section 501, is and will be free and clear of any other pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge and lien created by this Indenture, and all action on the part of the Board to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be valid and legally enforceable obligations of the Board in accordance with their terms and the terms of this Indenture, except to the extent enforceability may be limited by bankruptcy, insolvency and other laws affecting conditions, rights or remedies and the availability of equitable remedies generally. The Board covenants that upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution and laws of the State and this Indenture to exist, to have happened and to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed. The Board shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and lien on the Trust Estate pledged under this Indenture, the rights of the Board to levy the Capital Improvement Tax and to apply the Capital Improvement Taxes in accordance with this Indenture and all the rights of the Owners under this Indenture against all claims and demands.

Section 708. Indebtedness and Liens. The Board shall not issue any bonds or other evidences of indebtedness or incur any indebtedness, other than Subordinated Indebtedness and Tax Anticipation Notes, which are secured by a pledge of or lien on the Capital Improvement Taxes or the moneys, securities or funds held or set aside under this Indenture, and shall not, except as expressly authorized in this Indenture, create or cause to be created any lien or charge on the Capital Improvement Taxes or such moneys, securities or funds; *provided, however,* that nothing contained in this Indenture shall prevent the Board from issuing or incurring evidences of indebtedness (a) payable from or secured by amounts that may be withdrawn free from the lien of this Indenture pursuant to Section 504 or (b) payable from, or secured by the pledge of, Capital Improvement Taxes to be derived on and after such date as the pledge of the Trust Estate provided in this Indenture shall be discharged and satisfied as provided in Section 1201.

Section 709. Covenants Regarding Pledged Capital Improvement Taxes. (A)

The Board has executed and delivered a Deposit Direction to each of the County Collectors to deposit all collections of the Capital Improvement Taxes in each year, directly with the Trustee. So long as any of the Bonds remain Outstanding, the Board will not agree, and will not attempt to, and will not amend, modify, terminate or revoke any Deposit Direction, except for such modifications or amendments as may be (i) necessitated by changes in State law and applicable rules or regulations thereunder or (ii) necessary in connection with the issuance of Additional Bonds or Refunding Bonds; *provided*, that no such modification or amendment shall provide for the deposit with the Trustee of less than all of the Capital Improvement Taxes to be paid to the Board during any Tax Collection Year.

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

(C) Prior to the issuance of each Series of Bonds, the Board shall file with the County Clerks a certified copy of the Bond Resolution together with such other orders and directions as needed to provide for the annual levy and extension of the Bond Resolution Series Levy for each Series.

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

Section 711. Reports to City Council. The Board covenants that suitable representatives of the Board will provide to the City Council of the City of Chicago periodic reports regarding expenditures planned using the Capital Improvement Taxes.

Section 712. Equality of Security. All Bonds, regardless of Series, date of issuance or incurrence and date of sale, shall be secured by the pledge contained in Section 501; and the security so pledged shall not be used for any other purpose except as expressly permitted by the terms of this Indenture.

Section 713. Equality of Bonds. All Bonds issued hereunder shall be on a parity and rank equally without preference, priority or distinction over any other as to security, regardless of the time or times of their issue, and the provisions, covenants and agreements set forth in this Indenture to be performed by and on behalf of the Board shall be for the equal benefit, protection and security of the Owners of any and all Bonds.

ARTICLE VIII

Remedies of Owners

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

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

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

(3) if the Board shall amend, modify, terminate or revoke any Deposit Direction in a manner contrary to the provisions of Section 709(A);

(4) if a default shall occur in the performance or observance by the Board of any other of the covenants, agreements or conditions in this Indenture or in the Bonds contained, and such default shall continue for a period of 60 days after written notice thereof to the Board by the Trustee or after written notice thereof to the Board and to the Trustee by the Owners of not less than a majority in principal amount of the Outstanding Bonds, provided that if the nature of the default is such that it cannot be cured within the 60 day period but can be cured within a longer period, no Event of Default shall occur if the Board institutes corrective action within the 60 day period and diligently pursues such action until the default is corrected (provided such default is correctable); or

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

Section 802. Application of Funds After Default.

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

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

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

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

Second: to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any Bonds 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 Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference.

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

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

Section 803. Proceedings Brought by Trustee. (A) If an Event of Default shall happen and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon identical written request of the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Owners of the Bonds under this Indenture forthwith by a suit or suits in equity or at law, including by writ of mandamus, whether for the specific performance of any covenant herein contained, or in aid of the execution of any power herein granted, or for an accounting against the Board as if the Board were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under this Indenture.

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

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

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

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

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

Section 804. Restriction on Owners' Action. (A) No Owner of any Bond shall have any right to institute any suit or proceeding at law or in equity for the enforcement or violation of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, as provided in this Article, and the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or by the laws of the State or to institute such suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or failed to comply with such request within 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture or to enforce any right under this Indenture, except in the manner herein provided; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the equal benefit of all Owners of the Outstanding Bonds, subject only to the provisions of Section 704.

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

Section 805. Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or Bond Insurer or the Owners is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or in equity or by statute on or after the date of the execution and delivery of this Indenture.

Section 806. Effect of Waiver and Other Circumstances. (A) No delay or omission of the Trustee, Bond Insurer or any Owner to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such default or be an acquiescence therein.

(B) The Owners of not less than two-thirds in aggregate principal amount of the Bonds then Outstanding, or their attorneys-in-fact duly authorized may on behalf of the Owners of all of the Bonds waive any past default under this Indenture and its consequences, except a default in the payment of interest on or principal or Redemption

Price of any of the Bonds. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Section 807. Notices of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to the Owners of the Bonds and each Bond Insurer.

Section 808. Rights of Bond Insurer. Subject to the provisions of any applicable Supplemental Indenture, any Bond Insurer shall be treated as the Owner of Bonds upon which such Bond Insurer is obligated pursuant to a Bond Insurance Policy, for the purposes of calculating whether or not the Owners of the requisite percentage of Bonds then Outstanding have consented to any request, consent, directive, waiver or other action permitted to be taken by the Owners of the Bonds pursuant to this Article; *provided, however*, that such Bond Insurer shall cease to be so regarded as Owner of such Bonds in the event such Bond Insurer is in default of its obligations under the applicable Bond Insurance Policy.

Subject to the provisions of any applicable Supplemental Indenture, to the extent any Bond Insurer has exercised its rights as subrogee for the particular Bonds of which it has insured payment, such Bonds shall be deemed to be Outstanding and such Bond Insurer shall succeed to the rights and interests of the Owners as specified in respect of the applicable Bond Insurance Policy until such amount has been reimbursed.

ARTICLE IX

Concerning the Fiduciaries

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

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

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

the duties and obligations imposed upon it by this Indenture by executing and delivering to the Board and to the Trustee a written acceptance thereof.

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

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

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

Section 904. Responsibilities of Fiduciaries. (A) The recitals of fact herein and in the Bonds contained shall be taken as the statements of the Board and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Bonds issued hereunder or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect thereof. The Trustee shall, however, be responsible for any representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the Board or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of Subsection (B) of this Section, each Fiduciary undertakes to perform such duties and only such duties as are specifically set forth in the Indenture and no Fiduciary shall be liable in connection with the performance of its duties hereunder except for its own negligence or misconduct. The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty. The Trustee shall not be responsible for the recording or re-recording, filing or re-filing of this Indenture, or any supplement or amendment thereto, or the filing of financing statements, or for the validity of the execution by the Board of this Indenture, or of any supplemental indentures or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property herein conveyed or otherwise as to the maintenance of the security hereof. The Trustee may (but shall be under no duty to) require of the Board full information and advice as to the performance of the covenants, conditions and agreements in this Indenture and shall make its best efforts, but without any obligation, to advise the Board of any impending default known to the Trustee.

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

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

(D) In determining whether the rights of the Owners will be adversely affected by any action taken pursuant to the terms and provisions of this Indenture, the Fiduciaries shall consider the effect on the Owners as if there were no Bond Insurance Policy.

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

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

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

Section 906. Compensation. Unless otherwise determined by agreement between the Board and each Fiduciary, the Board shall pay each Fiduciary from time to time reasonable compensation for services rendered under this Indenture, as well as pay and/or reimburse each Fiduciary for the reasonable fees and expenses related to

extraordinary services rendered by each Fiduciary, including without limitation reasonable fees and expenses of such Fiduciary's counsel. Upon an Event of Default, the Fiduciaries shall have a right of payment prior to payment on account of principal of, or premium, if any, or interest on, any Bond for the foregoing fees and expenses incurred; provided, that in no event shall the Fiduciaries have any such prior right of payment or claim therefor against any moneys or obligations deposited with or paid to the Fiduciaries for the redemption or payment of Bonds, which are deemed to have been paid in accordance with Section 1201.

Section 907. Certain Permitted Acts. Any Fiduciary may become the Owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding. Any Fiduciary may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents or receivers and shall not be answerable for the conduct of the same if appointed with due care hereunder, and shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation to any attorney, agent, receiver, or employee retained or employed by it in connection herewith. Any Fiduciary may act upon the opinion or advice of an attorney or accountant selected by it in the exercise of reasonable care or, if selected or retained by the Board, approved by the Trustee in the exercise of such care. A Fiduciary shall not be responsible for any loss or damage resulting from any action or nonaction based on its good faith reliance upon such opinion or advice.

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

Section 908. Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving not less than 60 days' written notice to the Board, all Owners of the Bonds, each Bond Insurer, the Depositaries and the other Fiduciaries, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the Board or the Owners as provided in Section 910, in which event such resignation shall take effect immediately on the appointment of such successor whether or not the date specified for such resignation to take effect has arrived. If a successor Trustee shall not have been appointed within a period of 90 days following the giving of notice, then the Trustee shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as provided in Section 910.

Section 909. Removal of Trustee. The Trustee may be removed at any time by an instrument in writing delivered to the Trustee and signed by an Authorized Officer on behalf of the Board; *provided, however*, that if an Event of Default shall have occurred and be continuing, the Trustee may be so removed by the Board only with the written concurrence of the Owners of a majority in aggregate principal amount of Bonds then Outstanding. The Trustee may be removed at any time by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the Board, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys-in-fact duly authorized, and delivered to the Board. Copies of each such instrument shall be delivered by the Board to each Fiduciary.

Section 910. Appointment of Successor Trustee. (A) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, the Board shall appoint a successor Trustee. The Board shall cause notice of any such appointment by it made to be mailed to all Owners of the Bonds, and each Bond Insurer.

(B) If no appointment of a Trustee shall be made by the Board pursuant to the provisions of Subsection (A) of this Section, the Owner of any Bond Outstanding hereunder may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

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

Section 911. Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Board, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee; but the predecessor Trustee shall nevertheless, on the written request of the Board or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurances and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all its right, title and interest in and to

any property held by it under this Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument from the Board be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such moneys, estates, properties, rights, powers and duties, such deed, conveyance or instrument shall be executed, acknowledged and delivered by the Board. Any such successor Trustee shall promptly notify the Paying Agents of its appointment as Trustee.

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

Section 913. Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in its own name.

Section 914. Resignation or Removal of Paying Agent and Appointment of Successor. (A) Any Paying Agent may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least 60 days' written notice to the Board, each Bond Insurer and the other Fiduciaries. Any Paying Agent may be removed at any time by an instrument signed by an Authorized Officer and filed with such Paying Agent and the Trustee. Any successor Paying Agent shall be appointed by the Board and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having a capital and undivided surplus aggregating at least \$20,000,000, willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

(B) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor, or if there be no successor, to the Trustee and shall be subject to audit of all of

its books, records and accounts with respect to the Bonds. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

Section 915. Resignation or Removal of Registrar and Appointment of Successor. (A) Any Registrar may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least 60 days' written notice to the Board and the other Fiduciaries. Any Registrar may be removed at any time by an instrument signed by an Authorized Officer and filed with such Registrar and the Trustee. Any successor Registrar shall be appointed by the Board and shall be a bank, trust company or national banking association doing business and having an office in the State or in the Borough of Manhattan, in the City and State of New York, if there be such a bank, trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

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

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

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

In addition, the Trustee shall, at any time when requested, furnish to the Board and any Persons designated by the Board a report of the amount of moneys, including Investment Securities, held in each Fund, Sub-Fund, Account or Sub-Account by the Trustee. For purposes of this certification, the Investment Securities in each such Fund,

Sub-Fund, Account and Sub-Account shall be treated as having a value equal to their aggregate market value as of the date of the request.

ARTICLE X

Supplemental Indentures

Section 1001. Supplemental Indentures Not Requiring Consent of Owners.

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

- (1) to authorize a Series of Bonds and to specify, determine or authorize any matters and things concerning any such Series which are not contrary to or inconsistent with this Indenture;
- (2) to close this Indenture against, or impose additional limitations or restrictions on, the issuance of Bonds, or of other notes, bonds, obligations or evidences of indebtedness;
- (3) to impose additional covenants or agreements to be observed by the Board;
- (4) to impose other limitations or restrictions upon the Board;
- (5) to surrender any right, power or privilege reserved to or conferred upon the Board by this Indenture;
- (6) to confirm, as further assurance, any pledge of or lien upon the Trust Estate or any other moneys, securities or funds;
- (7) to cure any ambiguity, omission or defect in this Indenture;
- (8) to provide for the appointment of a successor securities depository in the event any Series of Bonds is held in book-entry only form;
- (9) to provide for the establishment of any Debt Service Reserve Account;
- (10) to provide for the appointment of any successor Fiduciary;
- (11) to conform the provisions of the Indenture to the provisions of the Act, the Property Tax Code, the School Code, the Code and Regulations, or other applicable law; and

(12) to make any other change which, in the judgment of the Trustee, is not to the prejudice of the Trustee, any Bond Insurer or the Owners.

Section 1002. Supplemental Indentures Effective upon Consent of Owners.

Any Supplemental Indenture not effective in accordance with Section 1001 shall take effect only if permitted and approved and in the manner prescribed by Article XI.

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

Section 1004. Notice to Parties. Notice of the execution and delivery of each Supplemental Indenture described in Section 1001 shall be given to each Bond Insurer, which notice shall include a copy of such Supplemental Indenture in the form so executed and delivered.

ARTICLE XI

Amendments

Section 1101. Mailing. Any provision in this Article for the mailing of a notice or other information to Owners shall be fully complied with if it is mailed by first class mail, postage prepaid or delivered only to each Owner of Bonds then Outstanding at its address, if any, appearing upon the registration books of the Board kept by the Registrar.

Section 1102. Powers of Amendment. Except for Supplemental Indentures described in Section 1001, any modification or amendment of this Indenture and of the rights and obligations of the Board and of the Owners of the Bonds hereunder, in any particular, may be made by a Supplemental Indenture with the written consent given as provided in Section 1103 hereof (i) of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding at the time such consent is given, and (ii) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in aggregate principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal

of any Outstanding Bonds, or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent thereto.

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

Section 1103. Consent of Owners. The Board may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 1102, to take effect when and as provided in this Section. Subject to the provisions of Section 1208, the rights of the Owner of an Insured Bond to take any action pursuant to this Section 1103 are abrogated and the Bond Insurer may exercise the rights of the Owner of any Insured Bond that is entitled to the benefits of the Bond Insurance Policy issued by the Bond Insurer for the purpose of any approval, request, demand, consent, waiver or other instrument of similar purpose pursuant to any provision of this Section.

Upon the authorization of such Supplemental Indenture, a copy thereof shall be delivered to and held by the Trustee for the inspection of the Owners. A copy of such Supplemental Indenture (or summary thereof or reference thereto in form approved by the Trustee) together with a request to Owners for their consent thereto in form satisfactory to the Trustee, shall be mailed to the Owners, but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as in this Section provided. Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when (a) there shall have been filed with the Trustee (i) the written consents of the Owners of the required principal amount of Outstanding Bonds, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when effective, will be valid and binding upon the Board, the Owners and the Trustee, and (b) a notice shall have been mailed as hereinafter in this Section provided. A certificate or certificates by the Trustee delivered to the Board that consents have been given by the Owners of the Bonds described in such certificate or certificates of the Trustee shall be conclusive. Any such consent shall be binding upon the Owner of the Bonds giving such consent and upon any subsequent Owner of such Bonds and of any

Bonds issued in exchange therefor whether or not such subsequent Owner has notice thereof; *provided, however*, that any consent may be revoked by any Owner of such Bonds by filing with the Trustee, prior to the time when the Trustee's written statement hereafter in this Section referred to is filed, a written revocation, with proof that such Bonds are held by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with it. Any consent, or revocation thereof, may be delivered or filed prior to any mailing or publication required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing.

Within 30 days of any date on which the consents on file with the Trustee and not theretofore revoked shall be sufficient under this Section, the Trustee shall make and deliver to the Board a written statement that the consents of the Owners of the required principal amount of Outstanding Bonds have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time thereafter notice, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required principal amount of Outstanding Bonds and will be effective as provided in this Section, shall be given by mailing to the Owners (but failure to mail such notice or any defect therein shall not prevent such Supplemental Indenture from becoming effective and binding). The Trustee shall deliver to the Board proof of the mailing of such notice. A record, consisting of the information required or permitted by this Section to be delivered by or to the Trustee, shall be proof of the matters therein stated.

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

Section 1105. Exclusion of Bonds. Bonds owned or held by or for the account of the Board shall not be deemed Outstanding and shall be excluded for the purpose of any calculation required by this Article. At the time of any consent or other action taken

under this Article, the Board shall furnish the Trustee a certificate of an Authorized Officer, upon which the Trustee may rely, identifying all Bonds so to be excluded.

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

ARTICLE XII

Miscellaneous

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

(B) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the Trustee at or prior to their maturity or redemption date shall be deemed to have been paid within the meaning of and

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

(C) Amounts deposited with the Trustee for the payment of the Principal of and interest on any Bonds deemed to be paid pursuant to this Section 1201, if so directed by the Board, shall be applied by the Trustee to the purchase of such Bonds in accordance with this subsection. Bonds for which a redemption date has been established may be purchased on or prior to the forty-fifth day preceding the redemption date. The Principal amount of Bonds to be redeemed shall be reduced by the Principal amount of Bonds so purchased. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. All such purchases shall be made at prices not exceeding the applicable Principal amount or Redemption Price established pursuant to Subsection (B) of this Section 1201, plus accrued interest, and such purchases shall be made in such

manner as the Trustee shall determine. No purchase shall be made by the Trustee pursuant to this subsection if such purchase would result in the Trustee holding less than the moneys and Defeasance Obligations required to be held for the payment of all other Bonds deemed to be paid pursuant to this Section 1201.

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

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

(F) Any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for two years after the date when Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds 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 Bonds shall look only to the Board for the payment of such Bond.

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

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

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

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

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

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

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

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

Section 1206. Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Board, the Fiduciaries, any Bond Insurer and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or

stipulation thereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Fiduciaries, any Bond Insurer and the Owners of the Bonds. Each Bond Insurer is a third party beneficiary of this Indenture.

Section 1207. No Recourse on Bonds. (A) No recourse shall be had for the payment of the Principal or Redemption Price of or interest on the Bonds or for any claim based thereon or on this Indenture against any past, present or future member of the Board, officer, employee or agent of the Board, or any successor, public body or any person executing the Bonds, either directly or through the Board, under any rule of law or equity, statute or constitution or otherwise, and all such liability of any such officers, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of the Bonds.

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

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

Section 1208. Bond Insurer Provisions. All rights of any Bond Insurer under this Indenture, or any Supplemental Indenture shall cease and terminate if: (i) such Bond Insurer has failed to make any payment under its Bond Insurance Policy; (ii) such Bond Insurance Policy shall cease to be valid and binding on such Bond Insurer or shall be declared to be null and void, or the validity or enforceability of any provision thereof is being contested by such Bond Insurer, or such Bond Insurer is denying further liability or obligation under such Bond Insurance Policy; (iii) a petition has been filed and is pending against such Bond Insurer under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, and has not been dismissed within sixty days after such filing; (iv) such Bond Insurer has filed a petition, which is still pending, in voluntary bankruptcy or is seeking relief under any provision of any bankruptcy, reorganization, arrangement,

insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, or has consented to the filing of any petition against it under any such law; or (v) a receiver has been appointed for such Bond Insurer under the insurance laws of any jurisdiction.

Section 1209. Successors and Assigns. Whenever in this Indenture the Board is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this Indenture contained by or on behalf of the Board shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 1210. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this Indenture on the part of the Board or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

Section 1211. Notices. Any notice, demand, direction, request or other instruments authorized or required by this Indenture to be given to, delivered to or filed with the Board or the Trustee shall be deemed to have been sufficiently given, delivered or filed for all purposes of the Indenture if and when sent by registered mail, return receipt requested:

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

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

and

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

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

To the Trustee, if addressed to: Amalgamated Bank of Chicago
30 North LaSalle Street, 38th Floor
Chicago, Illinois 60602
Attention: Corporate Trust Department

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

Section 1212. Construction. The Indenture and all Supplemental Indentures shall be construed in accordance with the provisions of State law.

Section 1213. Multiple Counterparts. The Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

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

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

Senior Vice President of Finance

Attest:

Secretary

AMALGAMATED BANK OF CHICAGO

Authorized Officer

Attest:

Authorized Officer

[Signature Page to Master Trust Indenture]

Exhibit C

FIRST SUPPLEMENTAL INDENTURE

by and between

BOARD OF EDUCATION OF THE CITY OF CHICAGO

and

AMALGAMATED BANK OF CHICAGO
as Trustee

Dated as of December 1, 2016

SECURING BOARD OF EDUCATION OF THE CITY OF CHICAGO
DEDICATED CAPITAL IMPROVEMENT TAX BONDS, SERIES 2016

TABLE OF CONTENTS

	<u>Page</u>
Parties	1
ARTICLE I Definitions and Construction	3
Section 101. Definitions.....	3
Section 102. Interpretations	5
ARTICLE II Authorization and Issuance of Series 2016 Bonds	5
Section 201. Authorization of Series 2016 Bonds.....	5
Section 202. General Provisions for Issuance	5
Section 203. Terms of Series 2016 Bonds	5
Section 204. Optional Redemption	8
Section 205. Mandatory Sinking Fund Redemption.....	9
Section 206. Adjustment of Sinking Fund Installments	9
Section 207. Redemption at the Election or Direction of the Board	10
Section 208. Redemption Otherwise Than at Board’s Election or Direction.....	10
Section 209. Selection of Series 2016 Bonds to Be Redeemed.....	10
Section 210. Notice of Redemption	11
Section 211. Payment of Redeemed Series 2016 Bonds	11
ARTICLE III Dedicated Sub-Fund.....	12
Section 301. Creation of Sub-Fund and Accounts.....	12
Section 302. Deposits into Series 2016 Dedicated Sub-Fund and Accounts	13
Section 303. 2016 Interest Account.....	13
Section 304. 2016 Capitalized Interest Account.....	13
Section 305. 2016 Principal Account.....	14
Section 306. Timing of Bond Payment Withdrawals	15
Section 307. 2016 Project Account.....	15
Section 308. Moneys to be Held in Trust	18
Section 309. Consolidated Debt Service Reserve Fund	18
ARTICLE IV Particular Covenants and Elections of the Board	18
Section 401. Authority for First Supplemental Indenture.....	18
Section 402. Indenture to Constitute Contract.....	18
Section 403. Limited Obligations	19
Section 404. Capital Improvement Program.....	19
Section 405. Tax Covenants	19

ARTICLE V Miscellaneous.....19

Section 501. Trustee Acceptance of Duties 19

Section 502. Appointment of Fiduciaries 20

Section 503. Amendment or Modifications 20

Section 504. Defeasance 20

Section 505. Preservation and Inspection of Documents 20

Section 506. Parties Interested Herein 20

Section 507. Successors and Assigns..... 20

Section 508. Severability of Invalid Provisions..... 20

Section 509. Notices 21

Section 510. Construction 21

Section 511. Multiple Counterparts 21

Exhibit A Form of 2016 Bond..... A-1

Exhibit C

THIS FIRST SUPPLEMENTAL INDENTURE dated as of December 1, 2016 (the "*Frist Supplemental Indenture*"), by and between the Board of Education of the City of Chicago, a school district organized and existing under the laws of the State of Illinois (the "*Board*"), and Amalgamated Bank of Chicago, an Illinois banking corporation duly organized, existing and authorized to accept and execute trusts of the character herein set out, as Trustee (the "*Trustee*") under the Master Trust Indenture dated as of December 1, 2016, by and between the Board and the Trustee securing Board of Education of the City of Chicago Dedicated Capital Improvement Tax Bonds (the "*Indenture*").

W I T N E S S E T H:

WHEREAS, the Board adopted Resolution No. 16-1026-RS1 on October 26, 2016 (the "*Bond Resolution*") authorizing the issuance, from time to time, in one or more series, of its Dedicated Capital Improvement Tax Bonds in an aggregate principal amount not to exceed \$840,000,000 (the "*2016 Authorized Bonds*") for the purpose of financing capital improvements permitted under Section 34-53.5 of the School Code; and

WHEREAS, the Board adopted Resolution No. 16-1207-RS__ on December 7, 2016 (the "*Supplemental Resolution*") supplementing the Bond Resolution and the Bond Resolution as supplemented by the Supplemental Resolution is herein defined as the "2016 Authorizing Resolution"; and

WHEREAS, this First Supplemental Indenture is entered into pursuant to clause (1) of Section 1001 of the Indenture and the 2016 Authorizing Resolution to authorize the issue of the Series 2016 Bonds as 2016 Authorized Bonds and as a Series of 2016 Bonds under the Indenture (each as herein defined) and to specify, determine and authorize any matters and things concerning such Series which are not contrary to or inconsistent with the Indenture; and

WHEREAS, each Series 2016 Bond, when issued, will be secured by a pledge of, lien on and security interest in the Trust Estate as defined in the Indenture; and

WHEREAS, pursuant to Section 34-53.5(f) of the School Code the Board may issue bonds, in accordance with the Local Government Debt Reform Act, against any revenues to be collected from the Capital Improvement Tax (as defined in the Indenture) in any year or years; and

WHEREAS, pursuant to Section 13 of the Local Government Debt Reform Act, the Board may pledge as security for the payment of bonds issued pursuant to Section 34-53.5(f) and the Local Government Debt Reform Act, (i) the revenues to be derived from the levy of the Capital Improvement Tax and (ii) moneys deposited or to be deposited into any special fund of the Board and may bind itself to impose the Capital Improvement Tax to the fullest extent permitted by applicable law; and

WHEREAS, pursuant to Section 4 of the Bond Resolution and for the tax levy years 2017 to 20__, both inclusive, the Board has levied and dedicated specific annual amounts of the Capital Improvement Tax to provide funds to pay the principal of and interest on the Series 2016 Bonds; and

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

WHEREAS, all things necessary to make the Series 2016 Bonds, when authenticated by the Trustee and issued as in the Indenture and in this First Supplemental Indenture provided, the valid, binding and legal limited obligations of the Board according to the import thereof, and to constitute the Indenture and this First Supplemental Indenture as a valid pledge of and grant of a lien on the Trust Estate for the purpose of securing the payment of the principal of, premium, if any, and interest on the Series 2016 Bonds have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of this First Supplemental Indenture and the execution and issuance of the Series 2016 Bonds, subject to the terms hereof, have in all respects been duly authorized;

GRANTING CLAUSES

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

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

- (a) The Capital Improvement Taxes (as defined in the Indenture);
- (b) All moneys and securities and earnings thereon in all Funds, Sub-Funds, Accounts and Sub-Accounts established pursuant to the Indenture and the

First Supplemental Indenture for the payment and security of the Series 2016 Bonds, including the Consolidated Debt Service Reserve Fund on a parity with other Consolidated Reserve Fund Bonds hereinafter issued and the Series 2016 Dedicated Sub-Fund established by this First Supplemental Indenture; and

(c) Any and all other moneys and securities furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other persons to be held by the Trustee under the terms of the Indenture or this First Supplemental Indenture.

THIS FIRST SUPPLEMENTAL INDENTURE FURTHER WITNESSETH that, in addition to the terms, conditions and covenants of the Indenture, the Board, the Trustee and the Owners of the Series 2016 Bonds, hereby agree to be bound by the terms, conditions and covenants of this First Supplemental Indenture, as follows:

ARTICLE I

Definitions and Construction

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

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

“Cost of Construction” means with respect to the 2016 Project, the cost of acquisition, construction and equipping thereof, including the cost of acquisition of all land, rights of way, property, rights, easements and interests, acquired by the Board for such construction, the cost of all machinery and equipment, financing charges, financial advisory fees, interest prior to and during construction and for such period after completion of construction as the Board shall determine, the cost of design, engineering and legal expenses, plans, specifications, surveys, estimates of cost and revenues, other expenses necessary or incident to determining the feasibility or practicability of constructing the 2016 Project, administrative expenses and such other costs, expenses and funding as may be necessary or incident to the construction, the financing of such construction and the placing of the 2016 Project in operation.

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

“*DTC Participant*” shall mean any securities broker or dealer, bank, trust company, clearing corporation or other organization depositing Series 2016 Bonds with DTC.

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

“*Indenture*” means the Master Trust Indenture, dated as of December 1, 2016, by and between the Board and the Trustee, securing Board of Education of the City of Chicago Dedicated Capital Improvement Tax Bonds, as from time to time amended and supplemented.

“*Interest Payment Date*” means April 1, 2017 and each April 1 and October 1 thereafter.

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

“*Series 2016 Bonds*” means the \$ _____,000 principal amount of the Dedicated Capital Improvement Tax Bonds, Series 2016, of the Board authorized by the 2016 Authorizing Resolution and Section 201.

“*2016 Project*” means, collectively, the following capital improvements or purposes of the Board, and such additional capital improvements or purposes as may hereinafter be designated as part of the 2016 Project pursuant to a resolution of the Board filed with the Trustee:

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

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

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

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

ARTICLE II

Authorization and Issuance of Series 2016 Bonds

Section 201. Authorization of Series 2016 Bonds. A Series of 2016 Bonds entitled to the benefit, protection and security of the Indenture and this First Supplemental Indenture is hereby authorized in the aggregate principal amount of \$ _____ to finance Costs of Construction of the 2016 Project that are both Capital Expenditures and Permitted Expenditures, to fund the Consolidated Debt Service Reserve Fund to the Consolidated Reserve Requirement, to capitalize interest on the Series 2016 Bonds to the April 1, 2018 Interest Payment Date by a deposit to the 2016 Capitalized Interest Account and to pay costs in connection with the issuance of the Series 2016 Bonds. Such Series of Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series, by the title “Dedicated Capital Improvement Tax Bonds, Series 2016.” Each Series 2016 Bond shall be and is hereby designated as a 2016 Bond and a Consolidated Reserve Fund Bond under the Indenture.

Section 202. General Provisions for Issuance. The Series 2016 Bonds shall be issued pursuant to Section 203 of the Indenture shall be executed by the Board and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Board or upon its order, but only upon the receipt by the Trustee, at or prior to such authentication, of each of the items listed in clauses (1), (2), (3), (5) and (7) of Section 202(A) of the Indenture.

Section 203. Terms of Series 2016 Bonds. (A) Each Series 2016 Bond shall be in registered form and shall be initially dated January __, 2017. Series 2016 Bonds

authenticated and delivered prior to April 1, 2017, shall be dated as of January __, 2017. Series 2016 Bonds authenticated and delivered on or after April 1, 2017 shall be dated the April 1 or October 1 preceding the date of their authentication and delivery to which interest has been paid or duly provided for, except Series 2016 Bonds authenticated and delivered on a April 1 or October 1 to which interest has been paid or duly provided shall be dated that April 1 or October 1.

(B) Each Series 2016 Bond shall bear interest payable on each Interest Payment Date, computed on the basis of a 360-day year consisting of twelve 30-day months.

(C) The Series 2016 Bonds shall mature on April 1 of each of the years and in the principal amounts and shall bear interest at the respective rates per annum set forth in the following table:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
20__	\$,000	. %
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	
20__	,000	

(D) The Series 2016 Bonds shall be in denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 (but no single Series 2016 Bond shall represent principal maturing on more than one date) and each Series 2016 Bond shall be numbered consecutively but need not be authenticated or delivered in consecutive order. The Series 2016 Bonds and the Trustee's Certificate of Authentication shall be in substantially the form set forth in *Exhibit A* attached hereto and by reference made a part hereof with such variations, omissions or insertions as are required or permitted by the Indenture.

(E) The Principal of the Series 2016 Bonds shall be payable at the designated corporate trust offices of the Trustee, in the City of Chicago, Illinois, as Paying Agent, and at such offices of any co-Paying Agent or successor Paying Agent or Paying Agents for the Series 2016 Bonds appointed pursuant to the Indenture. Interest on the Series 2016 Bonds shall be payable by check or bank draft mailed or delivered by the Trustee to

the Owners as the same appear on the registration books of the Board maintained by the Registrar as of the Record Date or, at the option of any Owner, by wire transfer of Current Funds to such bank in the continental United States as said Owner shall request in writing to the Registrar.

(F) The \$_____ net proceeds of the Series 2016 Bonds, upon receipt, shall be deposited as follows:

(i) \$_____ shall be deposited into the Consolidated Debt Service Reserve Fund;

(ii) \$_____ shall be deposited into the 2016 Capitalized Interest Account; and

(iii) \$_____ shall be deposited into the 2016 Project Account.

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

With respect to Series 2016 Bonds registered in the name of Cede & Co., as nominee of DTC, the Board and the Trustee shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Series 2016 Bonds. Without limiting the immediately preceding sentence, the Board and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in any Series 2016 Bond, (ii) the delivery to any DTC Participant or any other Person, other than the Owner of any Series 2016 Bond, of any notice with respect to such Series 2016 Bond, (iii) the payment to any DTC Participant or any other Person, other than the Owner of any Series 2016 Bond, of any amount with respect to Principal or Redemption Price of or interest on such Series 2016 Bond or (iv) any allocation method for the redemption, including any pro-rata redemption, of Series 2016 Bonds among DTC Participants and the beneficial owners of the Series 2016 Bonds. 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 2016 Bond is registered as the absolute owner of such Series 2016 Bond for the purpose of payment of Principal and interest with respect to such Series 2016 Bond, for the purpose of giving notices of redemption, for the purpose of registering transfers with respect to such Series 2016 Bond and for all other purposes whatsoever. The Trustee and each other Paying Agent, if any, shall pay all Principal of and interest on the Series 2016 Bonds only to or upon the order

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

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

The Board has heretofore executed and delivered the Letter of Representations to DTC. So long as DTC, or its designee, is the Owner of all Series 2016 Bonds, the provisions set forth in the Letter of Representations shall apply to the redemption of any Series 2016 Bonds and to the payment of Principal or Redemption Price of and interest on the Series 2016 Bonds, including without limitation, that: (1) presentation of Series 2016 Bonds to the Trustee at maturity shall be deemed made to the Trustee when the right to exercise ownership rights in the Series 2016 Bonds through DTC or DTC's Participants is transferred by DTC on its books; and (2) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Owners of Series 2016 Bonds under this Indenture on a fractionalized basis on behalf of some or all of those Persons entitled to exercise ownership rights in the Series 2016 Bonds through DTC or DTC's Participants.

So long as the Series 2016 Bonds are registered in the name of Cede & Co., as nominee of DTC, the Trustee agrees to comply with the terms and provisions of the Letter of Representations.

Section 204. Optional Redemption. The Series 2016 Bonds maturing on or after April 1, 20__ shall be subject to redemption prior to maturity at the option of the Board, as a whole, or in part by lot as provided in Section 209, and upon notice as

provided in Section 207, on _____ 1, 20__ and on any date thereafter, at a Redemption Price equal to the principal amount of the Series 2016 Bonds to be redeemed; plus accrued interest on the Series 2016 Bonds being redeemed to the date fixed for redemption.

Section 205. Mandatory Sinking Fund Redemption. The Series 2016 Bonds maturing on April 1, 20__ are Term Bonds subject to mandatory redemption at a Redemption Price of par, on April 1 of the following years and in the following principal amounts, each constituting a Sinking Fund Installment for the retirement of the Term Bonds as set forth in the following table, subject to adjustment pursuant to Section 206:

20__ Term Bonds	
<u>Year</u>	<u>Principal Amount</u>
20__	\$,000
20__	,000
20__	,000
20__	,000

The final maturity amount of the Term Bonds due April 1, 20__ is \$ _____.

The Series 2016 Bonds maturing on April 1, 20__ are Term Bonds subject to mandatory redemption at a Redemption Price of par, on April 1 of the following years and in the following principal amounts, each constituting a Sinking Fund Installment for the retirement of the Term Bonds as set forth in the following table, subject to adjustment pursuant to Section 206:

20__ Term Bonds	
<u>Year</u>	<u>Principal Amount</u>
20__	\$,000
20__	,000
20__	,000

The final maturity amount of the Term Bonds due April 1, 20__ is \$ _____.

Section 206. Adjustment of Sinking Fund Installments. In the event of the optional redemption by the Board of less than all of the Term Bonds of the same maturity, the principal amount so redeemed shall be credited against the unsatisfied balance of future Sinking Fund Installments and the final maturity amount established

with respect to such Term Bonds as shall be determined by the Board in a Certificate of an Authorized Officer filed with the Trustee or, in the absence of such determination, shall be credited pro-rata against the applicable Sinking Fund Installments and final maturity amount.

Section 207. Redemption at the Election or Direction of the Board. In the case of any redemption of Series 2016 Bonds at the election or direction of the Board, the Board shall give written notice to the Trustee of its election or direction so to redeem, of the date fixed for redemption, and of the principal amounts and interest rates of the Series 2016 Bonds of each maturity to be redeemed. Such notice shall be given at least 35 days prior to the specified redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as in Section 210 provided, there shall be paid on or prior to the specified redemption date to the Trustee an amount in cash or Government Obligations maturing on or before the specified redemption date which, together with other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem all of the Series 2016 Bonds to be redeemed on the specified redemption date at their Redemption Price plus interest accrued and unpaid to the date fixed for redemption. Such amount and moneys shall be held in a separate, segregated account for the benefit of the Owners of the Series 2016 Bonds so called for redemption.

Section 208. Redemption Otherwise Than at Board's Election or Direction. Whenever by the terms of this First Supplemental Indenture the Trustee is required or authorized to redeem Series 2016 Bonds otherwise than at the election or direction of the Board, the Trustee shall select the Series 2016 Bonds to be redeemed in accordance with Section 209, give the notice of redemption and pay the Redemption Price thereof, plus interest accrued and unpaid to the date fixed for redemption.

Section 209. Selection of Series 2016 Bonds to Be Redeemed. If less than all the Series 2016 Bonds of the same maturity are called for redemption, the particular Series 2016 Bonds or portion of Series 2016 Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; *provided, however,* that the portion of any Series 2016 Bond of a denomination of more than the minimum Authorized Denomination to be redeemed shall be in the principal amount of an Authorized Denomination and that, in selecting portions of such Series 2016 Bonds for redemption, the Trustee shall treat each such Series 2016 Bond as representing that number of Series 2016 Bonds of the minimum Authorized Denomination which is obtained by dividing the principal amount of such Series 2016 Bond to be redeemed in part by said minimum Authorized Denomination. If all Series 2016 Bonds are held in book-entry only form, the particular Series 2016 Bonds or portions thereof to be redeemed shall be selected by DTC in such manner as DTC shall determine, provided, however, that in no event shall any redemption result in unrefunded Series 2016 Bonds of a denomination less than \$100,000.

Section 210. Notice of Redemption. When the Trustee shall receive notice from the Board of its election or direction to redeem Series 2016 Bonds pursuant to Section 207, and when redemption of Series 2016 Bonds is authorized or required pursuant to Section 208, the Trustee shall give notice, in the name of the Board, of the redemption of such Series 2016 Bonds, which notice shall specify the maturities and interest rates of the Series 2016 Bonds to be redeemed, the date fixed for redemption and the place or places where amounts due upon such date fixed for redemption will be payable and, if less than all of the Series 2016 Bonds of any like maturity and interest rate are to be redeemed, the letters and numbers or other distinguishing marks of such Series 2016 Bonds so to be redeemed, and, in the case of Series 2016 Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state that on such date there shall become due and payable the Redemption Price of each Series 2016 Bond to be redeemed, or the Redemption Price of the specified portions of the principal thereof in the case of Series 2016 Bonds to be redeemed in part only, together with interest accrued to the date fixed for redemption, and that from and after such date interest thereon shall cease to accrue and be payable. The Trustee shall mail copies of such notice by first-class mail, postage prepaid, not more than 60 days nor less than 30 days before the date fixed for redemption, to the Owners of the Series 2016 Bonds to be redeemed at their addresses as shown on the registration books of the Board maintained by the Registrar. If the Trustee mails notices of redemption as herein provided, notice shall be conclusively presumed to have been given to all Owners.

With respect to an optional redemption of any Series 2016 Bonds, unless moneys sufficient to pay the Redemption Price of, and interest on the Series 2016 Bonds to be redeemed shall have been received by the Trustee prior to the giving of such notice of redemption, such notice may, at the option of the Board, state that said redemption shall be conditional upon the receipt of such moneys by the Trustee on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the Board shall not redeem such Series 2016 Bonds and the Trustee shall give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and that such Series 2016 Bonds will not be redeemed.

Section 211. Payment of Redeemed Series 2016 Bonds. Notice having been given in the manner provided in Section 210, the Series 2016 Bonds or portions thereof so called for redemption shall become due and payable on the date fixed for redemption at the Redemption Price, plus interest accrued and unpaid to such date, and, upon presentation and surrender thereof at any place specified in such notice, such Series 2016 Bonds, or portions thereof, shall be paid at the Redemption Price, plus interest accrued and unpaid to such date. If there shall be called for redemption less than all of a Series 2016 Bond, the Board shall execute and the Trustee shall authenticate and the appropriate Fiduciary shall deliver, upon the surrender of such Series 2016 Bond, without charge to the Owner thereof, for the unredeemed balance of the principal amount of the Series 2016

Bond so surrendered, fully registered Series 2016 Bonds of like maturity and interest rate in any Authorized Denominations. If, on the date fixed for redemption, moneys for the redemption of all the Series 2016 Bonds or portions thereof of like maturity and interest rate to be redeemed, together with interest to such date, shall be held by the Trustee so as to be available therefor on said date and if notice of redemption shall have been given as aforesaid, then, from and after the date fixed for redemption, interest on the Series 2016 Bonds or portions thereof of such maturity and interest rate so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the date fixed for redemption, such Series 2016 Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

ARTICLE III

Dedicated Sub-Fund

Section 301. Creation of Sub-Fund and Accounts.

(A) Creation of Series 2016 Dedicated Sub-Fund. There is hereby created by the Board and ordered established with the Trustee a separate and segregated Sub-Fund within the Debt Service Fund, such Sub-Fund to be designated the "Series 2016 Dedicated Sub-Fund" (the "*Series 2016 Dedicated Sub-Fund*"). Moneys on deposit in the Series 2016 Dedicated Sub-Fund, and in each Account established therein as hereinafter provided, shall be held in trust by the Trustee for the sole and exclusive benefit of the Owners of the Series 2016 Bonds and shall not be used or available for the payment of any other Bonds, except as expressly provided herein.

(B) Creation of Accounts. There are hereby created by the Board and ordered established with the Trustee separate Accounts within the Series 2016 Dedicated Sub-Fund, designated as follows:

- (1) *2016 Capitalized Interest Account*: an Account to be designated the "Series 2016 Capitalized Interest Account" (the "*2016 Capitalized Interest Account*");
- (2) *2016 Project Account*: an Account to be designated the "Series 2016 Project Account" (the "*2016 Project Account*");
- (3) *2016 Principal Account*: an Account to be designated the "Series 2016 Principal Account" (the "*2016 Principal Account*"); and
- (4) *2016 Interest Account*: an Account to be designated the "Series 2016 Interest Account" (the "*2016 Interest Account*").

Section 302. Deposits into Series 2016 Dedicated Sub-Fund and Accounts.

(A) On each Business Day, commencing February 1, 2018 (each such date referred to herein as the “*Deposit Date*”) there shall be withdrawn from the Debt Service Fund and deposited into the Series 2016 Dedicated Sub-Fund, until there shall have been deposited into the various Accounts in the Series 2016 Dedicated Sub-Fund an amount equal to the aggregate of the amounts set forth in subsection (B) of this Section (such aggregate amount with respect to any Deposit Date being referred to herein as the “*Series 2016 Deposit Requirement*”).

(B) On each Deposit Date the Trustee shall make the following deposits in the following order of priority and if the moneys deposited into the Series 2016 Dedicated Sub-Fund are insufficient to make any required deposit, the deposit shall be made up on the next Deposit Date after required deposits having a higher priority shall have been made in full:

First: for deposit into the 2016 Interest Account, an amount equal to the amount required so that the sum held in the 2016 Interest Account, when added to the interest payable from the 2016 Capitalized Interest Account on the applicable Interest Payment Dates, will equal the sum of the unpaid interest due on the Series 2016 Bonds on the next ensuing Interest Payment Dates to and including the first day of April of the next calendar year; and

Second: commencing on February 1, 20__, for deposit into the 2016 Principal Account, the amount required so that the sum then held in the 2016 Principal Account will equal the sum of the unpaid Principal due on the Series 2016 Bonds on the first day of April of the next calendar year.

(C) In addition to the Series 2016 Deposit Requirement, there shall be deposited into the Series 2016 Dedicated Sub-Fund any other moneys received by the Trustee under and pursuant to the Indenture or this First Supplemental Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Series 2016 Dedicated Sub-Fund and to one or more accounts in the Series 2016 Dedicated Sub-Fund.

Section 303. 2016 Interest Account. The Trustee shall withdraw from the 2016 Interest Account, prior to each Interest Payment Date, an amount equal to the interest due on the Series 2016 Bonds and not payable from the 2016 Capitalized Interest Account, and apply the same to the payment of such interest.

Section 304. 2016 Capitalized Interest Account. The Trustee shall withdraw from the 2016 Capitalized Interest Account, prior to each of the following Interest Payment Dates, the amount set forth in the following table, and apply the same to the payment of the interest on the Series 2016 Bonds due on such Interest Payment Date:

<u>Interest Payment Date</u>	<u>Amount</u>
April 1, 2017	\$
October 1, 2017	
April 1, 2018	

Any amount remaining in the 2016 Capitalized Interest Account on April 3, 2018, shall be withdrawn from the 2016 Capitalized Interest Account and deposited into the 2016 Interest Account.

Section 305. 2016 Principal Account. (A) The Trustee shall withdraw from the 2016 Principal Account, prior to each Principal Payment Date, an amount equal to the Principal of the Series 2016 Bonds maturing or due on that date, and apply the same to the payment of such Principal when due.

(B) The Trustee shall establish and maintain in the 2016 Principal Account a separate Sub-Account for the Term Bonds for which Sinking Fund Installments are established pursuant to Section 205. Moneys paid into the 2016 Principal Account in respect of Sinking Fund Installments in any Bond Year shall upon receipt be segregated and set aside in said Sub-Accounts in proportion to the respective amounts of the Sinking Fund Installment on the next ensuing Principal Payment Date with respect to the particular Term Bonds for which each such Sub-Account is maintained.

(C) The Trustee shall apply moneys in any Sub-Account established in the 2016 Principal Account as provided in subsection (B) of this Section to the redemption of the Term Bonds for which such Sub-Account is maintained in the manner provided in this Section and Article II or to the payment of the Principal thereof at maturity. If at any date there shall be moneys in any such Sub-Account and there shall be Outstanding none of the Term Bonds for which such Sub-Account was established, said Sub-Account shall be closed and the moneys therein shall be withdrawn therefrom and be applied by the Trustee as if paid into the 2016 Principal Account on that date.

(D) Amounts deposited to the credit of the 2016 Principal Account to be used in satisfaction of any Sinking Fund Installment may, and if so directed by the Board in a Certificate of an Authorized Officer filed with the Trustee shall, be applied by the Trustee, on or prior to the 60th day next preceding the next Principal Payment Date on which a Sinking Fund Installment is due, to the purchase of Outstanding Term Bonds of the maturity for which such Sinking Fund Installment was established. That portion of the purchase price attributable to accrued interest shall be paid from the 2016 Interest Account. All such purchases of Outstanding Term Bonds shall be made at prices not exceeding the applicable sinking fund Redemption Price of such Term Bonds plus accrued interest, and such purchases shall be made in such manner as the Board shall determine. The principal amount of any Term Bonds so purchased shall be deemed to constitute part of the 2016 Principal Account until the Principal Payment Date on which

such Sinking Fund Installment is due, for the purpose of calculating the amount on deposit in such Account.

(E) At any time up to the 60th day next preceding the next Principal Payment Date on which a Sinking Fund Installment is due, the Board may purchase Outstanding Term Bonds for which such Sinking Fund Installment was established and surrender such Term Bonds to the Trustee at any time up to said date.

(F) After giving effect to the Outstanding Term Bonds purchased by the Trustee and Outstanding Term Bonds surrendered by the Board as described in Subsections (C) and (D) of this Section, which shall be credited against the Sinking Fund Installment at the applicable sinking fund Redemption Price thereof, and as soon as practicable after the 60th day next preceding the next Principal Payment Date on which a Sinking Fund Installment is due, the Trustee shall proceed to call for redemption on such Principal Payment Date Outstanding Term Bonds for which such Sinking Fund Installment was established in such amount as shall be necessary to complete the retirement of the unsatisfied portion of such Sinking Fund Installment. The Trustee shall pay out of the 2016 Principal Account to the appropriate Paying Agents, on or before the day preceding such redemption date, the Redemption Price required for the redemption of the Outstanding Term Bonds so called for redemption, and such amount shall be applied by such Paying Agents to such redemption.

(G) If the principal amount of Outstanding Term Bonds retired through application of amounts in satisfaction of any Sinking Fund Installment shall exceed such Sinking Fund Installment, or in the event of the purchase from moneys other than from the 2016 Principal Account of Outstanding Term Bonds for which Sinking Fund Installments have been established, such excess or the principal amount of Outstanding Term Bonds so purchased shall be credited toward future scheduled Sinking Fund Installments either (i) in the order of their due dates or (ii) in such order as the Board establishes in a Certificate signed by an Authorized Officer and delivered to the Trustee not more than 45 days after the payment in excess of such Sinking Fund Installment.

Section 306. Timing of Bond Payment Withdrawals. All withdrawals from the 2016 Interest Account, the 2016 Principal Account and the 2016 Capitalized Interest Account under Section 303, Section 304, Section 305(A) or Section 305(F) shall be made no earlier than three days prior to the Payment Date to which they relate, and the amount so withdrawn shall, for all purposes of this First Supplemental Indenture, be deemed to remain and be a part of the respective Account until the applicable Payment Date.

Section 307. 2016 Project Account. (A) The Trustee shall apply moneys in the 2016 Project Account for the payment of costs of issuance of the Series 2016 Bonds, as directed in a Certificate filed with the Trustee.

(B) The Trustee shall make payment of the Costs of Construction of the 2016 Project that are both Capital Expenditures and Permitted Expenditures from the 2016 Project Account as provided in subsections (D), (E) and (F) of this Section.

(C) At the direction of the Board expressed in a Certificate filed with the Trustee, moneys in the 2016 Project Account shall be applied to pay such amounts as are required to be paid to the United States of America pursuant to Section 148(f) of the Code.

(D) The Trustee shall, during construction of the 2016 Project, pay from the 2016 Project Account to the Board, upon its requisitions therefor, at one time or from time to time, a sum or sums aggregating not more than \$5,000,000, exclusive of and in addition to reimbursements as hereinafter in this Section authorized, such sums and such reimbursements to be used by the Board as a revolving fund for the payment of Costs of Construction that are both Capital Expenditures and Permitted Expenditures and that cannot conveniently be paid as otherwise provided in this Section. Such revolving fund shall be reimbursed by the Trustee from time to time for such expenses so paid, by payments from the 2016 Project Account upon requisitions of the Board accompanied by its Certificate specifying the payee and the amount and particular purpose of each payment from such revolving fund for which such reimbursement is requested and certifying that each such amount so paid was necessary for the payment of an expense constituting a Cost of Construction that was both a Capital Expenditure and a Permitted Expenditure and that such expense could not conveniently be paid except from such revolving fund. In making such reimbursements the Trustee may rely upon such requisitions and accompanying certificates. The revolving fund maintained by the Board pursuant to this Section 307 shall be held separate and apart from all other funds and accounts of the Board and the amounts held in the revolving fund may only be used for payments to vendors for Capital Expenditures that are Permitted Expenditures or for the reimbursement of the Board for prior payments to vendors of Capital Expenditures that are Permitted Expenditures. Each transfer to the revolving fund maintained by the Board pursuant to this Section 307 may not exceed the aggregate amount of the vendor invoices to be paid or reimbursed with respect to the revolving fund, and may only be made after a careful review by the Board to confirm that all transfers to the revolving fund match invoiced amounts for Capital Expenditures that are Permitted Expenditures.

(E) The Trustee shall, during and upon completion of construction of the 2016 Project, make payments from the 2016 Project Account in addition to those made pursuant to subsection (D) of this Section, in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this Section. Before any such payment shall be made, the Board shall file with the Trustee:

(1) its requisition therefor, stating in respect of each payment to be made: (a) the name of the person, firm or corporation to whom payment is due,

(b) the amount to be paid, and (c) in reasonable detail the purpose for which the obligation was incurred; and

(2) its Certificate attached to the requisitions certifying: (a) that obligations in the stated amounts have been incurred by the Board in or about the construction of the 2016 Project, and that each item thereof (i) is a proper charge against the 2016 Project Account, (ii) is a proper Cost of Construction, (iii) is a proper Capital Expenditure; (iv) is a proper Permitted Expenditure and (v) has not been paid or previously reimbursed pursuant to Subsection (D) of this Section or from the Permitted Expenditures Account, (b) that there has not been filed with or served upon the Board notice of any lien, right to lien, or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable under such requisition, or if any such lien, attachment or claim has been filed or served upon the Board, that such lien, attachment or claim has been released or discharged, and (c) that such requisition contains no item representing payment on account of any retained percentages which the Board is at the date of such Certificate entitled to retain.

Upon receipt of each such requisition and accompanying Certificates the Trustee shall transfer from the 2016 Project Account to the credit of a special account in the name of the Board, an amount equal to the total of the amounts to be paid as set forth in such requisition, the amounts in such special account to be held solely for the payment of the obligations set forth in such requisition. In making such transfer, the Trustee may rely upon such requisition and accompanying certificates. Each such obligation shall be paid by check or wire transfer drawn on such special account to the order of the Person named in and in accordance with the requisition. Moneys deposited to the credit of such special account shall be deemed to be a part of the 2016 Project Account until paid out as above provided. If for any reason the Board should decide prior to the payment of any item in a requisition to stop payment of such item, an Authorized Officer shall give notice of such decision to the Trustee and thereupon the Trustee shall transfer the amount of such item from such special account to the 2016 Project Account.

(F) The Trustee shall withdraw from the 2016 Project Account and pay to the Board free from the lien of the Indenture any balance in the 2016 Project Account, or any part thereof, in the amounts, at the times, in the manner, and on the other terms and conditions set forth in this Subsection. Before any such withdrawal and payment shall be made, the Board shall file with the Trustee its Certificate certifying: (1) that the 2016 Project has been completed or substantially completed, and (2) that a sum stated in the Certificate is sufficient to pay, and is required to be reserved in such Project Account to pay, all Costs of Construction then remaining unpaid, including the estimated amount of any such items the amount of which is not finally determined and all claims against the Board arising out of the construction thereof. Upon receipt of such requisition and accompanying Certificates, the Trustee shall withdraw from the 2016 Project Account

and pay to, or upon the order of, the Board the amount stated in such requisition, provided that no such withdrawal shall be made if it would reduce the amount in the 2016 Project Account below the amount stated in the respective Certificate of the Board as required to be reserved in the 2016 Project Account. Moneys so withdrawn from the 2016 Project Account (i) may be applied for the payment, purchase or redemption of Series 2016 Bonds or (ii) may be reappropriated by the Board if such appropriation is for a purpose permitted by Section 34-53.5 of the School Code and will not adversely affect the exclusion from gross income under the Code of interest on the Series 2016 Bonds.

Section 308. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee for the account of any Fund, Sub-Fund, Account or Sub-Account referred to in any provision of this First Supplemental Indenture, shall be held by the Trustee in trust as provided in Section 1203 of the Indenture, and shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the lien or security interest created hereby.

Section 309. Consolidated Debt Service Reserve Fund. The Board hereby designates the Series 2016 Bonds as Consolidated Reserve Fund Bonds. The Board and the Trustee covenant and agree for the benefit of the Owners of the Series 2016 Bonds that the Consolidated Debt Service Reserve Fund is to be administered in accordance with the Indenture.

ARTICLE IV

Particular Covenants and Elections of the Board

Section 401. Authority for First Supplemental Indenture. This First Supplemental Indenture is executed and delivered by the Board by virtue of and pursuant to Section 34-53.5 of the School Code, the Local Government Debt Reform Act and the 2016 Authorizing Resolution. The Board has ascertained and hereby determines and declares that the execution and delivery of this First Supplemental Indenture is necessary to meet the public purposes and obligations of the Board, that each and every act, matter, thing or course of conduct as to which provision is made herein is necessary or convenient in order to carry out and effectuate such purposes of the Board and to carry out its powers and is in furtherance of the public benefit, safety and welfare and that each and every covenant or agreement herein contained and made is necessary, useful or convenient in order to better secure the Series 2016 Bonds and are contracts or agreements necessary, useful or convenient to carry out and effectuate the corporate purposes of the Board.

Section 402. Indenture to Constitute Contract. In consideration of the purchase and acceptance of Series 2016 Bonds by those who shall hold the same from time to time, the provisions of the Indenture and this First Supplemental Indenture shall

be a part of the contract of the Board with the Owners of the Series 2016 Bonds and shall be deemed to be and shall constitute a contract between the Board, the Trustee and the Owners from time to time of the Series 2016 Bonds. The Board covenants and agrees with the Owners of the Series 2016 Bonds and the Trustee that it will faithfully perform all of the covenants and agreements contained in the Indenture, this First Supplemental Indenture and in the Series 2016 Bonds.

Section 403. Limited Obligations. The Series 2016 Bonds are limited obligations of the Board payable from amounts on deposit in the Series 2016 Dedicated Sub-Fund and secured by a pledge of, lien on and security interest in the Trust Estate pledged for their payment in accordance with the Indenture and this First Supplemental Indenture. Neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of any Series 2016 Bond.

Section 404. Capital Improvement Program. Prior to the completion of the 2016 Project, the Board shall include the construction of the 2016 Project in each capital improvement program of the Board.

Section 405. Tax Covenants. The Board shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any Series 2016 Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Series 2016 Bond is subject on the date of original issuance thereof. The Board shall not permit any of the proceeds of the Series 2016 Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any Series 2016 Bond to constitute a “private activity bond” within the meaning of Section 141 of the Code. The Board shall not permit any of the proceeds of the Series 2016 Bonds or other moneys to be invested in any manner that would cause any Series 2016 Bond to constitute an “arbitrage bond” within the meaning of Section 148 of the Code or a “hedge bond” within the meaning of Section 149(g) of the Code. The Board shall comply with the provisions of Section 148(f) of the Code relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

ARTICLE V

Miscellaneous

Section 501. Trustee Acceptance of Duties. The Trustee hereby accepts and agrees to the trusts hereby created, but only upon the additional terms set forth in Article IX of the Indenture, to all of which the Board agrees and the respective Owners of the Series 2016 Bonds, by their purchase and acceptance thereof, agree. Except during the continuance of an Event of Default, the Trustee undertakes such duties and only such duties as are specifically set forth in the Indenture and this First Supplemental Indenture.

Section 502. Appointment of Fiduciaries. The Trustee is hereby appointed Paying Agent and Registrar for the Series 2016 Bonds. The Trustee accepts the duties and obligations imposed upon it as Paying Agent and Registrar by the Indenture and this First Supplemental Indenture. The Board may at any time or from time to time appoint one or more other Paying Agents for the Series 2016 Bonds having the qualifications set forth in Section 914 of the Indenture for a successor Paying Agent.

Section 503. Amendment or Modifications. This First Supplemental Indenture may be amended or modified in the same manner as the Indenture may be amended or modified in accordance with Article X and Article XI of the Indenture.

Section 504. Defeasance. If the Board shall pay to the Owners of the Series 2016 Bonds, or provide for the payment of the Principal, interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated in Section 1201 of the Indenture, then this First Supplemental Indenture shall be fully discharged and satisfied. Upon the satisfaction and discharge of this First Supplemental Indenture, the Fiduciaries shall pay over and deliver to the Board, all Funds, Sub-Funds, Accounts, Sub-Accounts and other moneys and securities held by them pursuant to this First Supplemental Indenture that are not required for the payment or redemption of the Series 2016 Bonds.

Section 505. Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this First Supplemental Indenture, shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Board, any other Fiduciary, and any Owner and their agents and their representatives, any of whom may make copies thereof.

Section 506. Parties Interested Herein. Nothing in this First Supplemental Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any Person, other than the Board, the Fiduciaries and the Owners of the Series 2016 Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation thereof; and all the covenants, stipulations, promises and agreements in this First Supplemental Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Fiduciaries and the Owners of the Series 2016 Bonds.

Section 507. Successors and Assigns. Whenever in this First Supplemental Indenture the Board is named or referred to, it shall be deemed to include its successors and assigns and all the covenants and agreements in this First Supplemental Indenture contained by or on behalf of the Board shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 508. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this First Supplemental Indenture on the part of the

Board or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this First Supplemental Indenture.

Section 509. Notices. Any notice, demand, direction, request or other instruments authorized or required by this First Supplemental Indenture to be given to, delivered to or filed with the Board or the Trustee shall be deemed to have been sufficiently given, delivered or filed for all purposes of this First Supplemental Indenture if and when sent by registered mail, return receipt requested:

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

and

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

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

To the Trustee, if addressed to: Amalgamated Bank of Chicago
30 North LaSalle Street, 38th Floor
Chicago, Illinois 60602
Attention: Corporate Trust Department

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

Section 510. Construction. This First Supplemental Indenture shall be construed in accordance with the provisions of State law.

Section 511. Multiple Counterparts. This First Supplemental Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

Exhibit C

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

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

Senior Vice President of Finance

Attest:

Secretary

AMALGAMATED BANK OF CHICAGO

Authorized Officer

Attest:

Authorized Officer

[Signature Page – First Supplemental Indenture]

EXHIBIT A

FORM OF SERIES 2016 BONDS

[Form of Bond-Front Side]

REGISTERED
No. _____

REGISTERED
\$ _____

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

See Reverse Side for
Additional Provisions

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>DATED DATE</u>	<u>CUSIP</u>
_____ %	April 1, 20__	_____, 20__	_____

Registered Owner: Cede & Co.

Principal Amount:

The BOARD OF EDUCATION OF THE CITY OF CHICAGO, a school district of the State of Illinois (the "Board") duly organized and existing under Article 34 of the School Code, 105 Illinois Compiled Statutes 5, for value received, hereby promises to pay (but only out of the sources hereinafter provided) to the Registered Owner identified above or registered assigns, upon presentation and surrender hereof, the Principal Amount identified above on the Maturity Date specified above, and to pay (but only out of the sources hereinafter provided) interest on said Principal Amount from the later of the Dated Date of this Series 2016 Bond or the most recent date to which interest has been paid or provided for. Interest on this Series 2016 Bond (computed on the basis of a 360-day year consisting of twelve 30-day months) is payable on April 1 and October 1 of each year, commencing April 1, 2017, until the payment in full of such Principal Amount.

Principal of this Series 2016 Bond is payable in lawful money of the United States of America at the principal corporate trust office of Amalgamated Bank of Chicago, in the City of Chicago, Illinois, or its successor in trust (the "Trustee") as Trustee and Paying Agent and payment of the interest hereon shall be made to the person in whose name this Series 2016 Bond is registered at the close of business on the fifteenth day of the calendar month next preceding each interest payment date (the "Record Date") by check or bank draft mailed or delivered by the Trustee to such Registered Owner at such Registered Owner's address as it appears on the registration books of the Board maintained by Amalgamated Bank of Chicago, in the City of Chicago, Illinois, as

Registrar (the "Registrar") or, at the option of the Registered Owner, by wire transfer of immediately available funds to such bank in the continental United States as said Registered Owner shall request in writing to the Registrar.

Reference is hereby made to the further provisions of this Series 2016 Bond on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

The Series 2016 Bonds are limited obligations of the Board secured by the pledge of the Trust Estate pledged to the payment of the Series 2016 Bonds under the Indenture (as hereinafter defined) and payable from the Series 2016 Dedicated Sub-Fund held under the Indenture. The Series 2016 Bonds are not, and shall not be or become, a general obligation of the Board and neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of the principal of or the interest on the Series 2016 Bonds.

It is hereby certified, recited and declared that this Series 2016 Bond is issued in part pursuant to the Local Government Debt Reform Act, that all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Series 2016 Bond have been performed in due time, form and manner as required by law; and that the issuance of this Series 2016 Bond and the Series of which it is a part does not exceed or violate any constitutional or statutory limitation.

This Series 2016 Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been duly executed by the Trustee.

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

Attest: BOARD OF EDUCATION OF THE CITY OF CHICAGO

Secretary

President

[Form of Certificate of Authentication]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2016 Bonds described in the within-mentioned Indenture.

Date of Authentication and Delivery: AMALGAMATED BANK OF CHICAGO,
as Trustee

By: _____
Authorized Signatory

[Form of Bond-Reverse Side]

This Series 2016 Bond is one of a duly authorized issue of \$ _____ aggregate principal amount Dedicated Capital Improvement Tax Bonds, Series 2016 (the "*Series 2016 Bonds*"), issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, particularly Section 34-53.5 of the School Code and the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, and a Master Trust Indenture dated as of December 1, 2016, as supplemented by a First Supplemental Indenture dated as of December 1, 2016 (the "*Indenture*"), each by and between the Board and the Trustee, for the purpose of financing capital improvements permitted under Section 34-53.5 of the School Code. The Series 2016 Bonds are Bonds and Consolidated Reserve Fund Bonds, each as defined in the Indenture. As provided in the Indenture, the principal of and interest on the Series 2016 Bonds are secured by a pledge of, lien on and security interest in the Trust Estate as defined and described in the Indenture, including Capital Improvement Taxes as defined in the Indenture. The Indenture provides that Additional Bonds and Refunding Bonds may be issued from time to time on a parity with the Series 2016 Bonds to share ratably and equally in the Trust Estate upon compliance with certain requirements contained in the Indenture (the Series 2016 Bonds, any Additional Bonds and any Refunding Bonds from time to time outstanding are referred to collectively as the "*Bonds*").

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

This Series 2016 Bond is transferable, as provided in the Indenture, only upon the registration books of the Board maintained by the Registrar by the Registered Owner

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

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

The Series 2016 Bonds maturing on or after April 1, 20__ are subject to redemption prior to maturity at the option of the Board, as a whole, or in part by lot, and upon notice as herein provided, on _____ 1, 20__ and on any date thereafter, at a redemption price equal to the principal amount of the Series 2016 Bonds to be redeemed, plus accrued interest on the Series 2016 Bonds being redeemed to the date fixed for redemption.

The Series 2016 Bonds due April 1, 20__ and April 1, 20__ are subject to mandatory redemption at the redemption price of par by the application of sinking fund installments as provided in the Indenture.

Notice of the redemption of Series 2016 Bonds will be mailed not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the Registered Owners of Series 2016 Bonds to be redeemed at their last addresses appearing on such registration books. The Series 2016 Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated, and if, on the redemption date, moneys for payment of the redemption price of all the Series 2016 Bonds or portions thereof to be redeemed, together with interest to the redemption date, shall be available for such payment on said date, and if notice of redemption shall have been mailed as aforesaid (and notwithstanding any defect therein or the lack of actual receipt thereof by any registered owner) then from and after the redemption date interest on such Series 2016 Bonds or portions thereof shall cease to accrue and become payable.

The Indenture provides that if the Board shall pay the principal or redemption price, if applicable, and interest due and to become due on all Bonds of a particular series, maturity within a series or portions of a maturity within a series at the times and in

ASSIGNMENT

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

(Name and Address of Assignee)

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

the within bond and does hereby irrevocably constitute and appoint _____

_____, Attorney to transfer the said bond
on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

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

Exhibit D

Capital Plan - 2017 & Prior Budget Years		
Project		Amount
Overcrowding Relief	\$	119,180,000
Byrne - Annex	\$	20,000,000
New School - Dore ES	\$	44,240,000
Skinner West - Annex	\$	20,000,000
Dawes - Modulares	\$	7,500,000
Bridge - Modulares	\$	5,200,000
Zapata - Annex	\$	22,240,000
Facility Needs	\$	20,000,000
Emergencies/Unanticipated Facility Rehabilitation	\$	20,000,000
Programmatic Investments	\$	4,700,000
Brown, W - Program Improvements	\$	4,700,000
Air Conditioning	\$	27,000,000
Amundsen HS	\$	592,272
Bennett	\$	331,001
School Data Network and Wireless Upgrades	\$	33,100,000
Security Equipment	\$	900,000
Capital Project Support Services	\$	22,700,000
Program Management and Design Fees	\$	22,700,000
FY2017 Project Totals	\$	227,580,000
Scammon - Roof	\$	7,326,200
De Diego - Roof/Windows	\$	7,000,000
Morgan Park - Lockers	\$	678,000
Playlots	\$	3,845,800
Prior Year Capital Projects	\$	18,850,000

Exhibit D

Supplemental Capital Plan - 2017 Budget Year

Project	Amount
Facility Needs	\$ 194,925,000
Cardenas - Roof	\$ 2,300,000
Chavez - Roof/Window	\$ 4,600,000
Clark HS - Roof/Envelope	\$ 9,000,000
Clark, G - Roof/Envelope	\$ 4,125,000
Curie HS - Envelope	\$ 7,950,000
Curie HS - Mechanical	\$ 12,000,000
Curie HS - Roof	\$ 9,000,000
De Diego - Roof/Windows - Phase II	\$ 6,400,000
Edwards - Roof - Phase II	\$ 8,000,000
Franklin - Envelope	\$ 2,000,000
Franklin - Roof	\$ 8,000,000
Gary - Envelope	\$ 10,720,000
Gary - Interior/Accessibility	\$ 5,205,000
Gary - Roof/Windows	\$ 7,075,000
Goudy - Roof/Envelope	\$ 3,400,000
Haley Annex - Roof/Envelope	\$ 2,200,000
Hammond - Roof	\$ 4,000,000
Hefferan - Roof/Envelope/Mechanical	\$ 6,900,000
Lake View HS - Roof/Envelope/Mechanical	\$ 20,000,000
Lincoln Park HS - Roof/Envelope/Mechanical	\$ 20,000,000
Lindblom HS - Envelope	\$ 4,723,000
Lindblom HS - Roof	\$ 8,477,000
Perspectives IIT - Windows	\$ 4,900,000
Rowe - Roof/Envelope	\$ 4,500,000
Salazar - Roof/Windows	\$ 3,400,000
Solomon - Roof/Envelope	\$ 4,000,000
U of C Donoghue - Roof/Windows	\$ 6,600,000
Zapata - Roof	\$ 3,450,000
Chimney Renovations	\$ 2,000,000
Overcrowding Relief	\$ 93,130,000
New Northwest Annex Construction - 1	\$ 20,000,000
New Northwest Annex Construction - 2	\$ 23,830,000
New Northwest Pre-K Center - Major Renovation	\$ 4,300,000
New Southwest Annex Construction - 1	\$ 20,000,000
New Southwest Annex Construction - 2	\$ 20,000,000
New Southwest Modular Construction	\$ 5,000,000
New School Construction	\$ 150,000,000
New Northwest Middle Grades School Construction	\$ 75,000,000
New Southside High School Construction	\$ 75,000,000

Exhibit D

Supplemental Capital Plan - 2017 Budget Year (continued)		
Project		Amount
Facility Site Improvements	\$	28,630,000
Brooks - Turf Field	\$	2,750,000
Clemente HS - Turf Field	\$	3,500,000
Cook - Space to Grow	\$	500,000
Davis, N - Space to Grow	\$	500,000
Fernwood - Space to Grow	\$	500,000
Field - Space to Grow	\$	500,000
Morton - Space to Grow	\$	500,000
Sauganash - Turf Field	\$	1,000,000
Till - Fieldhouse Demo	\$	500,000
Wells HS - Turf Field	\$	1,800,000
New Northwest Turf Field Construction - 1	\$	1,200,000
New Northwest Turf Field Construction - 2	\$	3,780,000
New Southside Turf Field Construction	\$	3,500,000
New Westside Stadium Upgrade	\$	4,500,000
Southeast Stadium - Major Renovation	\$	3,600,000
Programmatic Investments	\$	36,470,000
Amundsen HS - Interior Renovation	\$	7,000,000
Sheridan - Annex	\$	8,000,000
Von Steuben - Science Labs	\$	4,000,000
South Regional Gifted Center - Major Renovation	\$	5,300,000
Southside IB High School - Major Renovation	\$	5,000,000
Southwest Magnet Elementary School - Major Renovation	\$	7,170,000
Facility Upgrades	\$	480,000
Belding - Auditorium Renovation	\$	480,000
FY2017 Supplemental Project Totals	\$	503,635,000
FY2017 Capital Plan	\$	227,580,000
<u>Prior Year Capital Plans</u>	\$	18,850,000
Total Capital Projects	\$	750,065,000

16-1207-RS3

**RESOLUTION
AUTHORIZE APPOINTMENT OF MEMBERS
TO LOCAL SCHOOL COUNCILS TO FILL VACANCIES**

WHEREAS, the Illinois School Code, 105 ILCS 5/34-2.1, authorizes the Board of Education of the City of Chicago ("Board") to appoint the teacher, non-teacher staff and high school student members of local school councils of regular attendance centers to fill mid-term vacancies after considering the preferences of the schools' staffs or students, as appropriate, for candidates for appointment as ascertained through non-binding advisory polls;

WHEREAS, the Governance of Alternative and Small Schools Policy, B. R. 07-0124-PO2 ("Governance Policy"), authorizes the Board to appoint all members of the appointed local school councils and boards of governors of alternative and small schools (including military academy high schools) to fill mid-term vacancies after considering candidates for appointment selected by the following methods and the Chief Executive Officer's recommendations of those or other candidates:

<u>Membership Category</u>	<u>Method of Candidate Selection</u>
Parent	Recommendation by serving LSC or Board
Community	Recommendation by serving LSC or Board
Advocate	Recommendation by serving LSC or Board
Teacher	Non-binding Advisory Staff Poll
Non-Teacher Staff Member	Non-binding Advisory Staff Poll
JROTC Instructor	Non-binding Advisory Staff Poll (military academy high schools only)
Student	Non-binding Advisory Student Poll or Student Serving as Cadet Battalion Commander or Senior Cadet (military academy high schools)

WHEREAS, the established methods of selection of candidates for Board appointment to fill mid-term vacancies on local school councils, appointed local school councils and/or boards of governors were employed at the schools identified on the attached Exhibit A and the candidates selected thereby and any other candidates recommended by the Chief Executive Officer have been submitted to the Board for consideration for appointment in the exercise of its absolute discretion;

WHEREAS, the Illinois School Code and the Governance Policy authorize the Board to exercise absolute discretion in the appointment process;

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

- The individuals identified on the attached Exhibit A are hereby appointed to serve in the specified categories on the local school councils, appointed local schools and/or boards of governors of the identified schools for the remainder of the current term of their respective offices.
- This Resolution shall be effective immediately upon adoption.

Exhibit A

NEW APPOINTED LSC MEMBERS

TEACHER MEMBER

Sharon Griffin
Darnella F. Wesley
James Dorrell
Eileen Holzhauser
Rachel Hughes
Vanessa White
Ramon Guadarrama

REPLACING

Denise Julian
Jamell O'Neal
Position Vacant
Terra Sinkevicius
Natalie Warden
Raymond Smith
Bertha Medrano

SCHOOL

Claremont Acad. E. S.
Kellogg E. S.
Marshall H. S.
Murray Language Acad. E. S.
Northwest M. S.
Shoop E. S.
Stowe E. S.

PARENT MEMBER

Clara Atapuma

REPLACING

Position Vacant

SCHOOL

Rickover Naval Academy H. S.

COMMUNITY MEMBER

Megan Everett

REPLACING

Position Vacant

SCHOOL

Rickover Naval Academy H. S.

NON-TEACHER MEMBER

Karin Henry

REPLACING

Position Vacant

SCHOOL

Marshall H.S.

STUDENT MEMBER

Brandi Hudson

REPLACING

Position Vacant

SCHOOL

Marshall H. S.

16-1207-RS4

**RESOLUTION
AUTHORIZE APPOINTMENT OF MEMBERS TO
DEVRY UNIVERSITY ADVANTAGE ACADEMY AND BARBARA VICK E. C. C.
APPOINTED LOCAL SCHOOL COUNCILS
FOR NEW TERMS OF OFFICE**

WHEREAS, Appointed Local School Councils ("ALSCs") are established as a means to involve parents, community members, the school staffs and students in the activities of schools designated by the Board as small or alternative schools in accordance with the Illinois School Code, 105 ILCS 5/34-2.4(b);

WHEREAS, on January 24, 2007, the Board adopted a Policy on the Governance of Alternative and Small Schools, Board Report 07-0124-PO2 ("Governance Policy");

WHEREAS, the Governance Policy identifies requirements for the establishment and appointment of Appointed Local School Councils for those Chicago Public Schools designated as small or alternative schools;

WHEREAS, DeVry University Advantage Academy High School ("DeVry") and the Barbara Vick Early Childhood Center ("Barbara Vick") operate with ALSCs and the Board approved adjustments to the ALSCs of DeVry and Barbara Vick, effective February 27, 2008 (B. R. 08-0227-EX31), including adjusting the term of office for their ALSCs to begin December 1 in even-numbered years and end November 30 two years' later, except for the student representative for DeVry, whose terms ends November 30 one year later;

WHEREAS, DeVry and Barbara Vick have conducted non-binding advisory polls to ascertain the preferences for teacher and student member candidates and submitted such poll results along with recommendations for parent, community and advocate member candidates in order of preference for consideration for appointment in accordance with B. R. 08-0227-EX31 and the Governance Policy;

WHEREAS, The Network Chiefs of Schools have submitted the candidates' names, along with any additional recommended candidates, for appointment to the DeVry and Barbara Vick ALSCs to the Chief Executive Officer in accordance with the Governance Policy;

WHEREAS, the Governance Policy authorizes the Chief Executive Officer to recommend to the Board candidates for appointment to ALSCs from among those candidates submitted by the Network Chiefs or any other candidates recommended by the Chief Executive Officer;

WHEREAS, in accordance with the Governance Policy, the candidates named on the attached Exhibit A have been recommended to the Board for its consideration in its exercise of absolute discretion in making appointments to the ALSCs of DeVry and Barbara Vick for the term of office commencing December 1, 2016;

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

1. The individuals named on the attached Exhibit A are hereby appointed to serve as Appointed Local School Council members at the identified school in the specified categories;
2. The terms of office for parent, community, teacher and advocate members shall commence December 1, 2016 and end November 30, 2018, and the term of office for the student member shall commence December 1, 2016 and end November 30, 2017.

Exhibit A

<u>APPOINTED REPRESENTATIVE</u>	<u>SCHOOL</u>	<u>CATEGORY</u>
Sandra Delgado	DeVry	Parent
Norma Gomez	DeVry	Parent
James Ignatowski	DeVry	Parent
Christina Pappas	DeVry	Parent
Saira Sheika	DeVry	Parent
Daniel Fogarty	DeVry	Community
Stacey Moore	DeVry	Advocate
Maricela Berner	DeVry	Advocate
Catalina Perricone	DeVry	Teacher
Yvette Vazquez	DeVry	Teacher
Itzel Angeles	DeVry	Student
Tricia Fitzgerald	Barbara Vick	Parent
Shanon Gutkowski	Barbara Vick	Parent
Gwen Kosyla	Barbara Vick	Community
Kathleen McInerney	Barbara Vick	Advocate
Jane Lundin	Barbara Vick	Advocate
Lauren Paramore	Barbara Vick	Teacher
Elma WeeSit	Barbara Vick	Teacher

16-1207-RS5

**RESOLUTION TO AFFIRM CHICAGO PUBLIC SCHOOLS' STATUS
AS A WELCOMING DISTRICT FOR ALL STUDENTS**

WHEREAS, the Chicago Board of Education (Board) is committed to creating and maintaining safe and welcoming teaching and learning environments for all Chicago Public Schools' (CPS) students, faculty and staff;

WHEREAS, the CPS Comprehensive Non-Discrimination Title IX and Sexual Harassment prohibits unlawful discrimination or harassment on the basis of race, color, sex, gender identity/expression, age, religion, disability, national origin, sexual orientation, pregnancy, citizenship status or status as a member of any other protected class under federal, state or city law;

WHEREAS, CPS' students, faculty and staff originate from many countries besides the United States;

WHEREAS, CPS does not require students to disclose information about their citizenship or immigration status;

WHEREAS, CPS schools are open to all school-age children who reside in the City of Chicago regardless of immigration status;

WHEREAS, "immigration status" refers to the categories and classifications as defined by the U.S. Department of Homeland Security and Department of Education;

WHEREAS, the City of Chicago has a Welcoming City Ordinance, memorialized in Chapter 2-173 of the Municipal Code of the City of Chicago;

NOW THEREFORE BE IT RESOLVED, that the Board hereby officially endorses the City of Chicago Welcoming City Ordinance;

NOW THEREFORE BE IT FURTHER RESOLVED, that the Board hereby prohibits unlawful discrimination or harassment on the basis of immigration status with respect to participation in CPS programs, services or activities.

16-1207-PO1

**EXTEND THE REMEDIAL PROGRAM FOR MINORITY AND WOMEN-OWNED BUSINESS
ENTERPRISE PARTICIPATION IN CONSTRUCTION PROJECTS**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Board extend the Remedial Program for Minority and Women-Owned Business Enterprises Participation in Construction Projects, as amended, which is attached hereto for a period of five years.

HISTORY: In 2006, the Board undertook a review of the then-existing affirmative action remedial plan adopted by the Board in 1991. Following this review, the Board determined that implementation of various race-neutral and gender-neutral measures would help the construction procurement program to overcome barriers and assist in the growth and development of financially stable M/WBE's. These measures included the following: improving the timing of payments; unbundling or down-sizing contracts to facilitate participation by smaller businesses; and providing longer bid lead times. It was also determined that increased attainment of M/WBE participation would result from the following: setting contract specific goals on projects; accepting governmental M/WBE certifications from certifying agencies; and the Office of Business Diversity to serve as voting members on the evaluation teams for all required Board construction bid solicitations. Following this review, the Board adopted a Remedial Program for Minority and Women-Owned Business Enterprises Participation in Construction Projects (the "Program") with a term commencing August 1, 2006 and ending December 31, 2011 (Board Report 06-0726-PO9). The Program was later amended by the Board on May 23, 2007 (Board Report 07-0523-PO1) to authorize retainage amounts to ensure contractor performance and compliance with contract requirements. Following a 2011 independent evaluation of availability and utilization of minority and women-owned construction vendors for the Chicago Public Schools, the Board determined that the steps it had taken since 1991 to ameliorate the effects of racial and gender discrimination in the construction marketplace had not sufficient. Accordingly, the Board extended the Program with a term commencing January 1, 2012 and ending December 31, 2016 (Board Report 11-1214-PO1).

PURPOSE: Following a 2016 independent evaluation of availability and utilization of minority and women-owned construction vendors for the Chicago Public Schools, the Board has determined that the steps it has taken since 1991 to ameliorate the effects of racial and gender discrimination in the construction marketplace through a variety of race-and gender-neutral measures have not been sufficient. As a result, the Board has further determined that the Program should therefore be extended by creating measures narrowly tailored to serve the Board's compelling interest in not being a passive participant in the discriminatory Chicago construction marketplace.

PROGRAM EXTENSION TERM: The Program is extended, as amended herein, for the period of five years commencing January 1, 2017 and ending December 31, 2021.

DESCRIPTION: The Program will continue to: (1) apply to all construction projects required by the Board to be awarded through competitive bid (currently \$10,000 and above), (2) operate the same annual Aspirational Goals for M/WBE participation in all district-wide construction projects of 30% to qualified Minority-owned Business Enterprises and 7% to qualified Women-owned Business Enterprises, (3) authorize the Office of Business Diversity (OBD) to establish Contract Specific Goals for individual construction projects, and (4) authorize OBD to specify certain construction projects to be let without M/WBE participation goals in order to evaluate the marketplace.

The Program is being updated to continue in accordance with legal requirements, to reflect the Board's current organizational structure and practice, and to clarify various provisions. These amendments are included on the attachment.

THIS SPACE INTENTIONALLY LEFT BLANK

Board of Education of the City of Chicago



**REMEDIAL PROGRAM
FOR
MINORITY AND WOMEN-OWNED BUSINESS
ENTERPRISE PARTICIPATION
IN
CONSTRUCTION PROJECTS**

[Effective January 1, 2017]

The Office of Business Diversity
42 W. Madison Street
Chicago, Illinois 60602

773.553.2980 Telephone
773.553.2981 Facsimile

www.cps.edu

**REMEDIAL PROGRAM FOR
MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE
PARTICIPATION IN CONSTRUCTION PROJECTS**

This Program is continued by the Chicago Board of Education (the "Board"), upon recommendation of the Chief Executive Officer ("CEO"), based upon (1) the Board's findings that it has been a passive participant in discriminatory practices against racial and ethnic minorities and women in the construction industry in Chicago, and that it has a compelling interest in remedying that passive discrimination, and (2) its desire to continue narrowly tailored remedies to address that compelling interest.

I. FINDINGS

- 1.1 The Board adopted a Remedial Plan for Minority and Women Business Enterprise Economic Participation in January 1991. The Plan provided measures to assist Minority and Women Business Enterprises in the procurement of goods and services by the Board. The benefits of the Plan were provided to Black, Hispanic, Asian and Women-owned firms whose principal place of business was within the six-county Chicago metropolitan area. The Plan provided for race-neutral remedial measures and for non-restrictive affirmative action measures, to be used to the extent effective in alleviating the effects of discrimination. The Plan mandated the establishment of specific goals for M/WBE participation on Board contracts, including construction, and waivers were available for Prime Contractors unable to meet the goals.
- 1.2 On May 26, 2004, the City of Chicago adopted a revised affirmative action program for its construction contracting procedures to remedy ongoing discrimination and the effects of past discrimination. The Chicago City Council, after considering evidence presented to the Budget Committee, including evidence elicited at trial in *Builders Association of Greater Chicago (BAGC), v. City of Chicago* No. 96 C 1122 (N.D. Ill.), during May and June 2003; statistical evidence of continuing discrimination against Blacks, Hispanics and women in the Chicago construction marketplace, which was not available during the BAGC trial; the report of the Mayoral Task Force on MBE/WBE; anecdotal evidence of discrimination against minorities and women in the Chicago construction marketplace; the testimony of experts and anecdotal witnesses; as well as written reports and submissions, found a strong basis in evidence to support a narrowly tailored, remedial affirmative action program in City construction contracting.
- 1.3 While the City Council found that the City has made substantial progress in its efforts to ameliorate discrimination in its own construction contracting practices, private companies that contract on public projects continue to discriminate against minorities and women. As a result of this discrimination, the City has been a passive participant in a system of discrimination against minorities and women in the Chicago construction marketplace, and absent remedial programs, would continue to be a passive participant in such a system.
- 1.4 During the BAGC trial, the court heard strong evidence that: (a) past and current discriminatory practices continue to place racial and ethnic minorities and women in positions of social and economic disadvantage, limiting opportunities for them to form and control construction businesses, as well as reducing the level and availability of employment opportunities for minorities and women in trade unions which serve the Chicago construction marketplace; (b) such current and past discriminatory practices, and the continuing effects of such discrimination, have impeded the growth and success of the businesses which minorities and women do form, as well as the level and availability of employment opportunities in the construction trade unions; and (c) these discriminatory practices include direct and indirect racial, ethnic and gender slurs and harassment; discrimination by lending institutions and other sources of capital; reduced opportunities for minority and women subcontractors to bid or quote to majority Prime Contractors; exclusion from and discriminatory treatment by the construction trade unions; exclusion from business and professional networks critical to entrepreneurial success; and discrimination by surety bonding companies, insurance companies and other entities that are integral to the contracting marketplace.
- 1.5 In the BAGC case, Judge James B. Moran held that the City has a compelling interest in implementing a remedial race- and gender-conscious affirmative action program in the Chicago construction market, but that its 1990 ordinance was not sufficiently narrowly tailored as applied to construction in 2003.
- 1.6 There is ample availability of ready, willing and able minority- and women-owned firms to participate in Board and private-sector construction contracting and subcontracting opportunities.
- 1.7 Minority and women workers' participation in the Chicago construction marketplace declined from 1980 to 1990.
- 1.8 Other jurisdictions, including Cook County, Illinois, have experienced drastic reductions in minority and women business participation after terminating race and gender-conscious remedial measures.

- 1.9 Private companies that contract on public projects continue to discriminate against minorities and women and financial institutions that provide necessary funding to minority and women contractors continue to maintain lending practices that have a disparate discriminatory impact on minorities and women. As result of this discrimination, the Board has been a passive participant in a system of discrimination against minorities and women in the Chicago construction marketplace, and in the absence of programs to eliminate such discrimination, would continue to be a passive participant in such a system.
- 1.10 The Board has a compelling interest in preventing its construction projects from returning to the near monopoly-domination by white male firms that existed before 1991.
- 1.11 Although the Board has undertaken since 1991 a variety of race- and gender-neutral measures, such as reducing bid deposit requirements and simplifying documentation required by procurement departments, such programs have not been sufficient to ameliorate the effects of racial and gender discrimination in the construction marketplace.
- 1.12 Evidence at the *BAGC* trial demonstrated that flexible race- and gender-conscious remedial measures do not overly burden construction firms owned by majority males.
- 1.13 In April 2006, CPS convened a series of focus groups during which various representatives from business enterprises discussed their beliefs regarding the Chicago construction market. The findings from the CPS focus groups indicate that barriers to participation in the Chicago construction market still exist for Minority and Women Business Enterprises entering into CPS contracts. Those barriers, as reported by focus group participants, include:
- Perceptions and stereotypes about the competence of M/WBEs and higher performance standards set for M/WBEs
 - Race, ethnicity and gender makes it difficult to obtain work as Prime Contractors on public sector projects
 - Race, ethnicity and gender makes it difficult to obtain work as Prime Contractors or subcontractors on private sector projects
- 1.14 In July 2006, the Board determined that implementation of various race-neutral measures would help the procurement program to overcome those barriers and assist in the growth and development of financially stable M/WBEs, including the following measures: (See Section V for more detail)
- Improving the timing of payments
 - "Unbundling" or down-sizing contracts, to facilitate participation by smaller businesses
 - Providing longer bid lead times
- 1.15 Based upon a thorough review of the results of the Board's 1991 Remedial Plan; the evidence presented and findings made at the *BAGC* trial; the information presented to the City Council and its consequent decision to revise the City of Chicago's ordinance; other recent judicial decisions regarding the constitutional standards for affirmative action programs; information presented during the April 2006 CPS focus groups and compiled in a report by Collette Holt; and a report entitled, "Availability and Utilization of Minority- and Women-Owned Businesses in the Procurement Activities of the Chicago Public Schools," prepared by Dr. David G. Blanchflower, Professor of Economics Dartmouth College, the Board adopted in July 2006 under Board Report 06-0726-PO9 a Business Diversity Program for Construction Projects (the "Program") which was later amended by the Board in May 2007 under Board Report 07-0523-PO1.
- 1.16 Based upon a thorough review of the foregoing information (*supra*, at sections 1.1 – 1.15); other recent judicial decisions regarding the constitutional standards for affirmative action programs; recent national and localized demographic evidence; recent labor and employment statistics, including national and local statistics, generally, as well as those specific to the construction industry; and the November, 2011 report entitled "Availability and Utilization of Minority- and Women-Owned Businesses for the Chicago Public Schools," prepared by Dr. David G. Blanchflower, Professor of Economics Dartmouth College, the Board adopted in December 2011 under Board Report 11-1214-PO1 a Remedial Program for Minority and Women Owned Business Enterprise Participation in Construction Projects (the "Program") which built upon the 1991 Plan. The Program was authorized for a period beginning January 1, 2012 until December 31, 2016.
- 1.17 Based upon a thorough review of the foregoing information (*supra*, at sections 1.1 – 1.16); relevant judicial decisions regarding the constitutional standards for affirmative action programs; recent national and localized demographic evidence; recent labor and employment statistics; including national and local statistics, generally, as well as those specific to the construction industry; and the October 2016 report entitled "An Evaluation of the Chicago Public Schools Minority- and Women-Owned Businesses Program in Construction" prepared by Dr. David G. Blanchflower, Professor of Economics, Dartmouth College, the Board hereby continues the Program as specified herein.

II. DEFINITIONS

- 2.1 Affiliate:** A person or entity that directly or indirectly through one or more intermediaries controls or is controlled by, or is under common control with, the person or entity. In determining whether persons or entities are affiliates, the Board shall consider all appropriate factors, including common ownership, common management and contractual relationships. Affiliates shall be considered together in determining whether a firm is a Small Business Enterprise.
- 2.2 Appeals Process:** The process for review of Program compliance and waiver decisions made by the Office of Business Diversity in accordance with the Program.
- 2.3 Chicago Board of Education or the District:** The body politic and corporate, known as "the Board of Education of the City of Chicago" and also known as Chicago Public Schools ("CPS") or School District 299.
- 2.4 Commercially Useful Function:** Responsibility for the execution of a distinct element of the work of the contract which is carried out by actually performing, managing, and supervising the work involved, or fulfilling responsibilities as a joint venturer.
- 2.5 Construction Contract or Transaction:** Any contract, purchase order or agreement (other than a lease of real property) for the construction, rehabilitation, repair or improvement of any building, sidewalk, alley, other structure or infrastructure, and any other construction-related procurement required by the Board to be bid.
- 2.6 Contractor:** Any person or business entity that seeks to enter into a construction contract with the Board, and includes all partners, affiliates and joint ventures of such person or entity.
- 2.7 Contract Specific Goals:** The subcontracting goals for Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) participation established for a particular contract based upon the availability of MBEs and WBEs to perform the anticipated scopes of work of the contract, and the Board's progress towards meeting its aspirational goals. Contract Specific Goals shall be established for all contracts.
- 2.8 Economically Disadvantaged:** An individual whose personal net worth is less than \$2,000,000.00, adjusted annually for inflation, such annual adjustment to begin January 2017, based on the Consumer Price Index – Urban Wage Earners and Clerical Workers (Chicago All Items) published by the United States Bureau of Labor Statistics.
- 2.9 Good Faith Efforts:** Actions undertaken by a contractor to achieve a contract specific goal that, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the program's requirements.
- 2.10 Joint Venture:** An association of two or more persons or entities, or any combination of types of business enterprises and persons numbering two or more, proposing to perform a single for-profit business enterprise, in which each joint venture partner contributes property, capital, efforts, skill and knowledge, and in which the MBE or WBE is responsible for a distinct, clearly defined portion of the work of the contract and whose share in the capital contribution, control, management, risks, and profits of the joint venture is equal to its ownership interest. Partners to a joint venture must have a written agreement specifying the terms and conditions of the relationships between them and their relationship and responsibilities to the contract.
- 2.11 Minority:** The Board adopts the following definition of "minority":
- a. any individual in the following racial or ethnic groups, members of which are rebuttably presumed to be socially and economically disadvantaged:
 1. African-Americans or Blacks, which includes persons having origins in any of the Black racial groups of Africa;
 2. Hispanics, which includes persons of Spanish culture with origins in Mexico, South or Central America or the Caribbean islands, regardless of race; and
 - b. individual members of other groups, including but not limited to Asian-Americans, Arab-Americans and Native-Americans, who have submitted an affidavit to the City, County of Cook or other governmental agency as determined by OBD, indicating that they are socially and economically disadvantaged by having suffered racial or ethnic prejudice or cultural bias within American society, without regard to individual qualities, resulting in decreased opportunities to compete in Chicago area markets or to do business with the Board.
- 2.12 Minority-owned Business Enterprise (MBE):** A business that is certified as a Minority Owned Business by the City of Chicago (the "City"), County of Cook or such other government entity recognized by OBD, which has determined that the management, policies, major decisions and daily business operations are independently managed and controlled by one or more Economically Disadvantaged minority persons. OBD reserves the right to make its own determination as needed.

- 2.13 **M/WBE:** A collective term used when the context includes both MBEs and WBEs.
- 2.14 **Office of Business Diversity (OBD):** The primary responsibility of the office is to administer and monitor the M/WBE Program to ensure inclusion of qualified M/WBE companies on CPS contracts.
- 2.15 **Owner's Representative:** Consists of Construction Manager, Program Manager, Project Manager, and Design Manager.
- 2.16 **Personal Net Worth:** The net value of the assets of an individual after total liabilities are deducted. An individual's personal net worth does not include the individual's ownership interest in an applicant or other MBE or WBE or the individual's equity in his or her primary place of residence. As to assets held jointly with his or her spouse, an individual's personal net worth includes only that individual's share of such assets. An individual's net worth also includes the present value of the individual's interest in any vested pension plans, Individual Retirement Accounts, 401(k) accounts, or other retirement savings or investment programs less the tax and interest penalties that would be imposed if the asset were distributed at the present time.
- 2.17 **Prime Construction Contractor or Supplier:** A person or entity that enters into a construction-related contract, purchase order or agreement with the Board to perform services.
- 2.18 **Subcontractor or Supplier:** A person or entity that enters into a construction-related contract with a Prime Construction Contractor to provide goods or services pursuant to a contract between the Prime Construction Contractor and CPS.
- 2.19 **Women-owned Business Enterprise (WBE):** A business that is certified as a Women Owned Business by the City of Chicago (the "City"), County of Cook or such other government entity recognized by OBD, which has determined that the management, policies, major decisions and daily business operations are independently managed and controlled by one or more Economically Disadvantaged women. OBD reserves the right to make its own determination as needed.

III. EFFECTIVE DATES

- 3.1 The Business Diversity Program for Construction Projects is continued effective as of January 1, 2017 and on that date shall supersede entirely the program adopted in December 2011, for all contracts, renewals and extensions entered into on or after the effective date. Existing contracts will adhere to the compliance standards outlined in contracts dated prior to January 1, 2017.
- 3.2 This Program shall be reviewed no later than five years from January 1, 2017 and shall expire December 31, 2021 unless the Board finds that its remedial purposes have not been fully achieved and it continues to have a compelling interest in tailoring narrow remedies to redress discrimination against M/WBEs, so that the Board will not function as a passive participant in the discriminatory construction marketplace in Chicago.

IV. ADMINISTRATION, MONITORING, AND REVIEW OF THE PROGRAM

4.1 Aspirational Goals

Upon the effective date of this Program, the annual Aspirational Goals shall be to award thirty percent (30%) of the annual dollar value of all construction contracts to qualified MBEs and seven percent (7%) of the annual dollar of all construction contracts to qualified WBEs.

4.2 Contract Specific Goals

OBD, Department of Procurement and Facilities will establish Contract Specific Goals for M/WBE participation for all Construction Contracts required by the Board to be bid.

4.3 Appeals Process

The CAO or his or her designee shall have the authority to create rules or guidelines reviewing any appeals authorized under this policy.

4.4 Facilities Responsibilities

Facilities duties with regard to this Program shall include:

- a. Promulgating administrative rules to implement the provisions of the Program.
- b. Forecasting procurement opportunities annually.
- c. Supervising and evaluating staff in Facilities to ensure that they are implementing the Program.

- d. Recommending methods to increase MWBE participation and diminish the burdens of achieving MWBE compliance, while still meeting Aspirational Goals.
- e. Identifying and correcting any problems with OBD's implementation of the Program.
- f. Including MWBEs on solicitation mailing lists.
- g. addressing MWBE compliance questions with Prime Construction Contractors or Suppliers, Subcontractors and CPS Departments.

4.5 OBD Responsibilities

OBD is the principal CPS office responsible for administering and monitoring the Program. OBD's duties shall include:

- a. Enforcing Program regulations with Prime Construction Contractors or Suppliers, Subcontractors and CPS Departments.
- b. Submitting annual Program evaluation reports to the Board, CEO or his or her designee, and the Department of Procurement and Facilities which include the following: data on MWBE performance as it relates to commitments in bid packages versus the actual utilization of MWBEs on contracts; a discussion of OBD efforts to administer the Program, implement current initiatives and resolve problems with Program implementation; progress in meeting the Aspirational Goals, and recommendations for improvements in Program implementation.
- c. Assuring that MWBEs are informed of CPS contracting opportunities.
- d. Providing MWBEs with relevant information and assistance related to CPS procurement practices and procedures, and bid specifications, documentation requirements and prerequisites.
- e. Providing interested Prime Construction Contractors or Suppliers with information regarding MWBE directories.
- f. Providing training and assistance to CPS staff and other interested persons on Program objectives and requirements.
- g. Establishing "Contract Specific Goals".
- h. Monitoring contracts to ensure compliance with Contract Specific Goals, contractual commitments and Program objectives.
- i. Determining whether contractors have made Good Faith Efforts.
- j. Reviewing and facilitating the resolution of dispute issues concerning the Program with Prime Construction Contractors or Suppliers, Subcontractors and CPS departments.
- k. Collecting data to evaluate the Program, including data on Prime Contractors, consultants, suppliers and subcontractor bids and awards of CPS projects. Periodically reviewing this data to ensure that the Board continues to have a compelling interest in remedying discrimination, and that the measures it has chosen remain narrowly tailored to accomplish that interest.
- l. Upon request, provide information to MWBEs about City-sponsored small business loan programs and other programs providing access to capital to MWBEs.
- m. Promoting the Program through appropriate means in order to attract qualified MWBEs.
- n. Acting as a voting member on all diversity compliance issues during evaluation process time.
- o. Establishing a process to review waiver requests and make determination to grant or deny the request in accordance with the procedures of the Program.
- p. Requesting the assistance of other public and private agencies and organizations in referring MWBEs.

V. RACE- AND GENDER-NEUTRAL MEASURES

- 5.1. The Board shall implement race-and gender-neutral measures to the greatest extent feasible to facilitate the participation of MWBEs in its contracting activities, so that it can meet its Aspirational Goals. These measures may include, but are not limited to the following:
 - a. provision of timely information on contracting procedures, bid preparation and specific contracting opportunities;

- b. arrangement of solicitation times for the presentation of bids, quantities, specifications, and delivery schedules so as to facilitate the participation of interested contractors and subcontractors;
- c. simplification of bid submission requirements and documentation required by Facilities;
- d. unbundling contracts, where appropriate, so as to facilitate the participation of smaller businesses.
- e. review of bonding, insurance and retainage requirements to eliminate unnecessary barriers to contracting with the Board, consistent with the Board's interest in financial security.
- f. reduction of bid deposit requirements, or arrangements for a standing bid deposit to cover multiple procurements.
- g. closing out of construction contracts in a timely manner.
- h. adoption of prompt payment procedures that require Prime Construction Contractors or Suppliers to agree in writing to promptly pay subcontractors.
- i. holding of pre-bid conferences to explain the projects and to encourage contractors to use small business enterprises as subcontractors.
- j. letting of a representative sample of Board construction contracts without goals to determine MBE and WBE utilization in their absence.
- k. limitation of the self-performance of Prime Contractors or Suppliers, where appropriate.
- l. advertisement of invitations to bid and about the existence and purposes of the Program in minority, women's and small business media, when appropriate.
- m. collection of information from all Prime Construction Contractors or Suppliers which includes all bids received from prospective Subcontractors and the payments to Subcontractors.
- n. provision of technical assistance concerning Board procurement policies and procedures.
- o. leveraging of the Board's relationships with bonding, insurance and financial companies to encourage those institutions to aid M/WBEs and other small Prime Construction Contractors or Suppliers.
- p. referral of complaints of discrimination against M/WBEs to appropriate authorities for investigation and resolution.
- q. developing and maintaining a list of diverse, qualified and pre-approved vendors for certain contracts for goods and services.
- r. contacting private sector organizations and non-profit groups engaged in economic development activities and M/WBE trade and commercial associations, and soliciting their assistance in obtaining M/WBE participation.
- s. seeking recommendations of additional M/WBEs from private industry M/WBE programs and from local government agencies.

VI. BID APPROVAL PROCESS

6.1 Bid Specifications

The Department of Procurement shall insert within the specifications for each contract which is let through competitive bidding, and which has Contract Specific Goals:

- a. a description of the Program, including the requirement of an approved M/WBE Plan; the requirements related to achieving the goals and counting MBE or WBE participation towards meeting the goals; if the goals are not met, the requirement of documentation of the contractor's Good Faith Efforts to achieve the goals, including the Good Faith Efforts of MBEs and WBEs to achieve the goal for which they do not qualify; and a requirement that the contractor commit to the expenditure of at least the dollar value of the Contract Specific Goals with one or more MBEs and one or more WBEs or make Good Faith Efforts to do so. This commitment may be met by the contractor's status as an MBE or WBE, a joint venture with one or more MBEs or WBEs as Prime Contractor (to the extent of the MBE's or WBE's participation in such joint venture), subcontracting a portion of the work to one or more MBEs or WBEs, purchasing materials or services for the work from one or more MBEs or WBEs, or by any combination of the foregoing;
- b. a requirement that where the contractor cannot achieve the Contract Specific Goals, it must document its Good Faith Efforts to do so.

6.2 M/WBE Compliance Proposal

- a. The Department of Procurement will specify M/WBE participation requirements as special conditions in invitations for bids and bid documents. These specifications will include a listing of all documentation that must be submitted with the bid or proposal and a description of the reporting requirements applicable during the contract period. All solicitation and contract documents will also stipulate that the requirements of the M/WBE Plan become part of each contract between CPS and the Prime Construction Contractor or Supplier.
- b. For all solicitations, the Contractor shall submit an M/WBE Compliance Proposal identifying all M/WBE and non-M/WBE subcontractors from which the Contractor solicited bids or quotations, and detailing its plan to achieve the Contract Specific Goals or its Good Faith Efforts to do so. MBEs and WBEs proposed by the Contractor must be certified by the City of Chicago and/or any other governmental certifying agencies as of the date of bid submittal. The M/WBE Compliance Proposal shall be due at the time and in the manner set out in the solicitation documents.
- c. OBD has the authority to propose to the Department of Procurement that any bid or quotation that does not include an appropriate M/WBE Compliance Proposal be rejected by the Department of Procurement.
- d. Any agreement between a Prime Construction Contractor or Supplier and an M/WBE in which the Prime Construction Contractor or Supplier requires that the M/WBE not provide subcontracting quotations to other Prime Construction Contractor or Suppliers is prohibited.
- e. The M/WBE Compliance Proposal must demonstrate that each MBE or WBE will perform a Commercially Useful Function.

6.3 OBD Review and Approval of M/WBE Compliance Proposal

- a. Prior to the contract award, OBD shall timely review the M/WBE Compliance Proposal, including the scope of work and the letters of intent from M/WBEs. OBD may request clarification in writing of items listed in the M/WBE Compliance Proposal, provided such clarification shall not lead to a decrease listed M/WBE participation.
- b. If OBD determines that the M/WBE Compliance Proposal demonstrates that the Contract Specific Goals indicated in the bid specifications have been achieved or Good Faith Efforts have been made, OBD shall recommend that the Contractor's bid be deemed responsive and propose award during the evaluation process to Facilities and Department of Procurement.
- c. If the M/WBE Compliance Proposal fails to meet the Contract Specific Goals indicated in the bid specifications, OBD will review its Good Faith Efforts to do so. If OBD determines that a Contractor did not make sufficient Good Faith Efforts, OBD shall communicate its finding to Facilities and Department of Procurement and propose that the Contractor's bid be deemed to be non-responsive. A Contractor may protest this determination by filing a written appeal in accordance with the Appeals Process within fourteen (14) business days of receipt of OBD's determination, stating the grounds for such appeal and including all relevant information and documentation.

6.4 Good Faith Efforts to Meet Contract Specific Goals and Waiver Requests

- a. Where the Contractor cannot achieve the Contract Specific Goals, OBD will determine whether the Prime Construction Contractor or Supplier has made Good Faith Efforts to do so.
- b. A Contractor may also submit to OBD a written request for reduction or waiver of the obligations created under the M/WBE Plan or related requirements. Any such request must be accompanied by documentation evidencing the Prime Construction Contractor or Supplier's Good Faith Efforts.
- c. OBD has the discretion to approve or deny a request for a waiver. Approval of a waiver may be conditioned upon the agreement to undertake additional Good Faith Efforts as specified by OBD.
- d. In making the determination of Good Faith Efforts, OBD will consider, at a minimum, the Contractor's efforts to:
 - 1. solicit through reasonable and available means (e.g., attendance at pre-bid meetings, advertising and written notices) the interest of MBEs and WBEs that have the capability to perform the work of the contract and/or that are certified in the scopes of the contract work; to make this solicitation within sufficient time to allow the M/WBEs to respond; and to take appropriate steps to follow up initial solicitations with interested M/WBEs;

2. provide interested M/WBEs adequate information about the plans, specifications and requirements of the contract, including addenda, in a timely manner to assist them in responding to the solicitation;
3. negotiate in good faith with interested M/WBEs that have submitted bids. Documentation of negotiation must include the names, addresses and telephone numbers of M/WBEs that were solicited; the date of each such solicitation; a description of the information provided about the plans and specifications for the work selected for subcontracting; and evidence as to why agreements could not be reached with M/WBEs to perform the work. A Contractor may not use the fact that additional costs may be involved in soliciting and using M/WBEs as a reason for failing to meet the goals, as long as such additional costs are reasonable;
4. not reject M/WBEs as being unqualified without sound reasons based upon a thorough investigation of their capabilities. The M/WBEs' standing within its industry, membership in specific groups, organizations, or associations, or its political or social affiliations are not legitimate reasons for rejecting or failing to solicit bids to meet the goals;
5. make a portion of the work available to M/WBE subcontractors and suppliers and to select those portions of the work or material consistent with the available M/WBE subcontractors and suppliers, to facilitate meeting the goals;
6. select portions of the work to be performed by M/WBEs in order to increase the likelihood that the goals will be met. This includes, where appropriate, subcontracting work items into economically feasible units to facilitate M/WBE participation, even when the contractor might otherwise prefer to perform these work items with its own workforce;
7. assist interested M/WBEs in obtaining bonding, lines of credit or insurance as required by the Board or the contractor;
8. assist interested M/WBEs in obtaining necessary equipment, supplies, materials or related assistance or services;
9. effectively use the services of OBD, minority or women community organizations; minority or women contractors' groups; local, state and federal minority or women business assistance offices; and other organizations to provide assistance in the recruitment and placement of M/WBEs;
10. implement a strategy for the training, employment, or continuing education of present or former CPS students. The proposed program must involve substantial numbers of students and commit Prime Construction Contractor or Supplier resources; meet significant training, employment or continuing education objectives and be feasible and effective;
11. provide technical assistance to increase M/WBEs' self-sufficiency, competitiveness and profitability;
12. donate objectively measurable resources to M/WBE business development or participate in M/WBE business development activities;
13. demonstrate through objective evidence the consistent use of M/WBEs as suppliers or vendors on work not related to CPS;
14. demonstrate participation with M/WBEs in private sector joint ventures that would not otherwise occur or the participation of the Prime Construction Contractor or Supplier for goods and services in M/WBE business development activities such as those contemplated by the Program.

6.4.1 Student Initiatives

As appropriate the Board, will require the Prime Construction Contractor or Supplier to participate in various initiatives designed to provide opportunities to current CPS students and CPS graduates. Such initiatives include, but are not limited to, internships and job shadowing for current students and an Apprenticeship Initiative for CPS graduates that would secure employment for minorities and women workers in specific trades and permit those workers to obtain hours that would count toward an apprentices' sponsorship into a trade or labor organization.

6.5 Contract Award

Upon acceptance of a bid or quotation, the Department of Procurement shall send a Notice of Award to the successful bidder. Such successful bidder shall send all required contract documentation to OBD. A Contractor's M/WBE Compliance Proposal, including the clarifications requested by OBD, shall, upon a contract award, be incorporated into the contract.

VII. CONTRACT PERFORMANCE PROCEDURES

7.1 Facilities Responsibilities

To achieve the Contract Specific Goals, Facilities shall undertake, in addition to other measures provided herein, the following measures:

- a. Every contract shall include a standard contract provision that:
 1. permits the Board to terminate the contract:
 - i. upon the disqualification of the Prime Construction Contractor or Suppliers as an MBE or WBE, if that contractor's status as MBE or WBE was a factor in the award of the contract and the contractor misrepresented that status; and
 - ii. upon the disqualification of any MBE or WBE, if the subcontractor's or supplier's status as an MBE or WBE was a factor in the award of the contract, and the Prime Construction Contractor or Supplier misrepresented the status of the subcontractor or supplier. If Facilities or OBD determines that contractor was not involved in any such misrepresentation, then that contractor shall discharge the disqualified subcontractor or supplier and make good faith efforts to engage a qualified MBE or WBE replacement.
 2. allows OBD and/or Facilities, with or without other District staff and with or without notice,
 - i. to conduct on-site inspections of any performance site or place of business of any Prime Construction Contractor or Supplier, to determine whether the contractor has complied with its obligations; and
 - ii. to access any contractor's books and records including, without limitation, payroll records, tax returns and records and books of account, to determine the Prime Construction Contractor or Supplier's compliance with its commitment to M/WBE participation and the status of any MBE or WBE performing any portion of the contract.
 3. requires Prime Construction Contractors or Suppliers:
 - i. to maintain records on the utilization of subcontractors and fulfillment of the M/WBE Compliance Plan, and to retain those records for eight years after the Board's final acceptance of the work;
 - ii. to report to OBD at a minimum quarterly, or upon request, all expenditures to achieve compliance;
 - iii. to obtain prior written approval from OBD before changing M/WBE commitments or substituting M/WBE subcontractors;
 - iv. to promptly pay all subcontractors for work actually performed, upon Facilities' approval of required documentation; and
 - v. to provide a sworn statement with each payment request, listing all M/WBE and non-M/WBE subcontracts used in the performance of the contract, and providing proof of payment to subcontractors from prior payments received by the Prime Construction Contractor or Supplier. Proof of payment shall be in the form of cancelled checks to the subcontractor, a sworn statement from the subcontractor verifying receipt of payment or other format specified by OBD.
 4. requires approval or ratification of all change orders by the Board in accordance with Board Rules, including that:
 - i. no change orders shall be authorized that exceed, individually or cumulatively, forty nine and ninety nine hundredth percent (49.99%) of the Base Contract Price;
 - ii. any additional work and/or change orders requested by the Prime Construction Contractor or Supplier should not affect the contractors who have already completed work on the project; and
 - iii. no change orders shall affect the Prime Construction Contractor or Supplier's obligation to make good faith efforts to meet the original M/WBE goals.

5. requires retainage amounts to ensure the proper and complete performance of the work covered by the contract and complete compliance with the terms and conditions of the contract as follows:
 - i. the Board will retain 10% of the contract amount (including value of change orders) until work is 50% complete;
 - ii. Upon 50% completion of the contract in accordance with accepted performance measures, as specified in the contract, the retainage will be reduced to 5% of the contract amount (including value of change orders);
 - iii. The retainage amount(s) shall be retained from the various periodic payments according to a schedule specified in the contract.
 - iv. Upon 50% completion of the contract, as specified in the contract, 50% of the accrued retainage amount shall be released to the Prime Construction Contractor or Supplier. Upon final completion of the contract, the balance of the accrued retainage shall be released to the Prime Construction Contractor or Supplier when not involved in ongoing change orders or performance matters.
 - v. The Prime Construction Contractor or Supplier must pay all retainage owed to each subcontractor for satisfactory completion of the subcontractor's accepted work within 10 days after the portion of the retainage amount is released by the Board.

7.2 OBD Responsibilities

To achieve the Contract Specific Goals, OBD shall review and approve any written request by a Prime Construction Contractor or Supplier to substitute a M/WBE subcontractor, and shall enforce the following requirements:

- a. A Prime Construction Contractor or Supplier may not substitute a M/WBE subcontractor or perform the work designated for a subcontractor with its own workforce unless and until OBD approves such substitution in writing. A Prime Construction Contractor or Supplier shall not allow a substituted subcontractor to begin work until the substitution request has been formally approved.
- b. All requests for changes or substitutions of any M/WBE subcontractor named in the M/WBE Plan shall be made to OBD in writing, and shall clearly and fully set forth the basis for the request. Each request shall include the name, address and principal official of any proposed substitute MBE or WBE and the dollar value and scope of work of the proposed subcontract. All documentation required of the Prime Construction Contractor or Supplier for the M/WBE Plan must be attached.
- c. The facts supporting the request to change a M/WBE subcontractor must not have been known nor reasonably foreseeable by either party prior to the submission of the M/WBE Compliance Proposal. Prior to requesting a change, the Prime Construction Contractor or Supplier must negotiate with the subcontractor to resolve the problem. If requested by either party, OBD shall facilitate such a meeting. Where there has been a mistake or disagreement about the scope of work, the M/WBE may be substituted only where an agreement cannot be reached for a reasonable price for the correct scope of work.
- d. Unauthorized changes or substitutions, including performing the work with the Prime Construction Contractor's or Supplier's own workforce may constitute grounds for rejection of the bid or proposal, cause termination of the executed contract for breach, result in the withholding of payment and/or subject the Prime Construction Contractor or Supplier to contract remedies or sanctions.
- e. The following are acceptable bases for the substitution of M/WBE subcontractors and/or suppliers:
 1. Unavailability after receipt of reasonable notice to proceed;
 2. failure of performance;
 3. financial incapacity;
 4. refusal by the subcontractor to honor the bid or proposal price;
 5. mistake of fact or law about the elements of the scope of work of a solicitation where agreement upon a reasonable price cannot be reached;
 6. decertification of the M/WBE;
 7. failure of the subcontractor to meet insurance, licensing or bonding requirements; or
 8. the subcontractor's withdrawal of its bid or proposal.
- f. The final decision on a substitution request shall be communicated in writing as soon as practicable to the affected parties. OBD may request more information or schedule an interview to clarify or mediate the problem. OBD may reject any request in its entirety or impose conditions upon any approval.

- g. A contractor may protest any determination by OBD that it has not made Good Faith Efforts by utilizing the Appeals Process.

VIII. OBD's DETERMINATION WHETHER CONTRACT SPECIFIC GOALS FOR M/WBE PARTICIPATION HAVE BEEN MET

8.1 MBE or WBE Prime Construction Contractors

OBD shall count toward the Contract Specific Goal the amount paid to an MBE or WBE Prime Construction Contractor or Supplier for self-performing work, general conditions, overhead and profit. An MBE or WBE Prime Construction Contractor or Supplier must make Good Faith Efforts to meet the MBE or WBE goal for which it does not qualify, through subcontracts with other MBEs or WBEs.

8.2 MBE or WBE Subcontractors and Suppliers

OBD shall count toward a Prime Construction Contractor's or Supplier's Contract Specific Goal only the amount that has actually been paid to an MBE or WBE subcontractor or supplier.

8.3 Joint Ventures

When a M/WBE performs as a participant in a Joint Venture, OBD shall count toward the Contract Specific Goal only the portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the Joint Venture's contract that the M/WBE performs with its own workforce and for which it is separately at risk.

8.4 Limitation to Commercially Useful Functions

OBD shall count toward the Contract Specific Goal only expenditures to an M/WBE that is performing a Commercially Useful Function. To determine whether a firm is performing a Commercially Useful Function, OBD will evaluate the amount of work subcontracted, industry practices, whether the amount the firm is to be paid under the contract is commensurate with the work it is actually performing, and other relevant factors. To perform a Commercially Useful Function, the M/WBE must be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, performing installations, where applicable, and paying for the material itself. An M/WBE does not perform a Commercially Useful Function if its role is limited to that of an extra participant in the contract through which funds are passed in order to obtain the appearance of M/WBE participation. If an M/WBE subcontracts a greater portion of the work of a contract than would be expected on the basis of normal industry practice, it is presumed not to be performing a Commercially Useful Function, but it may present evidence to rebut this presumption.

8.5 Effect of Decertification

If a firm ceases to be a certified M/WBE during the course of a contract, the dollar value of work performed under a contract with that firm after it has ceased to be certified shall not be counted toward the Contract Specific Goal.

IX. NON-COMPLIANCE AND SANCTIONS

9.1 Determination of Non-Compliance by OBD

- a. OBD shall monitor Prime Construction Contractor's or Supplier's performance under the Compliance Plan, as well as the fulfillment of any special conditions, work order goals or other obligations by contract awardees.
- b. If the Prime Construction Contractor or Supplier is failing to fulfill its Compliance Plan or other Compliance-related contractual obligations, OBD will notify the Prime Construction Contractor or Supplier of the deficiencies. Following notification, the Prime Construction Contractor or Supplier shall have sixty (60) days to identify how they will cure the deficiencies. If the deficiencies are not cured, OBD shall make a determination of non-compliance and recommend the imposition of sanctions.
- c. At the end of every contract, OBD shall determine at contract closeout whether a Prime Construction Contractor or Supplier has complied with the obligations created under its Compliance Plan and other related requirements. The Prime Construction Contractor or Supplier has the burden of proving compliance with all obligations and requirements.

9.2 Sanctions for Non-compliance and Failure to Make Good Faith Efforts

- a. Sanctions for non-compliance may include, but are not limited to, the following:
 1. Withholding of payments under the contract
 2. Termination of the contract
 3. Debarment from future business with the Board

- b. A Prime Construction Contractor or Supplier may protest OBD's determination of Section 9.2 sanctions by filing a written appeal in accordance with the Appeals Process within fourteen (14) business days of receipt of OBD's determination, stating the grounds for such appeal and including all relevant information and documentation.
- c. All debarment recommendations will be processed according to the Board's Debarment Policy.

9.3 Sanctions for Fraudulent Misrepresentations, Acts Involving a Lack of Business Integrity, Violation of Statutes or Regulations, or Repeated Failures to Make Good Faith Efforts

- a. The following actions may be taken upon a finding that a firm has engaged in fraudulent misrepresentation, acts demonstrating a lack of business integrity, violations of statute or regulations, or has repeatedly failed to make good faith efforts as required by this Program:
 - 1. Referral by OBD to the Board's Office of the Inspector General (OIG) for investigation.
 - 2. Initiation of proceedings to debar the Prime Construction Contractor or Supplier and all persons or entities affiliated with them if warranted by an OIG investigation.
 - 3. Reporting the debarment of any person or entity to other governmental agencies.
 - 4. Referral to appropriate law enforcement authorities for investigation and possible prosecution.
- b. The Prime Construction Contractor or Supplier may protest OBD's determination of Section 9.3 sanctions by filing a written appeal in accordance with the Appeals Process within fourteen (14) business days of receipt of OBD's determination, stating the grounds for such appeal and including all relevant information and documentation.

X. REVIEW

The Board intends to periodically review the remedies adopted herein to ensure that it continues to have a compelling interest in not being a passive participant in the discriminatory Chicago construction market and that these measures remain narrowly tailored to accomplish that interest.

XI. SEVERABILITY

In the event that any section, subsection, paragraph, clause, provision or application of this article shall be held invalid by any court, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

16-1207-PO2

EXTEND THE REMEDIAL PROGRAM FOR MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISE PARTICIPATION IN GOODS AND SERVICES CONTRACTS

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Board extend the Remedial Program for Minority and Women-Owned Business Enterprises Participation in Goods and Services Contracts, as amended and attached hereto, until December 31, 2021.

HISTORY: In 2007, the Board undertook a review of the then-existing affirmative action remedial plan adopted in 1991. Following this review, the Board determined that implementation of various race-neutral and gender-neutral measures would help the District's goods and services program to overcome barriers and assist in the growth and development of financially stable M/WBE's. In order to implement these measures, the Board adopted the current Remedial Program for Minority and Women-Owned Business Enterprises Participation in Goods and Services (the "Program") with a term commencing March 1, 2007 and ending December 31, 2012 (Board Report 07-0228-PO1). This was later extended through June 30, 2013 (Board Report 12-1219-RS2). Following a 2013 independent evaluation of availability and utilization of minority and women-owned goods and services vendors for the Chicago Public Schools, the Board determined that the steps it had taken since 1991 to ameliorate the effects of racial and gender discrimination in the goods and services marketplace through a variety of race-and gender-neutral measures had not been sufficient. Accordingly, the Board extended the Program with a term commencing July 1, 2013 and ending December 31, 2016 (Board Report 13-0626-PO1).

PURPOSE: Following a 2016 independent evaluation of availability and utilization of minority and women-owned goods and services vendors for the Chicago Public Schools, the Board has determined that the steps taken to date to ameliorate the effects of racial and gender discrimination in the goods and services marketplace have been insufficient. The Board has further determined that the Program should therefore be extended by creating measures narrowly tailored to serve the Board's compelling interest in not being a passive participant in the discriminatory Chicago goods and services marketplace.

PROGRAM EXTENSION TERM: The Program is extended, as amended herein, for the period commencing January 1, 2017 and ending December 31, 2021.

DESCRIPTION: The Program will continue to: (1) apply to all goods and services contracts required by the Board to be awarded through competitive procurement, (2) operate the same annual Aspirational Goals for M/WBE participation in all goods and services contracts of 30% to qualified Minority-owned Business Enterprises and 7% to qualified Women-owned Business Enterprises, (3) authorize the Office of Business Diversity (OBD) to establish Contract Specific Goals for individual contracts, and (4) authorize OBD to specify certain goods and services projects to be let without M/WBE participation goals in order to evaluate the marketplace.

The Program is being updated to continue in accordance with legal requirements, to reflect the Board's current organizational structure and practice, and to clarify various provisions. These amendments are included on the attachment.

THIS SPACE INTENTIONALLY LEFT BLANK

The Board of Education of the City of Chicago



**REMEDIAL PROGRAM
FOR
MINORITY AND WOMEN OWNED BUSINESS ENTERPRISE
PARTICIPATION
IN
GOODS AND SERVICES CONTRACTS**

Effective

[January 1, 2017]

The Office of Business Diversity
42 W. Madison Street
Chicago, Illinois 60602

773.553.2980 (Telephone)
773.553.2981 (Facsimile)

www.cps.k12.il.us

**REMEDIAL PROGRAM FOR
MINORITY AND WOMEN OWNED BUSINESS ENTERPRISE
PARTICIPATION IN GOODS AND SERVICES CONTRACTS**

POLICY STATEMENT

This Remedial Program for Minority and Women Owned Business Enterprises ("Program") is continued by the Chicago Board of Education (the "Board"), upon the recommendation of the Chief Executive Officer ("CEO"), based upon (1) the Board's findings that it has been a passive participant in discriminatory practices against racial and ethnic minorities and women in the procurement of goods and services industry in Chicago, and that it has a compelling interest in remedying that passive discrimination, and (2) its desire to continue narrowly tailored remedies to address that compelling interest.

I. FINDINGS

- 1.1** The Board adopted a Remedial Plan for Minority and Women Business Enterprise ("M/WBE") Participation in January 1991 ("1991 Plan"). The 1991 Plan was adopted following the District's review of a Report Concerning Consideration and Adoption of the Revised Remedial Plan for Minority and Women Business Enterprise Economic Participation ("Report"). The Report included extensive Discrimination Findings ("Findings") that examined the barriers faced by M/WBEs in the construction, purchasing, and professional service industries. At the same time, the Board adopted a Resolution that set forth its rationale for developing the 1991 Plan. The Resolution specifically references the Findings, which indicated the following:
- M/WBEs in these industries faced significant institutional challenges not faced by their majority-owned competitors;
 - The District underutilized M/WBEs, despite the fact that M/WBEs appeared to be available to provide construction, purchasing of goods, and professional services for the District; and
 - Governmental and private discrimination in the Chicago metropolitan area caused M/WBEs to suffer competitive disadvantages in forming and operating viable businesses.
- 1.2** The Resolution specifically indicated that, after weighing the evidence, including the Findings, related to discrimination against Black, Hispanic, Asian, and Women-owned businesses in the construction, purchasing of goods, and professional services industries, the Board determined that there was a sufficient basis for and a compelling interest in the adoption of a remedial plan encompassing each of those combinations of race, ethnic, and gender groups and industries and that to remedy the discrimination and resulting competitive disadvantages suffered by those businesses, it was necessary to adopt the 1991 Plan.
- 1.3** The 1991 Plan addressed the requirements and procedures for monitoring the compliance of M/WBE goals for both goods and services contracts and construction projects and provided measures to assist M/WBEs in the Chicago Public Schools' ("CPS") procurement of goods and services. The benefits of the Plan were provided to Black-, Hispanic-, Asian- and Women-owned firms whose principal place of business was within the six-county Chicago metropolitan area. The Plan provided for race-neutral remedial measures and for non-restrictive affirmative action measures to alleviate the effects of discrimination. The plan further mandated flexible goals for M/WBE participation on particular contracts for overall CPS annual spending. Waivers were available for prime contractors unable to meet the goals.
- 1.4** In April 2006 and again in October 2006, the Board advertised and convened public focus groups, facilitated by an expert, Colette Holt, to address whether, and if so, to what extent, barriers exist to M/WBE participation in the CPS procurement process of goods and services. A review of information presented during the April and October 2006 CPS focus groups, and written reports that set forth the findings from the focus groups, reveal the existence of past and current discriminatory practices that disadvantage racial and ethnic minorities and women seeking to enter into CPS prime contracts and subcontracts for goods and services.
- 1.5** The focus groups conducted by Ms. Holt confirm that M/WBEs continue to face barriers to participation in the CPS procurement process for goods and services. Specifically, the findings from the focus groups demonstrate that those barriers include:
- Difficulty obtaining public sector prime contracts
 - Difficulty obtaining bonding and insurance
 - Difficulty securing subcontracting opportunities in the public sector
 - Difficulty obtaining contracts in the private sector
 - Difficulty working with vendors who use M/WBE information for purposes of securing a bid or putting together a proposal submission and who do not ultimately utilize the services of the M/WBEs

- 1.6 A review of the April 2006 focus group information and the related reports from expert Colette Holt further demonstrates that the following race- and gender-neutral measures help the narrow tailoring aspect of a race-conscious preferential procurement program and should be used to overcome those barriers and assist in the growth and development of financially stable M/WBEs:
- Improving the timeliness of payments
 - Creating a small and local business target market program
 - Implementing contract specific subcontracting goals
 - "Unbundling" or downsizing contracts to facilitate participation by smaller businesses, such as M/WBEs
 - Providing longer bid lead times
- 1.7 Based upon a thorough review of information presented during the April and October 2006 CPS focus groups and the written reports submitted by expert Colette Holt, the Board adopted in February 2007 under Board Report 07-0228-PO1 a Remedial Program for Minority And Women Owned Business Enterprise Participation in Goods and Services Contracts (the "Program") which built upon the 1991 Plan. The Program authorized for a period beginning March 1, 2007 until December 31, 2012 and was later extended until June 30, 2013 under Board Report 12-1219-RS2.
- 1.8 Based upon a thorough review of the foregoing information (supra, at sections 1.1 – 1.7); other recent judicial decisions regarding the constitutional standards for affirmative action programs; recent national and localized demographic evidence; recent labor and employment statistics; including national and local statistics, generally, as well as those specific to the goods and services industries; and the May 17, 2013 report entitled "*Availability and Utilization of Minority- and Women-Owned Businesses in Goods and Services for the Chicago Public Schools*" prepared by Dr. David G. Blanchflower, Professor of Economics Dartmouth College, the Board adopted in June 2013 under Board Report 13-0626-PO1 a Remedial Program for Minority And Women Owned Business Enterprise Participation in Goods and Services Contracts (the "Program") which built upon the 1991 Plan. The Program was authorized for a period beginning July 1, 2013 until December 31, 2016.
- 1.9 Based upon a thorough review of the foregoing information (supra, at sections 1.1 – 1.8); relevant judicial decisions regarding the constitutional standards for affirmative action programs; recent national and localized demographic evidence; recent labor and employment statistics; including national and local statistics, generally, as well as those specific to the goods and services industries; and the October 2016 report entitled "*Availability and Utilization of Minority- and Women-Owned Businesses in Goods and Services for the Chicago Public Schools*" prepared by Dr. David G. Blanchflower, Professor of Economics, Dartmouth College, the Board hereby continues the Program as specified herein.

II. DEFINITIONS

- 2.1 **Affiliate:** A person or entity that directly or indirectly through one or more intermediaries controls or is controlled by, or is under common control with, the person or entity. In determining whether persons or entities are affiliates, the Board shall consider all appropriate factors, including common ownership, common management and contractual relationships. Affiliates shall be considered together in determining whether a firm is a small business enterprise.
- 2.2 **Appeals Process:** The process for review of Program compliance and waiver decisions made by the Office of Business Diversity in accordance with the Program.
- 2.3 **Chicago Board of Education ("Board") or the District:** The body politic and corporate, known as the "Board of Education of the City of Chicago" and also known as Chicago Public Schools ("CPS") or School District 299.
- 2.4 **Commercially Useful Function:** Responsibility for the execution of a distinct element of the work of the contract which is carried out by actually performing, managing, and supervising the work involved, or fulfilling responsibilities as a joint venture.
- 2.5 **Contract Specific Goals:** The subcontracting goals for M/WBE participation established for a particular contract based upon the availability of M/WBEs to perform the anticipated scopes of work of the contract, and CPS' progress towards meeting the aspired goals.
- 2.6 **Economically Disadvantaged:** An individual whose personal net worth is less than \$2,000,000.00, adjusted annually for inflation, such annual adjustment to begin January 2017, based on the Consumer Price Index – Urban Wage Earners and Clerical Workers (Chicago All Items) published by the United States Bureau of Labor Statistics.
- 2.7 **Good Faith Efforts:** Actions undertaken by a contractor to achieve a contract specific goal that, by their scope, intensity, and appropriateness to the objective, can reasonably be expected to fulfill the program's requirements.
- 2.8 **Goods or Services Contract or Transaction:** Any Board procurement of goods or services from a non-CPS-employee (other than for construction, rehabilitation and repairs of CPS buildings) and any other non-construction-related procurements required by Board Rules to be bid or awarded pursuant to a competitive process.

- 2.9 Joint Venture:** An association of two or more persons or entities, or any combination of types of business enterprises and persons numbering two or more, proposing to perform a single for-profit business enterprise, in which each joint venture partner contributes property, capital, efforts, skill and knowledge, and in which the MBE or WBE is responsible for a distinct, clearly defined portion of the work of the contract and whose share in the capital contribution, control, management, risks, and profits of the joint venture is equal to its ownership interest. Joint ventures must have an agreement in writing specifying the terms and conditions of the relationships between the partners and their relationship and responsibilities to the contract.
- 2.10 Minority:** The Board adopts the following definition of "minority":
- a. any individual in the following racial or ethnic groups, members of which are rebuttably presumed to be socially and economically disadvantaged:
 1. African-Americans or Blacks, which includes persons having origins in any of the Black racial groups of Africa;
 2. Hispanics, which includes persons of Spanish culture with origins in Mexico, South or Central America or the Caribbean islands, regardless of race; and
 - b. individual members of other groups, including but not limited to Asian-Americans, Arab-Americans and Native-Americans, who have submitted an affidavit to the City, County of Cook or other governmental agency as determined by OBD, indicating that they are socially and economically disadvantaged by having suffered racial or ethnic prejudice or cultural bias within American society, without regard to individual qualities, resulting in decreased opportunities to compete in Chicago area markets or to do business with the Board.
- 2.11 Minority Business Enterprise (MBE):** A business that is certified as a Minority Owned Business by the City of Chicago (the "City"), County of Cook or such other government entity recognized by OBD, which has determined that the management, policies, major decisions and daily business operations are independently managed and controlled by one or more Economically Disadvantaged minority persons. OBD reserves the right to make its own determination as needed.
- 2.12 M/WBE:** A collective term used when the context includes both MBEs and WBEs.
- 2.13 Personal Net Worth:** the net value of the assets of an individual after total liabilities are deducted. An individual's personal net worth does not include the individual's ownership interest in an applicant or other MBE or WBE or the individual's equity in his or her primary place of residence. As to assets held jointly with his or her spouse, an individual's personal net worth includes only that individual's share of such assets. An individual's net worth also includes the present value of the individual's interest in any vested pension plans, Individual Retirement Accounts, 401(k) accounts, or other retirement savings or investment programs less the tax and interest penalties that would be imposed if the asset were distributed at the present time.
- 2.14 Prime Vendor or Supplier:** A person or entity that enters into a contract, purchase order or agreement with the Board to provide goods and/or services.
- 2.15 Office of Business Diversity (OBD):** The department with primary responsibility for administering and monitoring the M/WBE Program to ensure inclusion of qualified M/WBE companies on CPS contracts.
- 2.16 Subcontractor or Supplier:** A person or entity that enters into a Goods and/or Services related contract with a Prime Vendor to provide goods or services pursuant to a contract between the Prime Vendor and CPS.
- 2.17 Women Business Enterprise (WBE):** A business that is certified as a Women Owned Business by the City of Chicago (the "City"), County of Cook or such other government entity recognized by OBD, which has determined that the management, policies, major decisions and daily business operations are independently managed and controlled by one or more Economically Disadvantaged women. OBD reserves the right to make its own determination as needed.

III. EFFECTIVE DATES

- 3.1** The Business Diversity Program for Goods and Services Projects is continued effective as of January 1, 2017 and on that date shall supersede entirely the program adopted in June, 2013. Existing contracts will adhere to the compliance standards outlined in contracts dated prior to January 1, 2017.
- 3.2** This Program shall be reviewed no later than five years from January 1, 2017 and shall expire December 31, 2021 unless the Board finds that its remedial purposes have not been fully achieved and it continues to have a compelling interest in tailoring narrow remedies to readdress discrimination against M/WBEs, so that the Board will not function as a passive participant in the discriminatory goods and services marketplace in Chicago.

IV. ADMINISTRATION, MONITORING, AND REVIEW OF THE PROGRAM

4.1 Aspirational Goals

Upon the effective date of this Program, the annual Aspirational Goals shall be to award thirty percent (30%) of the annual dollar value of all goods and services contracts to qualified MBEs and seven percent (7%) of the annual dollar of all goods and services contracts to qualified WBEs.

4.2 Contract Specific Goals

The OBD, the Department of Procurement and the user department will establish Contract Specific Goals for M/WBE participation for eligible contracts for goods and services required by Board Rules to be bid or awarded pursuant to a competitive process. A list of transactions for which M/WBE participation is not achievable or is limited will be posted on OBD's website.

4.3 Appeals Process

The CAO or his or her designees shall have the authority to create rules or guidelines reviewing any appeals authorized under this policy.

4.4 OBD Responsibilities

The OBD is the principal CPS office responsible for the administration and monitoring of the Program. OBD's duties shall include:

- a. Promulgating administrative rules and regulations for the Program and enforcing with Prime Vendors or Suppliers.
- b. Submitting annual Program evaluation reports to the Board, CEO or his or her designees, and the Department of Procurement which include the following: data on M/WBE performance as it relates to commitments in bid/proposal packages versus the actual utilization of M/WBEs on contracts; a discussion of OBD efforts to administer the Program, implement current initiatives and resolve problems with Program implementation; progress in meeting the Aspirational Goals, and recommendations for improvements in Program implementation.
- c. Assuring that M/WBEs are informed of CPS contracting opportunities.
- d. Providing M/WBEs with relevant information and assistance related to CPS procurement practices and procedures, and bid/proposal specifications, requirements and prerequisites.
- e. Providing interested Prime Vendors or Suppliers of goods and services with information regarding M/WBE directories.
- f. Providing training and assistance to CPS staff and other interested persons on Program objectives and requirements.
- g. Establishing Contract Specific Goals.
- h. Monitoring contracts to ensure compliance with Contract Specific Goals, contractual commitments, and Program objectives.
- i. Determining whether contractors have made Good Faith Efforts.
- j. Reviewing and facilitating the resolution of issues concerning the Program with Prime Vendors or Suppliers, subcontractors and CPS departments.
- k. Collecting data to evaluate the Program, including data on Prime Vendors and Suppliers and subcontractor bids/proposals and awards of CPS contracts. Periodically reviewing this data to ensure that the Board continues to have a compelling interest in remedying discrimination, and that the measures it has chosen remain narrowly tailored to accomplish that interest.
- l. Upon request, provide information to M/WBEs about City-sponsored small business loan programs and other programs providing access to capital to M/WBEs.
- m. Promoting the Program through appropriate means in order to attract qualified M/WBEs.
- n. Acting as a voting member on all diversity compliance issues during evaluation process time.
- o. Establishing a process to review waiver requests and make determination to grant or deny the request in accordance with the procedures of the Program.
- p. Requesting the assistance of other public and private agencies and organizations in referring M/WBEs.

V. RACE AND GENDER NEUTRAL MEASURES

- 5.1** The Board shall implement race- and gender-neutral measures to the greatest extent feasible to facilitate the participation of M/WBEs in its contracting activities so it can meet its Aspirational Goals. These measures may include, but are not limited to:
- a. provision of timely information on contracting procedures, bid/proposal preparation, and specific contracting opportunities.
 - b. arrangement of solicitation times for the presentation of bids/proposals, quantities, specifications, and delivery schedules to facilitate the participation of interested vendors, suppliers and subcontractors.
 - c. simplification of bid/proposal submission requirements and documentation required by the user departments and the Department of Procurement.
 - d. unbundling contracts, where appropriate, to facilitate the participation of smaller businesses.
 - e. review of bonding and insurance requirements to eliminate unnecessary barriers to contracting with the Board, consistent with the Board's interest in financial security.
 - f. reduction in bid deposit requirements or arrangements for a standing bid deposit to cover multiple procurements.
 - g. closing out of goods and services contracts in a timely manner.
 - h. adoption of prompt payment procedures that require Prime Vendors and Suppliers to agree in writing to promptly pay subcontractors.
 - i. holding of pre-bid/proposal conferences, where appropriate, to explain the projects and to encourage Prime Vendors and Suppliers to use small business enterprises as subcontractors. On larger contracts, conducting pre-bid/proposal conferences between potential contractors and pre-qualified M/WBEs to promote joint ventures and subcontractor and supplier relationships.
 - j. letting of a representative sample of Board goods and services contracts without goals to determine MBE and WBE utilization in their absence.
 - k. limitation of the self-performance of Prime Vendors and Suppliers, where appropriate.
 - l. advertisement of invitations to bid/propose and about the existence and purposes of the Program in minority, women's, and small business media, when appropriate.
 - m. collection of information from all Prime Vendors and Suppliers which includes all bids/proposals received from prospective subcontractors and payments to subcontractors.
 - n. provision of technical assistance concerning Board procurement policies and procedures.
 - o. leveraging of the Board's relationships with bonding, insurance, and financial companies to encourage those institutions to aid M/WBEs and other small Prime Vendors or Suppliers.
 - p. referral of complaints of discrimination against M/WBEs to appropriate authorities for investigation and resolution.
 - q. developing and maintaining a list of diverse, qualified and pre-approved vendors for certain contracts for goods and services.
 - r. contacting private sector organizations and non-profit groups engaged in economic development activities and M/WBE trade and commercial associations, and soliciting their assistance in obtaining M/WBE participation.
 - s. seeking recommendations of additional M/WBEs from private industry M/WBE programs and from local government agencies.

VI. CONTRACT AWARD PROCESS**6.1 Bid/Proposal Specifications**

The Department of Procurement shall insert within the specifications for each contract which is let through competitive bidding or other competitive procurement and which has Contract Specific Goals:

- a. a description of the Program, including the requirement of an approved M/WBE Plan; the requirements related to achieving the goals and counting MBE or WBE participation towards meeting the goals; if the goals are not met, the requirement of documentation of the vendor's Good Faith Efforts to achieve the goals, including the Good Faith Efforts of MBEs and WBEs to achieve the goal for which they do not qualify; and a requirement that the vendor commit to the expenditure of at least the dollar value of the Contract Specific Goals with one or more MBEs and one or more WBEs or make Good Faith Efforts to do so. This commitment may be met by the vendor's status as an MBE or WBE, a joint venture with one or more MBEs or WBEs as prime contractor (to the extent of the MBE's or WBE's participation in such joint venture), subcontracting a portion of the work to one or more MBEs or WBEs, purchasing materials or services for the work from one or more MBEs or WBEs, or by any combination of the foregoing;
- b. a requirement that where the vendor cannot achieve the Contract Specific Goals, it must document its Good Faith Efforts to do so.

6.2 M/WBE Compliance Proposal

- a. The Department of Procurement will insert within the specifications M/WBE participation requirements as special conditions in invitations for bids, requests for proposals, quotations and all relevant documents. These specifications will include a listing of all M/WBE documentation that must be submitted with the bid or proposal and will describe the reporting requirements applicable during the contract period. All solicitation and contract documents will also stipulate that the requirements of the M/WBE Plan become conditions of the contract between CPS and the Prime Vendor or Supplier.
- b. For all solicitations, the Prime Vendor or Supplier must submit an M/WBE Compliance Proposal detailing all M/WBE and non-M/WBE subcontractors from which the Prime Vendor or Supplier solicited bids or proposals, and its plan to achieve Contract Specific Goals or its Good Faith Efforts to do so. M/WBEs proposed by the Prime Vendor or Supplier must be certified by the City of Chicago and/or any other governmental certifying agencies as of the date of the bid/proposal submittal. The M/WBE Compliance Proposal shall be due at the time and in the manner set out in the solicitation documents.
- c. The OBD Director has the authority to propose to the Department of Procurement that any bid or quotation that does not include an appropriate M/WBE Compliance Proposal be rejected by the Department of Procurement.
- d. Any agreement between a Prime Vendor or Supplier and a M/WBE in which the Prime Vendor or Supplier requires that the M/WBE not provide subcontracting quotations to other Prime Vendors or Suppliers is prohibited.
- e. The M/WBE Compliance Proposal must demonstrate that each MBE or WBE will perform a Commercially Useful Function.

6.3 OBD Review and Approval of M/WBE Program Compliance Proposal

- a. Prior to contract award, OBD shall timely review of the M/WBE Program Compliance Proposal, including the scope of work and the letters of intent from M/WBEs. OBD may request clarification in writing of items listed in the M/WBE Program Compliance Proposal, provided such clarification shall not lead to a decrease listed M/WBE participation.
- b. If OBD determines that the M/WBE Program Compliance Proposal demonstrates that the Contract Specific Goals indicated in the bid/proposal specifications have been achieved or Good Faith Efforts made, OBD shall recommend that the vendor's or supplier's bid/proposal be deemed responsive during the evaluation process to the Department of Procurement.
- c. If the M/WBE Program Compliance Proposal fails to meet the Contract Specific Goals indicated in the bid/proposal specifications, OBD will review its Good Faith Efforts to do so. If OBD determines that a vendor/supplier did not make sufficient Good Faith Efforts, OBD shall communicate its finding to the Department of Procurement and propose that the vendor's/supplier's bid/proposal be deemed to be non-responsive. A vendor/supplier may protest this determination by filing a written appeal in accordance with the Appeals Process within fourteen (14) business days of receipt of OBD's determination, stating the grounds for such appeal and including all relevant information and documentation.

6.4 Good Faith Efforts to Meet Contract Specific Goals and Waiver Requests

- a. Where the Prime Vendor or Supplier cannot achieve the Contract Specific Goals, OBD will determine whether the Prime Vendor or Supplier has made Good Faith Efforts to do so.

- b. A Prime Vendor or Supplier may also submit to OBD a written request for reduction or waiver of the obligations created under the M/WBE Plan or related requirements. Any such request must be accompanied by documentation evidencing the Prime Vendor's or Supplier's Good Faith Efforts.
- c. OBD has the discretion to approve or deny a request for a waiver. Approval of a waiver may be conditioned upon the agreement to undertake additional Good Faith Efforts as specified by OBD.
- d. In making the determination of Good Faith Efforts, OBD will consider, at a minimum, the efforts of a Prime Vendor or Supplier to:
 1. solicit through all reasonable and available means (e.g., attendance at pre-bid/proposal meetings, advertising and written notices) the interest of all M/WBEs that have the capability to perform the work of the contract and/or that are certified in the scopes of the contract work; to make this solicitation within sufficient time to allow the M/WBEs to respond; and to take appropriate steps to follow up initial solicitations with interested M/WBEs;
 2. provide interested M/WBEs adequate information about the plans, specifications, and requirements of the contract, including addenda, in a timely manner to assist them in responding to the solicitation;
 3. negotiate in good faith with interested M/WBEs that have submitted bids. Documentation of negotiation must include the names, addresses, and telephone numbers of M/WBEs that were solicited; the date of each such solicitation; a description of the information provided about the plans and specifications for the work selected for subcontracting; and evidence as to why agreements could not be reached with M/WBEs to perform the work. A Prime Vendor or Supplier may not use the fact that additional costs may be involved in soliciting and using M/WBEs as a reason for failing to meet the Contract Specific Goals, as long as such additional costs are reasonable;
 4. not reject M/WBEs as being unqualified without sound reasons based upon a thorough investigation of their capabilities. The M/WBEs' standing within its industry, membership in specific groups, organizations, or associations, or its political or social affiliations are not legitimate reasons for rejecting or failing to solicit bids/proposals to meet the goals;
 5. make a portion of the work available to M/WBE subcontractors and suppliers and to select those portions of the work or material consistent with the available M/WBE subcontractors and suppliers, to facilitate meeting the goals;
 6. select portions of the work to be performed by M/WBEs in order to increase the likelihood that the goals will be met. This includes, where appropriate, subcontracting work items into economically feasible units to facilitate M/WBE participation, even when the Prime Vendor or Supplier might otherwise prefer to perform these work items with its own workforce;
 7. assist interested M/WBEs in obtaining bonding, lines of credit, or insurance as required by the Board or the Prime Vendor or Supplier;
 8. assist interested M/WBEs in obtaining necessary equipment, supplies, materials, or related assistance or services;
 9. effectively use the services of OBD, minority or women community organizations; minority or women contractors' groups; local, state and federal minority or women business assistance offices; and other organizations to provide assistance in the recruitment and placement of M/WBEs;
 10. implement a strategy for the training, employment, or continuing education of present or former CPS students. The proposed program must involve substantial numbers of students and commit Prime Vendor or Supplier resources; meet significant training, employment or continuing education objectives and be feasible and effective;
 11. provide technical assistance to increase M/WBEs' self-sufficiency, competitiveness and profitability;
 12. donate objectively measurable resources to M/WBE business development or participate in M/WBE business development activities;
 13. demonstrate through objective evidence the consistent use of M/WBEs as suppliers or vendors on work not related to CPS;

14. demonstrate participation with M/WBEs in private sector joint ventures that would not otherwise occur or the participation of the Prime Vendor or Supplier for goods and services in M/WBE business development activities such as those contemplated by the Program.

6.5 Contract Award

Upon acceptance of a bid, proposal or quotation, the Department of Procurement shall notify the successful bidder/proposer. A Prime Vendor's or Supplier's M/WBE proposal, including the clarifications requested by OBD, shall, upon a contract award, be incorporated into the contract.

VII. CONTRACT PERFORMANCE PROCEDURES

7.1 Payment Procedures

As a condition of each payment request, the Prime Vendor or Supplier shall provide proof of payment in a format specified by CPS, listing all M/WBE and non- M/WBE Subcontractors used in the performance of the contract. The Prime Vendor or Supplier shall pay each Subcontractor within 30 days of payment by the Board or as otherwise negotiated between the Prime Vendor or Supplier and the Subcontractor. OBD shall monitor sub-contractor participation during the course of the contract and shall have reasonable access to all contract-related documentation held by the Prime Vendor or Supplier for goods and services.

7.2 Records

The Prime Vendor or Supplier shall maintain records of all relevant data with respect to the utilization of all subcontractors, and all other aspects of fulfillment of the M/WBE Plan requirements, including, without limitation, performance and financial documents concerning the contract; agreements and performance/payment records concerning subcontractors; payroll records; tax returns and records; and books of account. Prime Vendor or Supplier shall retain these records for at least eight years after completion of the work. The Prime Vendor or Supplier shall report monthly, or upon request, to OBD all expenditures to achieve Program compliance.

7.3 Inspections

OBD may, with or without notice, periodically conduct on-site inspections of any contract performance site, or the place of business of any Prime Vendor or Supplier. OBD may be assisted in such inspections by other CPS staff, and shall be entitled to reasonable access to facilities, personnel, and records related to the M/WBE Plan.

7.4 Substitutions

- a. The Prime Vendor or Supplier may not substitute a M/WBE subcontractor or perform the work designated for a subcontractor with its own workforce unless and until OBD approves such substitution in writing. A Prime Vendor or Supplier shall not allow a substituted subcontractor to begin work until substitution request has been formally approved.
- b. All requests for changes or substitutions of the subcontractor named in the M/WBE Plan shall be made to the Director of OBD in writing, and shall clearly and fully set forth the basis for the request. Each request shall include the name, address and principal official of any proposed substitute MBE or WBE and the dollar value and scope of work of the proposed subcontract. All documentation required of Prime Vendors or Suppliers for the M/WBE Plan must be attached.
- c. The facts supporting the request to change a M/WBE subcontractor must not have been known nor reasonably foreseeable by either party prior to the submission of the Program Compliance Proposal. Prior to requesting a change, the Prime Vendor or Supplier must negotiate with the subcontractor to resolve the problem. If requested by either party, CPS shall facilitate such a meeting. Where there has been a mistake or disagreement about the scope of work, the M/WBE may be substituted only where an agreement cannot be reached for a reasonable price for the correct scope of work.
- d. Unauthorized changes or substitutions, including performing the work with the Prime Vendor's or Supplier's own workforce, may constitute grounds for rejection of the bid or proposal or cause termination of the executed contract for breach, the withholding of payment and/or subject the Prime Vendor or Supplier to contract penalties or other sanctions.
- e. The following are acceptable bases for the substitution of M/WBE subcontractors:
 1. unavailability after receipt of reasonable notice to proceed;
 2. failure of performance;
 3. financial incapacity;
 4. refusal by the subcontractor to honor the bid or proposal price;

5. mistake of fact or law about the elements of the scope of work of a solicitation where agreement upon a reasonable price cannot be reached;
 6. decertification of the M/WBE;
 7. failure of the subcontractor to meet insurance, licensing or bonding requirements; or
 8. the subcontractor's withdrawal of its bid or proposal.
- f. OBD's final decision whether to permit or deny the proposed substitution, and the basis therefore, will be communicated as soon as practicable to the parties in writing by OBD. The OBD Director may request more information, or requesting an interview to clarify or mediate the problem. OBD may approve or reject any request in its entirety, or impose conditions upon any approval.
 - g. Where the Prime Vendor or Supplier has established the basis for the substitution to the satisfaction of OBD, the Prime Vendor or Supplier shall make Good Faith Efforts to fulfill the M/WBE Plan. The Prime Vendor or Supplier may seek the assistance of OBD in obtaining a new M/WBE subcontractor. If the Contract Specific Goal(s) cannot be reached and Good Faith Efforts have been made, the Prime Vendor or Supplier may upon determination by the OBD Director substitute with a non-M/WBE.
 - h. The Prime Vendor or Supplier may protest any determination by OBD that a vendor/supplier has not made Good Faith Efforts by utilizing the Appeals Process.

VIII. OBD'S DETERMINATION WHETHER CONTRACT SPECIFIC GOALS FOR M/WBE PARTICIPATION HAVE BEEN MET

8.1 M/WBE Prime Vendors and Suppliers

OBD shall count toward the Contract Specific Goal the amount paid to an MBE or WBE Prime Vendor or Supplier for self-performing work, general conditions, overhead and profit.

8.2 MBE or WBE Subcontractors and Suppliers

OBD shall count towards a Prime Vendor's or Supplier's Contract Specific Goal only the amount that has been paid to a MBE or WBE subcontractor or supplier.

8.3 Joint Ventures

When a M/WBE performs as a participant in a Joint Venture, OBD shall count towards the Contract Specific Goal only the portion of the total dollar value of the contract equal to the distinct, clearly defined portion of the work of the Joint Venture's contract that the M/WBE performs with its own workforce and for which it is separately at risk.

8.4 Limitation to Commercially Useful Functions

OBD shall count toward the Contract Specific Goal only expenditures to an M/WBE that is performing a Commercially Useful Function. To determine whether a firm is performing a Commercially Useful Function, OBD will evaluate the amount of work subcontracted, industry practices, whether the amount the firm is to be paid under the contract is commensurate with the work it is actually performing, and other relevant factors. To perform a Commercially Useful Function, the M/WBE must be responsible, with respect to materials and supplies used on the contract, for negotiating price, determining quality and quantity, ordering the material, installing (where applicable), and paying for the material itself. An M/WBE does not perform a Commercially Useful Function if its role is limited to that of an extra participant in the contract through which funds are passed in order to obtain the appearance of M/WBE participation. If an M/WBE subcontracts a greater portion of the work of a contract than would be expected based on normal industry practice, it is presumed not to be performing a Commercially Useful Function, but it may present evidence to rebut this presumption.

8.5 Effect of Decertification

If a firm ceases to be a certified M/WBE during its performance on a contract, the dollar value of work performed under a contract with that firm after it has ceased to be certified shall not be counted toward the Contract Specific Goal.

8.6 Contract Modifications

The Contract Specific Goals applicable to a contract are also applicable to contract modifications. If a contract modification is within the scope of the M/WBE's subcontract performance, the dollar amount to be paid to the M/WBE must be adjusted by the Prime Vendor or Suppliers.

IX. NON-COMPLIANCE AND SANCTIONS**9.1 Determination of Non-Compliance**

- a. OBD shall monitor the Prime Vendor's or Supplier's performance under the M/WBE Plan, as well as the fulfillment of any special conditions, work order goals, or other obligations by contract awardees.
- b. If the Prime Vendor or Supplier fails to fulfill its M/WBE Plan or other compliance-related contractual obligations, OBD will notify the Prime Vendor or Supplier of the deficiencies. Following notification, the Prime Vendor or Supplier shall have sixty (60) days to identify how they will cure the deficiencies. If the deficiencies are not cured, OBD shall make a determination of non-compliance and recommend the imposition of sanctions.
- c. At the end of every contract, OBD shall determine at contract closeout whether a Prime Vendor or Supplier has complied with the obligations created under its M/WBE Plan and other related requirements. The Prime Vendor or Supplier has the burden of proving compliance with all obligations and requirements.

9.2 Sanctions for Non-Compliance and Failure to Make Good Faith Efforts

- a. Sanctions for non-compliance may include, but are not limited to, the following:
 - 1. Withholding of payments under the contract
 - 2. Recommendation not to exercise contract renewal option
 - 3. Termination of the contract
 - 4. Debarment from future business with the Board
- b. A Prime Vendor or Supplier may protest OBD's determination of Section 9.2 sanctions by filing a written appeal in accordance with the Appeals Process within fourteen (14) business days of receipt of OBD's determination, stating the grounds for such appeal and including all relevant information and documentation.
- c. All debarment recommendations will be processed according to the Board's Debarment Policy.

9.3 Sanctions for Fraudulent Misrepresentations, Acts Involving a Lack of Business Integrity, Violation of Statutes or Regulations, or Repeated Failures to Make Good Faith Efforts

- a. The following actions may be taken upon a finding that a firm has engaged in fraudulent misrepresentation, acts demonstrating a lack of business integrity, violations of statute or regulations, or has repeatedly failed to make good faith efforts as required by this Program:
 - 1. Referral by OBD to the Board's Office of the Inspector General (OIG) for investigation.
 - 2. Initiation of proceedings to debar the Prime Vendor or Supplier and all persons or entities affiliated with them if warranted by an OIG investigation.
 - 3. Reporting the debarment of any person or entity to other governmental agencies.
 - 4. Referral to appropriate law enforcement authorities for investigation and possible prosecution.
- b. The Prime Vendor or Supplier may protest the OBD's determination of Section 9.3 sanctions by filing a written appeal in accordance with the Appeals Process within fourteen (14) business days of receipt of OBD's determination, stating the grounds for such appeal and including all relevant information and documentation.

X. REVIEW

The Board intends to periodically review the remedies adopted herein to ensure that it continues to have a compelling interest in not being a passive participant in the discriminatory Chicago area goods and services market and that these measures remain narrowly tailored to accomplish that interest.

XI. SEVERABILITY

In the event that any section, subsection, paragraph, clause, provision or application of this article shall be held invalid by any court, the invalidity of such section, subsection, paragraph, clause, provision or application shall not affect any of the remaining provisions hereof.

16-1207-RU1

AMEND BOARD RULE 4-4 EMPLOYMENT REQUIREMENTS**THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:**

That the Board amend Board Rule 4-4, subsections (b) and (o), regarding criminal background checks, to permit checks of the Illinois Department of Children and Family Services State Automated Child Welfare Information System to ensure that the Board is not unknowingly employing any person who has a substantiated report of child abuse or neglect.

TEXT:**4-4. Employment Requirements.**

b. *Criminal Background Investigations.* As a condition of hire ~~hiring and continued employment, all employees must authorize continuing to employ all employees.~~ the Board ~~to shall~~ shall conduct a fingerprint or other criminal history verification, ~~as well as a check for substantiated reports of child abuse or neglect with appropriate authorities,~~ in accordance with the provisions of the Illinois School Code. To ensure that the Board does not employ and is not knowingly employing a person who has committed the crimes ~~and offenses~~ enumerated in 105 ILCS 5/21-23a or 105 ILCS 5/34-18.5, the Chief Executive Officer or his/her designee shall establish procedures and guidelines for conducting criminal ~~and child-abuse-and neglect-~~background investigations for: (1) applicants prior to hire; (2) employed teachers at the time of their teacher certificate or educator-license renewal or at some other periodic interval that is administratively convenient; (3) all other employees at regular periodic intervals that are administratively convenient; and (4) any employee or group of employees at the direction of the Chief Executive Officer or his/her designee. Any ~~applicant or~~ employee whose criminal background ~~or adjudication for child physical or sexual abuse in juvenile court child-protection proceedings~~ excludes him/her from Board employment under the Illinois School Code shall ~~not be hired or, if employed, shall~~ be dismissed. Regardless of whether ~~or not~~ an applicant or employee's criminal ~~or child-abuse-and-neglect~~ history excludes him/her from employment under the Illinois School Code, the Chief Executive Officer or his/her designee shall consider that the applicant's criminal conviction history, and whether or not the applicant or employee has made a full disclosure of that history, in determining whether to hire an applicant or whether to dismiss an employee.

o. *Other Requirements for Pre-Employment, Employment, Association or Affiliation and Requirements.* The Board or the Chief Executive Officer or the Chief Executive Officer's designee may establish other hiring, and employment, ~~affiliation and association~~ criteria and eligibility requirements that are consistent with the position occupied or applied for, the Board's Rules and Policies, public policy and local, state and federal law.

LSC REVIEW: Not applicable

FINANCIAL: Not applicable.

President Clark indicated that if there are no objections, Board Reports 16-1207-RS1 through 16-1207-RS5, 16-1207-PO1, 16-1207-PO2, and 16-1207-RU1 would be adopted by the last favorable roll call vote, all members voting therefore.

President Clark thereupon declared Board Reports 16-1207-RS1 through 16-1207-RS5, 16-1207-PO1, 16-1207-PO2, and 16-1207-RU1 adopted.

16-1207-CO1

**COMMUNICATION RE: LOCATION OF
BOARD MEETING OF JANUARY 25, 2017**

**Frank M. Clark President, and
Members of the Board of Education**
Mark F. Furlong
Rev. Michael J. Garanzini, S.J.
Jaime Guzman
Dr. Mahalia A. Hines
Dominique Jordan Turner
Gail D. Ward

This is to advise that the Regular Meeting of the Board of Education scheduled for Wednesday, January 25, 2017 will be held at:

CPS Loop Office
 42 W. Madison Street, Garden Level, Board Room
 Chicago, IL 60602

The Board Meeting will begin at 10:30 a.m.

Public Participation Guidelines are available on www.cpsboe.org or by calling (773) 553-1600.

For the January 25, 2017 Board Meeting, advance registration to speak and observe will be available beginning Monday, January 23rd at 10:30 a.m. and will close on Tuesday, January 24th at 5:00 p.m. or until all slots are filled. You can advance register during the registration period by the following methods:

Online: www.cpsboe.org (recommended)
 Phone: (773) 553-1600
 In Person: 1 North Dearborn, Suite 950

The Public Participation segment of the meeting will begin as indicated in the meeting agenda and proceed for no more than 60 registered speakers for the two hours.

16-1207-EX1*

**TRANSFER OF FUNDS
 Various Units and Objects**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

The various transfers of funds were requested by the Central Office Departments during the month of October.

All transfers are budget neutral. A brief explanation of each transfer is provided below:

1. Transfer from Science, Technology, Engineering, and Math (STEM) programs to Laura S Ward School

20170032050

Rationale: STEM focused enrichment and engagement - eg. materials, fieldtrips, STEMfest, etc...

Transfer From:		Transfer To:	
10871	Science, Technology, Engineering, and Math (STEM) programs	24991	Laura S Ward School
115	General Education Fund	115	General Education Fund
57915	Miscellaneous - Contingent Projects	57940	Miscellaneous Charges
241016	Instructional Administration	241016	Instructional Administration
008011	Stem Programs	008011	Stem Programs

Amount: \$1,000

2. Transfer from Diverse Learner Service Delivery to Diverse Learner Service Delivery

20170033367

Rationale: Funds to transfer to provide supplies needed to power AAC and AT devices for initial allocation and for printing for communication tools

Transfer From:		Transfer To:	
11673	Diverse Learner Service Delivery	11673	Diverse Learner Service Delivery
114	Special Education Fund	114	Special Education Fund
55005	Property - Equipment	53405	Commodities - Supplies
120412	Assistive Technology	120412	Assistive Technology
000000	Default Value	000000	Default Value

Amount: \$1,000

3. Transfer from Facility Opers & Maint - City Wide to Ellen H Richards Career Academy

20170034522

Rationale: Contractor will repair damaged wood framing to room # 207 door, repair roton hinge on room # 207 door, and install new latch plate on room # 220 double door. Maximo # 3334575

Transfer From:		Transfer To:	
11880	Facility Opers & Maint - City Wide	53051	Ellen H Richards Career Academy
230	Public Building Commission O & M	230	Public Building Commission O & M
56105	Services - Repair Contracts	56105	Services - Repair Contracts
254033	O&M South	254033	O&M South
000000	Default Value	000000	Default Value

Amount: \$1,000

4. Transfer from Social and Emotional Learning - City Wide to Education General - City Wide

20170035864

Rationale: EXPIRED GRANT - Transfer funding to contingency line.

Transfer From:		Transfer To:	
10898	Social and Emotional Learning - City Wide	12670	Education General - City Wide
324	Miscellaneous Federal, State & Local Grants	324	Miscellaneous Federal, State & Local Grants
53405	Commodities - Supplies	57915	Miscellaneous - Contingent Projects
221011	Improvement Of Instruction	600002	Contingency For Project Expansion
500001	Start On Success Program Fy 16	410008	Contingency For Project Expan

Amount: \$1,000

5. Transfer from Teaching and Learning Office to Eric Solorio Academy High School

20170036268

Rationale: Hosting funds for MS Debate Tournament 1 - October 22, 2016

Transfer From:

10810 Teaching and Learning Office
 115 General Education Fund
 57940 Miscellaneous Charges
 150009 Debate - Middle School
 000000 Default Value

Transfer To:

46101 Eric Solorio Academy High School
 115 General Education Fund
 57705 Services - Space Rental
 150009 Debate - Middle School
 000000 Default Value

Amount: \$1,000

6. Transfer from Teaching and Learning Office to Ole A Thorp Scholastic Academy

20170036301

Rationale: To cover hosting funds for MS Debate Tournament 1 on Saturday, October 22, 2016

Transfer From:

10810 Teaching and Learning Office
 115 General Education Fund
 57940 Miscellaneous Charges
 150009 Debate - Middle School
 000000 Default Value

Transfer To:

29301 Ole A Thorp Scholastic Academy
 115 General Education Fund
 57705 Services - Space Rental
 150008 Debate - High School
 000901 Other Gen Ed Funded Programs

Amount: \$1,000

7. Transfer from Teaching and Learning Office to Beasley Academic Center Magnet

20170036302

Rationale: To cover hosting funds for MS Debate Tournament 1 on Saturday, October 22, 2016

Transfer From:

10810 Teaching and Learning Office
 115 General Education Fund
 57940 Miscellaneous Charges
 150009 Debate - Middle School
 000000 Default Value

Transfer To:

29321 Beasley Academic Center Magnet
 115 General Education Fund
 57705 Services - Space Rental
 150008 Debate - High School
 000901 Other Gen Ed Funded Programs

Amount: \$1,000

2300. Transfer from Noble Street Charter High School - Chicago Bulls College Prep Campus to Education General - City Wide

20170034845

Rationale: Excess funds released by PCCS application as part of true-up for Second Quarter, FY 2017.

Transfer From:

66572 Noble Street Charter High School - Chicago Bulls
 College Prep Campus
 115 General Education Fund
 54320 Student Tuition - Charter Schools
 119050 Charter/Contract Per Pupil Revenue K-12 Tuition
 000575 Student Based Budgeting

Transfer To:

12670 Education General - City Wide
 115 General Education Fund
 54320 Student Tuition - Charter Schools
 250003 Charter Schools - Support Services
 000575 Student Based Budgeting

Amount: \$6,392,283

2301. Transfer from Capital/Operations - City Wide to Information & Technology Services

20170038071

Rationale: Funds Transfer From Award# 2017-485-00-06 To Project# 2017-12510-LAN1 ; Change Reason : NA

Transfer From:

12150 Capital/Operations - City Wide
 485 CIT Project
 56310 Capitalized Construction
 009580 Information Security
 000000 Default Value

Transfer To:

12510 Information & Technology Services
 485 CIT Project
 56302 Capitalized Equipment
 253001 Network Services (E-Rate: Cps)
 000000 Default Value

Amount: \$7,000,000

2302. Transfer from Chicago International Charter School (CICS)- Longwood Campus to Education General - City Wide

20170034649

Rationale: Excess funds released by PCCS application as part of true-up for Second Quarter, FY 2017.

Transfer From:

66061 Chicago International Charter School (CICS)-
 Longwood Campus
 115 General Education Fund
 54320 Student Tuition - Charter Schools
 119050 Charter/Contract Per Pupil Revenue K-12 Tuition
 000575 Student Based Budgeting

Transfer To:

12670 Education General - City Wide
 115 General Education Fund
 54320 Student Tuition - Charter Schools
 250003 Charter Schools - Support Services
 000575 Student Based Budgeting

Amount: \$7,757,533

2303. Transfer from Youth Connection Charter School (YCCS) to Education General - City Wide

20170034681

Rationale: Excess funds released by PCCS application as part of true-up for Second Quarter, FY 2017.

Transfer From:

66101	Youth Connection Charter School (YCCS)
115	General Education Fund
54320	Student Tuition - Charter Schools
290030	Non-Sbb Tuition For Charter/Contract Schools
000000	Default Value

Transfer To:

12670	Education General - City Wide
115	General Education Fund
54320	Student Tuition - Charter Schools
250003	Charter Schools - Support Services
000000	Default Value

Amount: \$8,720,275

2304. Transfer from Youth Connection Charter School (YCCS) to Education General - City Wide

20170034679

Rationale: Excess funds released by PCCS application as part of true-up for Second Quarter, FY 2017.

Transfer From:

66101	Youth Connection Charter School (YCCS)
115	General Education Fund
54320	Student Tuition - Charter Schools
119050	Charter/Contract Per Pupil Revenue K-12 Tuition
000575	Student Based Budgeting

Transfer To:

12670	Education General - City Wide
115	General Education Fund
54320	Student Tuition - Charter Schools
250003	Charter Schools - Support Services
000575	Student Based Budgeting

Amount: \$23,862,304

TRANSFER OF FUNDS Various Units and Objects

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

The various transfers of funds were requested by the Central Office Departments during the month of November. All transfers are budget neutral. A brief explanation of each transfer is provided below:

1. Transfer from Facility Opers & Maint - City Wide to Wendell Smith

20170043681

Rationale: FURNISH LABOR, MATERIAL & EQUIPMENT TO CLEAN STORM BASIN OF LEAVES, DIRT & DEBRIS THEN HYDRO JET SEWER LINE TO AND FROM BASIN. LOCATION AT FRONT CURB OF EAST SIDE OF BUILDING AT MAIN ENTRANCE. MAXIMO #3279866

Transfer From:

11880	Facility Opers & Maint - City Wide
230	Public Building Commission O & M
56105	Services - Repair Contracts
254035	O&M Far South
000000	Default Value

Transfer To:

23641	Wendell Smith
230	Public Building Commission O & M
56105	Services - Repair Contracts
254035	O&M Far South
000000	Default Value

Amount: \$1,000

2. Transfer from Accounting to Accounting

20170044072

Rationale: Pending Postage Invoices and funds to cover thru December.

Transfer From:

12410	Accounting
115	General Education Fund
54125	Services - Professional/Administrative
252502	Controller'S Office
000000	Default Value

Transfer To:

12410	Accounting
115	General Education Fund
53510	Commodities - Postage
252502	Controller'S Office
000000	Default Value

Amount: \$1,000

3. Transfer from Department of JROTC to Christian Fenger Academy

20170044259

Rationale: Transfer needed to support cadet transportation to events.

Transfer From:

05261	Department of JROTC
115	General Education Fund
53405	Commodities - Supplies
113119	Rotc - Hs
000000	Default Value

Transfer To:

46111	Christian Fenger Academy
115	General Education Fund
54210	Pupil Transportation
113119	Rotc - Hs
000000	Default Value

Amount: \$1,000

4. Transfer from Early College and Career - City Wide to Chicago Vocational Career Academy

20170044567

Rationale: Transfer funds for student transportation.

Transfer From:

13727	Early College and Career - City Wide
369	Title I - School Improvement Carl Perkins
54210	Pupil Transportation
212041	Guidance
322021	Career & Technical Educ. Improvement Grant (Ctei)

Transfer To:

53011	Chicago Vocational Career Academy
369	Title I - School Improvement Carl Perkins
54210	Pupil Transportation
212040	Elementary Career Development
322021	Career & Technical Educ. Improvement Grant (Ctei)

Amount: \$1,000

5. Transfer from George Westinghouse High School to Education General - City Wide

2017004667

Rationale: Ventra Card payment for Sept 2016 Invoice for 2/1/16 to 6/30/16 card order

Transfer From:

53071 George Westinghouse High School
124 School Special Income Fund
53405 Commodities - Supplies
290003 Miscellaneous General Charges
002239 Internal Accounts Book Transfers

Transfer To:

12670 Education General - City Wide
124 School Special Income Fund
57915 Miscellaneous - Contingent Projects
600005 Special Income Fund 124 - Contingency
002239 Internal Accounts Book Transfers

Amount: \$1,000

6. Transfer from GFP/Other Private Schools to Education General - City Wide

20170045283

Rationale: EXPIRED GRANT SWEEP - Transfer funding to contingency line.

Transfer From:

69103 GFP/Other Private Schools
353 Title II - Teacher Quality
54125 Services - Professional/Administrative
370007 Nonpublic Homeschool/Other
494056 Title Iia - Other Private Supplementary Servc.

Transfer To:

12670 Education General - City Wide
353 Title II - Teacher Quality
57915 Miscellaneous - Contingent Projects
600002 Contingency For Project Expansion
410008 Contingency For Project Expan

Amount: \$1,000

7. Transfer from Morgan Park High School to Education General - City Wide

20170045596

Rationale: EXPIRED GRANT SWEEP - Transfer funding to contingency line.

Transfer From:

46251 Morgan Park High School
332 NCLB Title I Regular Fund
54205 Travel Expense
390030 Parent Training
430178 Mandated Parent Involvement

Transfer To:

12670 Education General - City Wide
332 NCLB Title I Regular Fund
57915 Miscellaneous - Contingent Projects
600002 Contingency For Project Expansion
410008 Contingency For Project Expan

Amount: \$1,000

1424. Transfer from Capital/Operations - City Wide to Lincoln Park High School

20170050349

Rationale: Funds Transfer From Award# 2017-485-00-08 To Project# 2016-46321-MCR ; Change Reason : NA

Transfer From:

12150 Capital/Operations - City Wide
485 CIT Project
56310 Capitalized Construction
253101 Planning And Development
000000 Default Value

Transfer To:

46321 Lincoln Park High School
485 CIT Project
56310 Capitalized Construction
253508 Renovations
000000 Default Value

Amount: \$776,287

1425. Transfer from Capital/Operations - City Wide to Richard Edwards School

20170047520

Rationale: Funds Transfer From Award# 2015-484-00-02 To Project# 2015-23081-ANX ; Change Reason : NA

Transfer From:

12150 Capital/Operations - City Wide
484 CIP Series 2013BC
56310 Capitalized Construction
253519 Additions
000000 Default Value

Transfer To:

23081 Richard Edwards School
484 CIP Series 2013BC
56310 Capitalized Construction
253518 Annex
000000 Default Value

Amount: \$839,966

1426. Transfer from Risk Management to Risk Management

20170049172

Rationale: Funds for claim payments

Transfer From:

12460 Risk Management
210 Workers' & Unemployment Compensation/Tort
54530 Services - Insurance - General Liability - Premium
231115 Property Damage Insurance
000000 Default Value

Transfer To:

12460 Risk Management
210 Workers' & Unemployment Compensation/Tort
54535 Services - Insurance - General Liability - Claims
231112 Tort Claims - Major Settlements
000000 Default Value

Amount: \$899,872

1427. Transfer from Instructional Supports to Instructional Supports

20170047567

Rationale: Sweeping savings from SY15-16 summer programs.

Transfer From:

11551 Instructional Supports
 332 NCLB Title I Regular Fund
 51320 Bucket Position Pointer
 290001 General Salary S Bkt
 430195 Title I - Nclb - Summer Learning Initiative

Transfer To:

11551 Instructional Supports
 332 NCLB Title I Regular Fund
 57940 Miscellaneous Charges
 160005 Summer Bridge
 430195 Title I - Nclb - Summer Learning Initiative

Amount: \$1,013,182

1428. Transfer from Instructional Supports to Education General - City Wide

20170049892

Rationale: Transferring savings from SY15-16 summer school programs from Instructional Supports.

Transfer From:

11551 Instructional Supports
 332 NCLB Title I Regular Fund
 57940 Miscellaneous Charges
 160005 Summer Bridge
 430195 Title I - Nclb - Summer Learning Initiative

Transfer To:

12670 Education General - City Wide
 332 NCLB Title I Regular Fund
 57940 Miscellaneous Charges
 888888 Contingency Balancing Program
 430195 Title I - Nclb - Summer Learning Initiative

Amount: \$1,066,386

1429. Transfer from Capital/Operations - City Wide to Robert J. Richardson Middle School

20170049482

Rationale: Funds Transfer From Award# 2015-436-00-16 To Project# 2014-23381-NSC ; Change Reason : NA

Transfer From:

12150 Capital/Operations - City Wide
 436 Miscellaneous Capital Fund
 56310 Capitalized Construction
 009441 New School Openings
 343920 Cdb - Gaming Revenue

Transfer To:

23381 Robert J. Richardson Middle School
 436 Miscellaneous Capital Fund
 56310 Capitalized Construction
 009441 New School Openings
 343920 Cdb - Gaming Revenue

Amount: \$1,494,263

***[Note: The complete document will be on File in the Office of the Board]**

16-1207-EX2

ESTABLISH ROBERT J. RICHARDSON MIDDLE SCHOOL AND ITS ATTENDANCE BOUNDARY AND ADJUST THE ATTENDANCE BOUNDARIES OF LOUIS PASTEUR ELEMENTARY SCHOOL AND FERDINAND PECK ELEMENTARY SCHOOL

THE CHIEF EXECUTIVE OFFICER RECOMMENDS:

That the Board of Education of the City of Chicago ("Board") approve the establishment and attendance boundary of a new middle school, effective January 1, 2017, to be known as Robert J. Richardson Middle School ("Richardson"), located at 6018 S. Karlov Avenue and adjust the attendance boundaries of Louis Pasteur Elementary School ("Pasteur"), located at 5825 S. Kostner Avenue and Ferdinand Peck Elementary Language Academy ("Peck"), located at 3826 W. 58th Street.

A public hearing was held on Tuesday, October 18, 2016 at 5825 S. Kostner Avenue to discuss the establishment of Richardson's attendance boundaries and the adjustment of the attendance boundaries for Pasteur and Peck.

DESCRIPTION:

Effective January 1, 2017, Richardson will open at 6018 S. Karlov Avenue as an attendance area middle school serving grades fifth through eighth.

The school name is being assigned in accordance with procedures identified in the Board's Policy on the Naming or Renaming of Schools, 03-0326-PO04. There is no sitting Local School Council ("LSC"), therefore community input was received from parents, teachers, community members, and elected officials via regularly scheduled meetings with the Southwest Education Action Committee for more than a year.

The Southwest Education Action Committee chose to honor Sgt. Robert J. Richardson, who was a long time resident of the Clearing neighborhood. After serving honorably in the U.S. Army 101st and 82nd Airborne, including tours in Korea and Vietnam he retired after 25 years. He then taught ROTC at several CPS high schools including Kelvyn Park, Schurz, and Lincoln Park High School.

Initially, Richardson will establish a transitional advisory body. An LSC will be established in a timely manner.

In order to relieve overcrowding, all students attending Pasteur and Peck in grades fifth through eighth will be reassigned to Richardson beginning January 1, 2017. There will be no exceptions because Pasteur and Peck will cease to enroll fifth through eighth grade students. On January 1, 2017, fifth through eighth grade students that live in the boundary but do not currently attend Peck or Pasteur will be entitled to enroll at Richardson.

Pursuant to the Board's Policy on the Review and Establishment of School Attendance Boundaries, 05-0622-PO1, a public hearing was convened on Tuesday, October 18, 2016, following the issuance of proper notice to receive public comment on the CEO's proposal to establish Richardson and its attendance boundary and adjust the attendance boundaries of Pasteur and Peck elementary schools. Representatives from CPS received oral and written comments at the hearing. A summary of the hearing was submitted to the CEO and the Board for consideration. After reviewing the summary, the CEO determined it necessary to recommend the establishment of Richardson and its attendance boundaries and adjust the attendance boundaries of Pasteur and Peck.

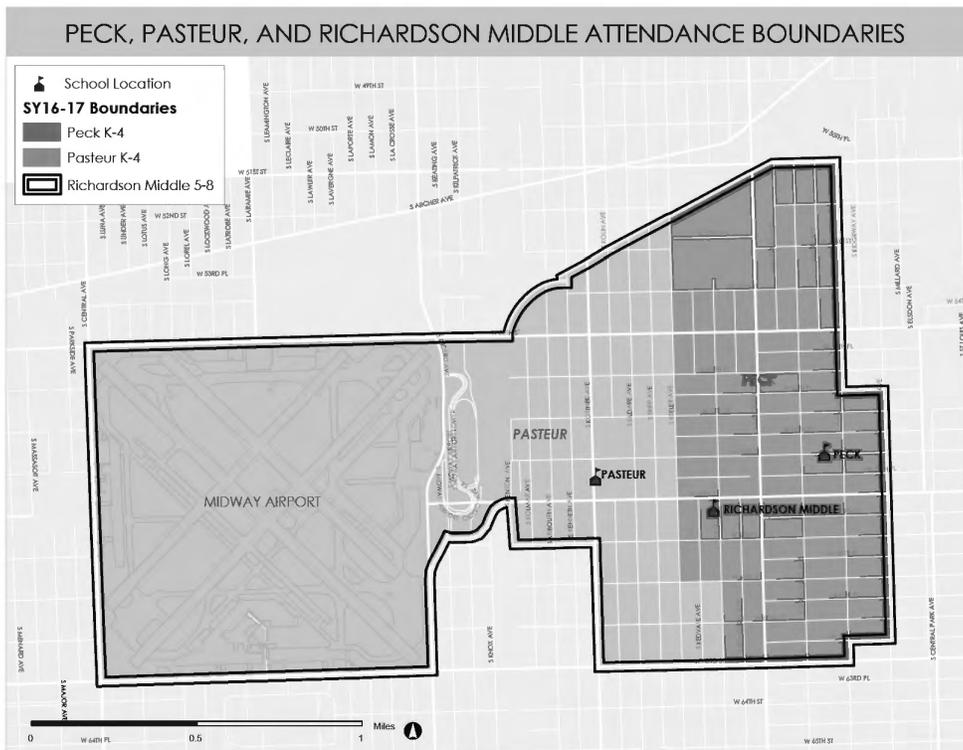
PERSONNEL IMPLICATIONS:

The employment status of all faculty and staff at the schools affected by this authorization will be determined pursuant to Board policies and any collective bargaining agreements.

FINANCIAL IMPLICATIONS:

The financial impact of this authorization will be addressed during the development of the fiscal 2018 budget. Because the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY17 are considered contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

Map of the Proposed Boundary



West to S. Cicero Ave.
South to W. 63rd St.
West to S. Central Ave.
North to the starting point

Adjust Attendance Area Boundaries for Ferdinand Peck Elementary Language Academy

Effective January 1, 2017, Grades kindergarten through fourth:

Beginning at W. 51st St and S Hamlin Ave.
South to W. 56th Pl.
East to S. Lawndale Ave.
South to W. 62nd Pl.
West to S Hamlin Ave.
South to W. 63rd St.
West to S. Karlov Ave.
North to W. 61st St.
West to S. Keeler Ave.
North to the CTA Orange Line Tracks
Northeast along the Orange Line Tracks to W. 51st and S. Harding Ave
East along W. 51st to the starting point

Establish Attendance Area Boundary for Robert J. Richardson Middle School

Effective January 1, 2017, Grades fifth through eighth:

Beginning at W 55th St. and S. Central Ave.
East to the CTA Orange Line Tracks
Northeast along the Orange Line Tracks to W. 51st and S. Harding Ave
East along W. 51st to S Hamlin Ave.
South to W. 56th Pl.
East to S. Lawndale Ave.
South to W. 62nd Pl.
West to S Hamlin Ave.
South to W. 63rd St.
West to S. Kostner Ave.
North to W 60th St.
West to the Railroad Tracks
North to W. 59th St.
West to S. Cicero Ave.
South to W. 63rd St.
West to S. Central Ave.
North to the starting point

16-1207-EX3

**AMEND BOARD REPORT 15-0527-EX6
AUTHORIZE RENEWAL OF THE GALAPAGOS CHARTER SCHOOL AGREEMENT
WITH CONDITIONS**

THE INTERIM-CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Authorize renewal of the Galapagos Charter School Agreement (the "Charter School Agreement") with conditions for an additional three-year period. A new Charter School Agreement applicable to this renewal term will be negotiated. The authority granted herein shall automatically rescind in the event a written Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this Board Report. The agreement authorized herein will only take effect upon certification by the Illinois State Board of Education. Information pertinent to this renewal is stated below.

This December 2016 amendment is necessary to terminate the existing Charter School Agreement with Galapagos Charter School by mutual consent of the parties. Galapagos Charter School provided notice to the Office of Innovation and Incubation in June 2016 of its intent to wind down and close its school at the end of the 2015-2016 school year due to issues regarding financial sustainability and school performance. Galapagos Charter School completed the wind down and ceased operations of the school on July 30, 2016 effectively resulting in the return of its charter on July 30, 2016.

SCHOOL OPERATOR/ CHARTER SCHOOL: Galapagos Charter School, an Illinois not-for-profit corporation
3814 West Iowa Street
Chicago, Illinois 60651
Phone: 773-384-9400
Contact Person: Michael Lane, Chief Executive Officer

OVERSIGHT: Office of Innovation and Incubation
42 W. Madison, 3rd Floor
Chicago, IL 60602
Phone: 773-553-1530
Contact Person: Mary K. Bradley, Executive Director
~~Jack Elsey, Chief Innovation and Incubation Officer~~

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 05-0126-EX9) was for a term commencing July 1, 2005 and ending June 30, 2010, and authorized the operation of a charter school serving no more than 378 students in grades K through 8. The charter and Charter School Agreement were subsequently renewed for a term commencing July 1, 2010 and ending June 30, 2015 (authorized by Board Report 10-0526-EX8), serving no more than 350 students. The charter and Charter School Agreement were subsequently amended as follows:

- Board Report 14-0528-EX2: Approved revisions to the school's Charter School Accountability Plan to transition to the CPS School Quality Rating Policy.

CHARTER RENEWAL PROPOSAL: Galapagos Charter School (Galapagos) submitted a renewal proposal on November 17, 2014 to continue the operation of Galapagos. The charter school shall be located at 3814 West Iowa Street, and shall serve grades K through 8 with a maximum enrollment of 350 students.

The agreement will incorporate an accountability plan in which the charter school is evaluated by the Board each year based on numerous factors related to its academic, financial and operational performance.

On June 15 2016, Galapagos Charter School notified the Office of Innovation and Incubation that its governing board voted to wind down and cease operations at the charter school at the end of the 2015-2016 school year due to financial sustainability and school performance issues. In June 2016, Galapagos Charter School notified all families of the closure of the school at the end of the 2015-2016 school year. In August 2016, the Office of Innovation and Incubation hosted four information sessions to assist families with finding a new school for the 2016-2017 school year. Galapagos Charter School completed the wind down and ceased operations of the school on July 30, 2016 effectively resulting in the return of its charter on July 30, 2016.

The Office of Innovation and Incubation recommends terminating the Charter School Agreement with Galapagos Charter School by mutual consent of the parties.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of Galapagos' academic performance, financial viability, and legal and contract compliance. This evaluation included a review of the proposal, academic results, financial performance, governance documents, parental issues, facilities surveys, and special education documentation. A public hearing was held on May 20, 2015 for all charter schools going through renewals to receive public comments, including Galapagos. The Office of Innovation and Incubation recommends that, based on the school's performance on these and other accountability criteria, as well as the school's demonstration of intent to satisfy the "Additional Terms and Conditions" referred to herein below, Galapagos be authorized to continue operating as a charter school.

RENEWAL TERM: The term of Galapagos' charter and agreement is being extended for a three (3) year term commencing July 1, 2015 and ending June 30, 2018. As indicated in this December 2016 amended Board Report, the agreement shall be terminated by mutual consent of the parties to reflect that (a) the school ceased operations as of July 30, 2016 and (b) the charter for this school was returned to the Board.

ADDITIONAL TERMS AND CONDITIONS: Galapagos' charter and agreement shall be recommended for renewal with the following condition to be included in the agreement:

- By September 1, 2017, the school will submit evidence of completion of the facility renovation plan to resolve the facilities issues including, without limitation, the following with verification from the CPS Department of Facilities:
 - o Repairs or replacements of boilers, water lines, ventilation systems and mechanical control system; and
 - o Installation of sufficient exterior lights for security and safety precautions.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the charter school, in the written Charter School Agreement and termination agreement. Authorize the President and Secretary to execute the written Charter School Agreement and termination agreement. Authorize the Executive Director of the Office of Chief Innovation and Incubation Officer to issue a letter notifying the Illinois State Board of Education of the action(s) approved hereunder and to submit the approved proposal and signed Charter School

Agreement to the Illinois State Board of Education for certification as well as any other information as may be necessary due to the closure of the charter school. Authorize the General Counsel to further negotiate and execute any amendments to the Charter School Agreement required by the Illinois State Board of Education.

LSC REVIEW: Approval of Local School Council is not applicable to this report.

FINANCIAL: The financial implications will be addressed during the development of the 2015-2016 2016-2017 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY~~45~~17 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

In the event of any payments to Galapagos Charter School for services rendered during the 2015-2016 school year, Galapagos Charter School must submit to the Board invoices and other supporting documentation necessary for the Board to verify the services provided under the Charter School Agreement. Only upon review and approval of such documentation by the Board or its designee shall such payments be released to the charter school.

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

16-1207-EX4

AUTHORIZE RENEWAL OF THE CATALYST MARIA CHARTER SCHOOL AGREEMENT WITH CONDITIONS

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Authorize renewal of the Catalyst Maria Charter School Agreement (the "Charter School Agreement") with conditions for an additional five-year period. A new Charter School Agreement applicable to this renewal term will be negotiated. The authority granted herein shall automatically rescind in the event a written Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this Board Report. The agreement authorized herein will only take effect upon certification by the Illinois State Board of Education. Information pertinent to this renewal is stated below.

SCHOOL OPERATOR: Catalyst Schools, an IL not-for-profit corporation
6727 S. California Avenue
Chicago, Illinois 60629
Phone: 773-295-7001
Contact Persons: Colleen Reardon, Board Chair and
Gordon Hannon, CEO

CHARTER SCHOOL: Catalyst Maria Charter School
6727 S. California Avenue
Chicago, Illinois 60629
Phone: 773-534-1753
Contact Person: Gordon Hannon, CEO

OVERSIGHT: Office of Innovation and Incubation
42 W. Madison Street, 3rd Floor
Chicago, IL 60602
Phone: 773-553-1530
Contact Person: Mary K. Bradley, Executive Director

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 11-1214-EX7) was for a term commencing July 1, 2012 and ending June 30, 2017 and authorized the operation of a charter school serving no more than 1,100 students in grades K through 12.

CHARTER RENEWAL PROPOSAL: Catalyst Schools submitted a renewal proposal on September 14, 2016 to continue the operation of Catalyst Maria Charter School. The charter school shall continue to be located at 6727 South California Avenue and shall continue to serve grades K through 12 with a maximum enrollment of 1,100 students.

The agreement will incorporate an accountability plan in which the charter school is evaluated by the Board each year based on numerous factors related to its academic, financial and operational performance.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of Catalyst Maria Charter School's academic performance, financial viability, and legal and contract compliance. This evaluation included a review of the proposal, academic results, financial performance, governance documents, parental issues, facilities surveys, and special education documentation. A public hearing was held on November 21, 2016 for all contract and charter schools going through renewals to receive public comments, including Catalyst Maria Charter School. The Office of Innovation and Incubation recommends that, based on the school's performance on these and other accountability criteria, as well as the school's demonstration of intent to satisfy the "Additional Terms and Conditions" referred to herein below, Catalyst Maria Charter School be authorized to continue operating as a charter school.

RENEWAL TERM: The term of Catalyst Maria Charter School's charter and agreement is being extended for a five (5) year term commencing July 1, 2017 and ending June 30, 2022.

ADDITIONAL TERMS AND CONDITIONS: Additional terms and conditions will be communicated to the charter school by the Chief Executive Officer or his designee in a formal Letter of Conditions and will be included as an attachment to the Charter School Agreement with Catalyst Schools.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the charter school, in the written Charter School Agreement. Authorize the President and Secretary to execute the written Charter School Agreement. Authorize the Executive Director of the Office of Innovation and Incubation to issue a letter notifying the Illinois State Board of Education of the action(s) approved hereunder and to submit the approved proposal and signed Charter School Agreement to the Illinois State Board of Education for certification. Authorize the General Counsel to further negotiate and execute any amendments to the Charter School Agreement as required by the Illinois State Board of Education.

LSC REVIEW: Approval of Local School Council is not applicable to this report.

FINANCIAL: The financial implications will be addressed during the development of the 2017-2018 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY17 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

16-1207-EX5

AUTHORIZE RENEWAL OF THE CHICAGO EXCEL ACADEMY AGREEMENT WITH CONDITIONS

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Authorize renewal of the Chicago Excel Academy Agreement (the "Contract School Agreement") with conditions for an additional three-year period. A new Contract School Agreement applicable to this renewal term will be negotiated. The authority granted herein shall automatically rescind in the event a written Contract School Agreement is not executed by the Board and the school operator within 120 days of the date of this Board Report. Information pertinent to this renewal is stated below.

SCHOOL OPERATOR: Camelot Alt Ed-Illinois, LLC, an IL limited liability company
7500 Rialto Boulevard
Building 1, Suite 260
Austin, Texas 78735
Phone: 512-858-9900
Contact Persons: Todd Bock, President and CEO and
Joseph Carter, COO

CONTRACT SCHOOL: Chicago Excel Academy
1257 W. 111th Street
Chicago, Illinois 60643
Phone: 512-858-9900
Contact Person: Joseph Carter, COO

OVERSIGHT: Office of Innovation and Incubation
42 W. Madison Street, 3rd Floor
Chicago, IL 60602
Phone: 773-553-1530
Contact Person: Mary K. Bradley, Executive Director

ORIGINAL AGREEMENT: The original Contract School Agreement (authorized by Board Report 12-0425-EX7) was for a term commencing July 1, 2012 and ending June 30, 2017 and authorized the operation of a contract school serving no more than 375 students in grades 9 through 12. The school was designated as a contract school pursuant 105 ILCS 5/34-2.4b. The Contract School Agreement was subsequently amended as follows:

- Board Report 12-0822-EX4: Identified the independent facility at 1257 W. 111th Street as the location for Chicago Excel Academy beginning in the fall of 2012.

CONTRACT RENEWAL PROPOSAL: Camelot Alt Ed-Illinois, LLC submitted a renewal proposal on September 14, 2016 to continue the operation of Chicago Excel Academy as a contract school. The contract school shall continue to be located at 1257 W. 111th Street and shall continue to serve grades 9 through 12 with a maximum enrollment of 375 students.

The agreement will incorporate an accountability plan in which the contract school is evaluated by the Board each year based on numerous factors related to its academic, financial and operational performance.

CONTRACT SCHOOL EVALUATION: After receiving the contract renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of Chicago Excel Academy's academic performance, financial viability, and legal and contract compliance. This evaluation included a review of the proposal, academic results, financial performance, governance documents, parental issues, facilities surveys, and special education documentation. A public hearing was held on November 21, 2016 for all contract and charter schools going through renewals to receive public comments, including Chicago Excel Academy. The Office of Innovation and Incubation recommends that, based on the school's performance on these and other accountability criteria, as well as the school's demonstration of intent to satisfy the "Additional Terms and Conditions" referred to herein below, Chicago Excel Academy be authorized to continue operating as a contract school.

RENEWAL TERM: The term of Chicago Excel Academy's agreement is being extended for a three (3) year term commencing July 1, 2017 and ending June 30, 2020.

ADDITIONAL TERMS AND CONDITIONS: Additional terms and conditions will be communicated to the contract school by the Chief Executive Officer or his designee in a formal Letter of Conditions and will be included as an attachment to the Contract School Agreement with Camelot Alt Ed-Illinois, LLC.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the school operator, in the written Contract School Agreement. Authorize the President and Secretary to execute the written Contract School Agreement.

LSC REVIEW: Approval of Local School Council is not applicable to this report.

FINANCIAL: The financial implications will be addressed during the development of the 2017-2018 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY17 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

PERSONNEL IMPLICATIONS: As a contract school, Camelot Alt Ed-Illinois, LLC will continue to employ its own principal, teachers and staff.

GENERAL CONDITIONS:
Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

16-1207-EX6

**AUTHORIZE RENEWAL OF THE CHICAGO INTERNATIONAL CHARTER SCHOOL AGREEMENT
WITH CONDITIONS**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Authorize renewal of the Chicago International Charter School Agreement (the "Charter School Agreement") with conditions for an additional five-year period. A new Charter School Agreement applicable to this renewal term will be negotiated. The authority granted herein shall automatically rescind in the event a written Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this Board Report. The agreement authorized herein will only take effect upon certification by the Illinois State Board of Education. Information pertinent to this renewal is stated below.

SCHOOL OPERATOR: Chicago Charter School Foundation, an IL not-for-profit corporation
11 E. Adams Street, Suite 600
Chicago, Illinois 60603
Phone: 312-651-5000
Contact Persons: Laura Thonn, Board President
Elizabeth Shaw, CEO

CHARTER SCHOOL: Chicago International Charter School
11 E. Adams Street, Suite 600
Chicago, Illinois 60603
Phone: 312-651-5000
Contact Person: Elizabeth Shaw, CEO

OVERSIGHT: Office of Innovation and Incubation
42 W. Madison Street, 3rd Floor
Chicago, IL 60602
Phone: 773-553-1530
Contact Person: Mary K. Bradley, Executive Director

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 97-0122-EX4 as amended by Board Report 00-0223-EX3) was for a term commencing July 1, 1997 and ending June 30, 2002 and authorized the operation of a charter school serving no more than 5,000 students in grades K through 12. The charter and Charter School Agreement were subsequently renewed for a term commencing July 1, 2002 and ending June 30, 2007 (authorized by Board Report 01-1219-EX2). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2007 and ending June 30, 2012, serving no more than 7,647 students (authorized by Board Report 07-0523-EX5). The charter and Charter School Agreement were then renewed for a term commencing July 1, 2012 and ending June 30, 2017, serving no more than 10,111 students (authorized by Board Report 12-0328-EX11). The charter and Charter School Agreement were subsequently amended as follows:

- Board Report 14-1022-EX4: Ratified the authorization to change the educational management organization at Chicago International Charter School – Irving Park Campus from Victory Educational Partners to Distinctive Schools effective July 1, 2013. Also corrected the at capacity enrollment at Chicago International Charter School – Ralph Ellison Campus from 630 to 570 students which decreased the overall at capacity enrollment of the charter school from 10,111 to 10,051 students. Also approved an increase in the at capacity enrollment at Chicago International Charter School – Northtown Campus by 50 students to 900 students which increased the overall at capacity enrollment of the charter school to 10,101 students in spring of 2015.
- Board Report 15-0527-EX22: Ratified the authorization to change the education management organization for the following campuses of the Chicago International Charter School from Edison Schools Inc. to Charter Schools USA, effective July 1, 2012: Larry Hawkins Campus, Lloyd Bond Campus, Longwood Campus and Loomis Primary Campus. Also corrected the at capacity enrollment for Chicago International Charter School – Ralph Ellison Campus from 570 to 630 students thus increasing the overall at capacity enrollment of the charter school from 10,101 to 10,161 students.
- Board Report 15-1216-EX2: Revoked the Chicago International Charter School – Larry Hawkins Campus at the end of 2015-2016 school year, thus decreasing the overall at capacity enrollment of the charter school to 9,261 students by the fall of 2016. Also authorized an amendment to the Charter School Agreement and a campus wind down agreement with respect to the revocation of the Larry Hawkins Campus.
- Board Report 16-0427-EX10: Ratified the authorization to change the education management organization for the following campuses of Chicago International Charter School from Victory to ReGeneration Schools, effective January 1, 2016: Avalon/South Shore Campus, Basil Campus and Washington Park Campus. Also changed the student enrollment capacity for Chicago International Charter School from the individual campus-level to the network-level beginning in the fall of 2016. The overall network-level at capacity enrollment of the charter school will remain unchanged at 9,261 students.

CHARTER RENEWAL PROPOSAL: Chicago Charter School Foundation submitted a renewal proposal on September 14, 2016 to continue the operation of Chicago International Charter School under a unified mission using, Civitas, Chicago Quest, Distinctive Schools, Charter Schools USA and ReGeneration Schools for comprehensive school management services. The charter school shall continue to serve grades K through 12 with a maximum enrollment of 9,261 students. The student enrollment capacity for the charter school shall continue to be at the network-level. The charter school can change student enrollment between campuses based on parameters set forth in the agreement so long as the overall network-level at capacity enrollment of the charter school does not change.

Also, in December 2015, the governing board of Chicago Charter School Foundation voted to no longer serve grades 6 through 8 at the Chicago International Charter School - ChicagoQuest North Campus beginning in the 2016-2017 school year. In December 2015, Chicago International Charter School held parent meetings to support families with placement at other Chicago International Charter School campuses. All 8th grade students were supported in matriculating to the 9th grade at ChicagoQuest North. Beginning in the 2016-2017 school year, no 6th-8th grade students were enrolled at ChicagoQuest North.

In October 2016, Chicago Charter School Foundation submitted a material modification to the Office of Innovation and Incubation to only serve grades 9 through 12 at the Chicago International Charter School - ChicagoQuest North Campus.

The Office of Innovation and Incubation recommends ratifying the authorization for Chicago Charter School Foundation to only serve grades 9 through 12 at the Chicago International Charter School - ChicagoQuest North Campus, effective July 1, 2016.

School Management Co.	Year Opened	Campus Name	Address	At Capacity Grades	2016-2017 Enrollment	Estimated At Capacity Enrollment*
Civitas	2002	Northtown	3900 W. Peterson	9-12	908	900
	2006	Ralph Ellison	1817 W. 80th Street	9-12	441	630
	2005	Wrightwood	8130 S. California	K-8	784	785
Chicago Quest	2011	ChicagoQuest North	1409 & 1443 N. Ogden	9-12	288	801
Distinctive Schools	1997	Bucktown	2235 N. Hamilton	K-8	704	670
	2007	Irving Park	3820 N. Spaulding	K-8	556	536
	1997	Prairie	11530 S. Prairie Avenue	K-8	420	405
	2002	West Belden	2245 N. McVicker	K-8	531	500
Charter Schools USA	2009	Lloyd Bond	13300 S. Langley	K-6	341	350
	1997	Longwood	1309 W. 95th Street	3-12	1,361	1,475
	2008	Loomis Primary	9535 S. Loomis	K-2	550	590
ReGeneration Schools	2005	Avalon/South Shore	1501 E. 83rd Place	K-8	501	426
	2002	Basil	1816 W. Garfield Blvd	K-8	749	733
	2001	Washington Park	6105 S. Michigan	K-8	482	460

*At cap enrollment at individual campuses may fluctuate but overall network-level at cap enrollment will remain unchanged.

The agreement will incorporate an accountability plan in which the charter school is evaluated by the Board each year based on numerous factors related to its academic, financial and operational performance.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of Chicago International Charter School's academic performance, financial viability, and legal and contract compliance. This evaluation included a review of the proposal, academic results, financial performance, governance documents, parental issues, facilities surveys, and special education documentation. A public hearing was held on November 21, 2016 for all contract and charter schools going through renewals to receive public comments, including Chicago International Charter School. The Office of Innovation and Incubation recommends that, based on the school's performance on these and other accountability criteria, as well as the school's demonstration of intent to satisfy the "Additional Terms and Conditions" referred to herein below, Chicago International Charter School be authorized to continue operating as a charter school.

RENEWAL TERM: The term of Chicago International Charter School's charter and agreement is being extended for a five (5) year term commencing July 1, 2017 and ending June 30, 2022.

ADDITIONAL TERMS AND CONDITIONS: Additional terms and conditions will be communicated to the charter school by the Chief Executive officer or his designee in a formal Letter of Conditions and will be included as an attachment to the Charter School Agreement with Chicago Charter School Foundation.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the charter school, in the written Charter School Agreement. Authorize the President and Secretary to execute the written Charter School Agreement. Authorize the Executive Director of the Office of Innovation and Incubation to issue a letter notifying the Illinois State Board of Education of the action(s) approved hereunder and to submit the approved proposal and signed Charter School Agreement to the Illinois State Board of Education for certification. Authorize the General Counsel to further negotiate and execute any amendments to the Charter School Agreement as required by the Illinois State Board of Education.

LSC REVIEW: Approval of Local School Council is not applicable to this report.

FINANCIAL: The financial implications will be addressed during the development of the 2017-2018 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY17 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

16-1207-EX7

AUTHORIZE RENEWAL OF THE INSTITUTO JUSTICE AND LEADERSHIP ACADEMY CHARTER HIGH SCHOOL AGREEMENT WITH CONDITIONS

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Authorize renewal of the Instituto Justice and Leadership Academy Charter High School Agreement (the "Charter School Agreement") with conditions for an additional three-year period. A new Charter School Agreement applicable to this renewal term will be negotiated. The authority granted herein shall automatically rescind in the event a written Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this Board Report. The agreement authorized herein will only take effect upon certification by the Illinois State Board of Education. Information pertinent to this renewal is stated below.

SCHOOL OPERATOR: Institute for Latino Progress, Inc., an IL not-for-profit corporation
2520 S. Western Avenue
Chicago, Illinois 60608
Phone: 773-890-0055
Contact Persons: Andrea Saenz, Board Chair and
Juan Salgado, President and CEO

CHARTER SCHOOL: Instituto Justice and Leadership Academy Charter High School
2570 S. Blue Island Avenue
Chicago, Illinois 60608
Phone: 773-890-0055
Contact Person: Juan Salgado, President and CEO

OVERSIGHT: Office of Innovation and Incubation
42 W. Madison Street, 3rd Floor
Chicago, IL 60602
Phone: 773-553-1530
Contact Person: Mary K. Bradley, Executive Director

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 12-0425-EX6) was for a term commencing July 1, 2012 and ending June 30, 2017 and, pursuant to 105 ILCS 5/27A-4(b), authorized the operation of a multi-campus charter school that is devoted exclusively to re-enrolled high school dropouts and/or students 15 or 16 years old at risk of dropping out of school. The

charter school served no more than 165 students in grades 9 through 12. The charter and Charter School Agreement were subsequently amended as follows:

- Board Report 13-0424-EX8: Approved the establishment of a second campus of the charter school to be named as Rudy Lozano Leadership Academy – Mastery Campus beginning in the fall of 2013 and identified the independent facility at 2520 S. Western Avenue as the location for that campus.

CHARTER RENEWAL PROPOSAL: Institute for Latino Progress, Inc. submitted a renewal proposal on September 14, 2016 to continue the operation of Instituto Justice and Leadership Academy Charter High School (Instituto Justice) under a unified mission. The charter school shall continue to serve grades 9 through 12 with a maximum enrollment of 330 students.

Campus Name	Year Opened	Address	At Capacity Grades	2016-2017 Enrollment	At Capacity Enrollment
Rudy Lozano	2012	2570 S. Blue Island Avenue	9-12	97	165
Rudy Lozano Leadership Academy – Mastery	2013	2520 S. Western Avenue	9-12	34	165

The agreement will incorporate an accountability plan in which the charter school is evaluated by the Board each year based on numerous factors related to its academic, financial and operational performance.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of Instituto Justice’s academic performance, financial viability, and legal and contract compliance. This evaluation included a review of the proposal, academic results, financial performance, governance documents, parental issues, facilities surveys, and special education documentation. A public hearing was held on November 21, 2016 for all contract and charter schools going through renewals to receive public comments, including Instituto Justice. The Office of Innovation and Incubation recommends that, based on the school’s performance on these and other accountability criteria, as well as the school’s demonstration of intent to satisfy the “Additional Terms and Conditions” referred to herein below, Instituto Justice be authorized to continue operating as a charter school.

RENEWAL TERM: The term of Instituto Justice’s charter and agreement is being extended for a three (3) year term commencing July 1, 2017 and ending June 30, 2020.

ADDITIONAL TERMS AND CONDITIONS: Additional terms and conditions will be communicated to the charter school by the Chief Executive Officer or his designee in a formal Letter of Conditions and will be included as an attachment to the Charter School Agreement with the Institute for Latino Progress, Inc.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the charter school, in the written Charter School Agreement. Authorize the President and Secretary to execute the written Charter School Agreement. Authorize the Executive Director of the Office of Innovation and Incubation to issue a letter notifying the Illinois State Board of Education of the action(s) approved hereunder and to submit the approved proposal and signed Charter School Agreement to the Illinois State Board of Education for certification. Authorize the General Counsel to further negotiate and execute any amendments to the Charter School Agreement as required by the Illinois State Board of Education.

LSC REVIEW: Approval of Local School Council is not applicable to this report.

FINANCIAL: The financial implications will be addressed during the development of the 2017-2018 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY17 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness - The Board’s Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board’s Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

16-1207-EX8

**AUTHORIZE RENEWAL OF THE KIPP CHICAGO CHARTER SCHOOLS AGREEMENT WITH
CONDITIONS**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Authorize renewal of the KIPP Chicago Charter Schools Agreement (the "Charter School Agreement") with conditions for an additional five-year period. A new Charter School Agreement applicable to this renewal term will be negotiated. The authority granted herein shall automatically rescind in the event a written Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this Board Report. The agreement authorized herein will only take effect upon certification by the Illinois State Board of Education. Information pertinent to this renewal is stated below.

SCHOOL OPERATOR: KIPP Chicago Schools, an IL not-for-profit corporation
2007 South Halsted Avenue
Chicago, Illinois 60608
Phone: 312-733-8108
Contact Person: Benjamin Chereskin, Board President
Nicole Boardman, COO

CHARTER SCHOOL: KIPP Chicago Charter Schools
(f/k/a Academy of Communications and Technology Charter School)
4818 W. Ohio
Chicago, Illinois 60644
Phone: 312-733-8108
Contact Person: Nicole Boardman, COO

OVERSIGHT: Office of Innovation and Incubation
42 W. Madison Street, 3rd Floor
Chicago, IL 60602
Phone: 773-553-1530
Contact Person: Mary K. Bradley, Executive Director

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 97-0122-EX4) was for a term commencing July 1, 1997 and ending June 30, 2002 and authorized the operation of Academy of Communications and Technology (ACT) Charter School serving no more than 300 students in grades 6 through 12. The charter and Charter School Agreement were subsequently renewed for a term commencing July 1, 2002 and ending June 30, 2004, serving no more than 375 students (authorized by Board Report 02-0123-EX3). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2004 and ending June 30, 2007 (authorized by Board Report 04-0428-EX3). The charter and Charter School Agreement were then renewed for a term commencing July 1, 2007 and ending June 30, 2012, serving no more than 450 students in grades 7 through 12 (authorized by Board Report 07-0328-EX2). In May 2010, ACT Charter School requested to voluntarily suspend its educational services after the 2009-2010 school year for a period of no more than two years with an effective date of June 30, 2010 (authorized by Board Report 10-0526-EX4). In November 2011, ACT Charter School submitted a proposal to reinstate the operation of charter school with KIPP Chicago as an educational management organization providing comprehensive school management services at the charter school beginning in the fall of 2012. As a result, the charter and Charter School Agreement were again renewed with ACT Charter School for a term commencing July 1, 2012 and ending June 30, 2017, serving no more than 360 students in grades 5 through 8 (authorized by Board Report 12-0125-EX3). The charter and Charter School Agreement were subsequently amended as follows:

- Board Report 12-0328-EX9: Identified the CPS annex at 4837 W. Erie Street as the new location of the charter school beginning in the fall of 2012.
- Board Report 13-0424-EX7: Approved the change in the name of the existing charter school operator to KIPP Chicago Schools as a result of the proposed merger of two charter school operators, Academy of Communications and Technology Charter School and KIPP Chicago Schools, into one charter school operator to be named KIPP Chicago Schools. Also approved the change in the name of the charter school from Academy of Communications and Technology Charter School to KIPP Chicago Charter Schools; corrected the existing address of the charter school from 4837 W. Erie Street to 4818 W. Ohio Street; and authorized the original charter campus at 4818 W. Ohio Street to be named the KIPP Create Campus. Additionally, approved the establishment of one new elementary school campus to open in the fall of 2013 at a location to be determined with a corresponding increase in the overall at capacity enrollment of the charter school to 720 students in the fall of 2013. Finally, approved the establishment of one new elementary school campus in the fall of 2014 at a location to be determined with a corresponding increase in the overall at capacity enrollment of the charter school to 1,260 students in the fall of 2014.
- Board Report 13-0522-EX104: Identified the CPS facility at 5515 S. Lowe Avenue as the location of the KIPP Chicago Charter Schools – KIPP Bloom Campus beginning in the fall of 2013.

- Board Report 14-0122-EX7: Identified the CPS facility at 1440 S. Christiana Avenue as the location of the KIPP Chicago Charter Schools – Elementary School Campus beginning in the fall of 2014. Also approved the change in name of the KIPP Chicago Charter Schools – Elementary School Campus to the KIPP Chicago Charter Schools – KIPP Ascend Primary Campus.
- Board Report 15-0624-EX6: Approved the transfer of KIPP Ascend Charter School as a campus of KIPP Chicago Charter Schools (Board Report 15-0624-EX5), to be named the KIPP Ascend Campus and to remain in the CPS facility at 1616 S. Avers Avenue, thereby increasing the overall at capacity enrollment of the charter school to 1,530 students beginning in the fall of 2015. Also approved the change in grade structure at KIPP Chicago Charter Schools – KIPP Ascend Primary Campus from K-4 to K-5 with a corresponding increase in the overall at capacity enrollment of the charter school to 1,669 students beginning in the fall of 2015.
- Board Report 15-1028-EX6: Approved the establishment of one new elementary school campus, KIPP #5 Campus, to open in the fall of 2016 and serve an at capacity enrollment of 1,035 students, thus increasing the overall at capacity enrollment of the charter school to 2,704 students in the fall of 2016. Also approved the expansion in the grade structure at the KIPP Create Campus to serve primary grades (K-4). The KIPP Create Campus was approved to remain at its existing facility at 4818 W. Ohio Street temporarily until the campus relocates to a permanent location yet to be determined in the Austin community. The addition of grades K-4 at the KIPP Create Campus increased the overall at capacity enrollment of the charter school to 3,279 students in the fall of 2016.
- Board Report 16-0427-EX22: Approved the consolidation of the KIPP Ascend Primary Campus (K-5) and the KIPP Ascend Campus (6-8) into one campus to be named the KIPP Ascend College Prep Campus with an at capacity enrollment of 949 students. Also approved the change in grades served at the KIPP #5 Campus in year one from grade 5 to grades K and 5 in the fall of 2016; identified the CPS facility at 730 N. Pulaski Road as the location of the KIPP #5 Campus; and approved the change in name of the KIPP #5 Campus to KIPP One Academy Campus. Additionally, approved the delay in the expansion of the KIPP Create Campus to serve primary grades (K-4) to the fall of 2017, thereby increasing the overall at capacity enrollment of the charter school to 3,279 students in the fall of 2017 rather than in the fall of 2016.

CHARTER RENEWAL PROPOSAL: KIPP Chicago Schools submitted a renewal proposal on September 14, 2016 to continue the operation of KIPP Chicago Charter Schools under a unified mission. The charter school shall continue to serve grades K through 8 with a maximum enrollment of 3,279 students.

Campus Name	Year Opened	Address	At Capacity Grades	2016-2017 Enrollment	At Capacity Enrollment
KIPP Create	2012	4818 W. Ohio Street	K – 8	305	935
	2017	TBD	K-4	NA	
KIPP Bloom	2013	5515 S. Lowe Avenue	5 – 8	324	360
KIPP Ascend College Prep	2014	1440 S. Christiana Avenue and 1616 S. Avers Avenue	K – 8	883	949
KIPP One Academy	2016	730 N. Pulaski Road	K-8	185	1,035

The agreement will incorporate an accountability plan in which the charter school is evaluated by the Board each year based on numerous factors related to its academic, financial and operational performance.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of KIPP Chicago Charter Schools’ academic performance, financial viability, and legal and contract compliance. This evaluation included a review of the proposal, academic results, financial performance, governance documents, parental issues, facilities surveys, and special education documentation. A public hearing was held on November 21, 2016 for all contract and charter schools going through renewals to receive public comments, including KIPP Chicago Charter Schools. The Office of Innovation and Incubation recommends that, based on the school’s performance on these and other accountability criteria, as well as the school’s demonstration of intent to satisfy the “Additional Terms and Conditions” referred to herein below, KIPP Chicago Charter Schools be authorized to continue operating as a charter school.

RENEWAL TERM: The term of KIPP Chicago Charter Schools’ charter and agreement is being extended for a five (5) year term commencing July 1, 2017 and ending June 30, 2022.

ADDITIONAL TERMS AND CONDITIONS: Additional terms and conditions will be communicated to the charter school by the Chief Executive Officer or his designee in a formal Letter of Conditions and will be included as an attachment to the Charter School Agreement with KIPP Chicago Schools.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the charter school, in the written Charter School Agreement. Authorize the President and Secretary to execute the written Charter School Agreement. Authorize the Executive Director of the Office of Innovation and Incubation to issue a letter notifying the Illinois State Board of Education of the action(s) approved hereunder and to submit the approved proposal and signed Charter School Agreement to the Illinois State Board of Education for certification. Authorize the General Counsel to further negotiate and execute any amendments to the Charter School Agreement as required by the Illinois State Board of Education.

LSC REVIEW: Approval of Local School Council is not applicable to this report.

FINANCIAL: The financial implications will be addressed during the development of the 2017-2018 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY17 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Board Member Dr. Hines abstained on Board Report 16-1207-EX8.

16-1207-EX9

AUTHORIZE RENEWAL OF THE LEGAL PREP CHARTER ACADEMY AGREEMENT WITH CONDITIONS

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Authorize renewal of the Legal Prep Charter Academy Agreement (the "Charter School Agreement") with conditions for an additional five-year period. A new Charter School Agreement applicable to this renewal term will be negotiated. The authority granted herein shall automatically rescind in the event a written Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this Board Report. The agreement authorized herein will only take effect upon certification by the Illinois State Board of Education. Information pertinent to this renewal is stated below.

SCHOOL OPERATOR: Legal Prep Charter Academies, Inc., an IL not-for-profit corporation
4319 W. Washington Boulevard
Chicago, Illinois 60624
Phone: 773-922-7802
Contact Persons: Sheila Maloney, Board Chair and
Samuel Finkelstein, CEO

CHARTER SCHOOL: Legal Prep Charter Academy
4319 W. Washington Boulevard
Chicago, Illinois 60624
Phone: 773-922-7802
Contact Person: Samuel Finkelstein, CEO

OVERSIGHT: Office of Innovation and Incubation
42 W. Madison Street, 3rd Floor
Chicago, IL 60602
Phone: 773-553-1530
Contact Person: Mary K. Bradley, Executive Director

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 11-0126-EX12) was for a term commencing July 1, 2012 and ending June 30, 2017 and authorized the operation of a charter school serving no more than 850 students in grades 9 through 12. The charter and Charter School Agreement were subsequently amended as follows:

- Board Report 12-0328-EX6: Identified the independent facility at 4319 W. Washington Boulevard as the location for Legal Prep Charter Academy beginning in the fall of 2012.

CHARTER RENEWAL PROPOSAL: Legal Prep Charter Academies, Inc. submitted a renewal proposal on September 14, 2016 to continue the operation of Legal Prep Charter Academy. The charter school shall continue to be located at 4319 W. Washington Boulevard and shall continue to serve grades 9 through 12 with a maximum enrollment of 850 students.

The agreement will incorporate an accountability plan in which the charter school is evaluated by the Board each year based on numerous factors related to its academic, financial and operational performance.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of Legal Prep Charter Academy's academic performance, financial viability, and legal and contract compliance. This evaluation included a review of the proposal, academic results, financial performance, governance documents, parental issues, facilities surveys, and special education documentation. A public hearing was held on November 21, 2016 for all contract and charter schools going through renewals to receive public comments, including Legal Prep

Charter Academy. The Office of Innovation and Incubation recommends that, based on the school's performance on these and other accountability criteria, as well as the school's demonstration of intent to satisfy the "Additional Terms and Conditions" referred to herein below, Legal Prep Charter Academy be authorized to continue operating as a charter school.

RENEWAL TERM: The term of Legal Prep Charter Academy's charter and agreement is being extended for a five (5) year term commencing July 1, 2017 and ending June 30, 2022.

ADDITIONAL TERMS AND CONDITIONS: Additional terms and conditions will be communicated to the charter school by the Chief Executive Officer or his designee in a formal Letter of Conditions and will be included as an attachment to the Charter School Agreement with Legal Prep Charter Academies, Inc.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the charter school, in the written Charter School Agreement. Authorize the President and Secretary to execute the written Charter School Agreement. Authorize the Executive Director of the Office of Innovation and Incubation to issue a letter notifying the Illinois State Board of Education of the action(s) approved hereunder and to submit the approved proposal and signed Charter School Agreement to the Illinois State Board of Education for certification. Authorize the General Counsel to further negotiate and execute any amendments to the Charter School Agreement as required by the Illinois State Board of Education.

LSC REVIEW: Approval of Local School Council is not applicable to this report.

FINANCIAL: The financial implications will be addressed during the development of the 2017-2018 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY17 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

16-1207-EX10

**AUTHORIZE RENEWAL OF THE MONTESSORI SCHOOL OF ENGLEWOOD CHARTER
AGREEMENT WITH CONDITIONS**

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Authorize renewal of The Montessori School of Englewood Charter Agreement (the "Charter School Agreement") with conditions for an additional five-year period. A new Charter School Agreement applicable to this renewal term will be negotiated. The authority granted herein shall automatically rescind in the event a written Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this Board Report. The agreement authorized herein will only take effect upon certification by the Illinois State Board of Education. Information pertinent to this renewal is stated below.

SCHOOL OPERATOR: The Montessori Network, an IL not-for-profit corporation
5248 N. Wayne Avenue
Chicago, Illinois 60640
Phone: 773-808-1921
Contact Persons: Thomas Hale, Board President and
Rita Nolan, Executive Director

CHARTER SCHOOL: The Montessori School of Englewood Charter
6936 S. Hermitage Avenue
Chicago, Illinois 60636
Phone: 773-808-1921
Contact Person: Rita Nolan, Executive Director

OVERSIGHT: Office of Innovation and Incubation
42 W. Madison, 3rd Floor
Chicago, IL 60602
Phone: 773-553-1530
Contact Person: Mary K. Bradley, Executive Director

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 11-0223-EX2) was for a term commencing July 1, 2012 and ending June 30, 2017 and authorized the operation of a charter school serving no more than 240 students in grades K through 6. The original board report included a provision to amend the charter to add grades 7 and 8 and increase enrollment to no more than 540 students in the event the school operator identified a facility site with a larger capacity. The charter and Charter School Agreement were subsequently amended as follows:

- Board Report 13-0522-EX102: Authorized the relocation of the charter school to the CPS facility at 6550 S. Seeley Avenue beginning in the fall of 2013.
- Board Report 14-0528-EX6: Corrected the grades served and the maximum enrollment in the May 2013 Board Report (13-0522-EX102) to reflect the grades served at the charter school as K-6 with a maximum enrollment of 240 students.
- Board Report 16-0427-EX15: Authorized the relocation of the charter school to the CPS facility at 6936 S. Hermitage Avenue beginning in the fall of 2016 in order for the charter school to have the capacity to serve grades K-8 with a corresponding maximum enrollment of 540 students, as identified in the original proposal (Board Report 11-0223-EX2).

CHARTER RENEWAL PROPOSAL: The Montessori Network submitted a renewal proposal on September 14, 2016 to continue the operation of The Montessori School of Englewood Charter (Montessori School). The charter school shall continue to be located at 6936 S. Hermitage Avenue and shall continue to serve grades K through 8 with a maximum enrollment of 540 students.

If The Montessori Network is authorized to operate a pre-kindergarten program in the same building as the charter school, the children enrolled in the pre-kindergarten will not be included in the enrollment of the charter school and the pre-kindergarten program will not be governed by the Charter School Agreement. To the extent the Board provides funding for the pre-kindergarten program, that program will be subject to a separate agreement with and separate funding authorized by the Office of Early Childhood Education. A material breach of any contract between the Board and The Montessori Network for the operation of a pre-kindergarten program or the charter school may be treated as a breach of the other contract.

The agreement will incorporate an accountability plan in which the charter school is evaluated by the Board each year based on numerous factors related to its academic, financial and operational performance.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of Montessori School's academic performance, financial viability, and legal and contract compliance. This evaluation included a review of the proposal, academic results, financial performance, governance documents, parental issues, facilities surveys, and special education documentation. A public hearing was held on November 21, 2016 for all contract and charter schools going through renewals to receive public comments, including Montessori School. The Office of Innovation and Incubation recommends that, based on the school's performance on these and other accountability criteria, as well as the school's demonstration of intent to satisfy the "Additional Terms and Conditions" referred to herein below, Montessori School be authorized to continue operating as a charter school.

RENEWAL TERM: The term of Montessori School's charter and agreement is being extended for a five (5) year term commencing July 1, 2017 and ending June 30, 2022.

ADDITIONAL TERMS AND CONDITIONS: Additional terms and conditions will be communicated to the charter school by the Chief Executive Officer or his designee in a formal Letter of Conditions and will be included as an attachment to the Charter School Agreement with The Montessori Network.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the charter school, in the written Charter School Agreement. Authorize the President and Secretary to execute the written Charter School Agreement. Authorize the Executive Director of the Office of Innovation and Incubation to issue a letter notifying the Illinois State Board of Education of the action(s) approved hereunder and to submit the approved proposal and signed Charter School Agreement to the Illinois State Board of Education for certification. Authorize the General Counsel to further negotiate and execute any amendments to the Charter School Agreement as required by the Illinois State Board of Education.

LSC REVIEW: Approval of Local School Council is not applicable to this report.

FINANCIAL: The financial implications will be addressed during the development of the 2017-2018 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY17 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

16-1207-EX11

AUTHORIZE RENEWAL OF THE PERSPECTIVES CHARTER SCHOOL AGREEMENT WITH CONDITIONS

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Authorize renewal of the Perspectives Charter School Agreement (the "Charter School Agreement") with conditions for an additional five-year period. A new Charter School Agreement applicable to this renewal term will be negotiated. The authority granted herein shall automatically rescind in the event a written Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this Board Report. The agreement authorized herein will only take effect upon certification by the Illinois State Board of Education. Information pertinent to this renewal is stated below.

SCHOOL OPERATOR/ Perspectives Charter School
CHARTER SCHOOL: 1530 S. State Street, 2nd Floor
Chicago, Illinois 60605
Phone: (312) 604-2123
Contact Persons: Tony Anderson, Board Chair and
Rhonda Hopps, CEO

OVERSIGHT: Office of Innovation and Incubation
42 W. Madison Street, 3rd Floor
Chicago, IL 60602
Phone: 773-553-1530
Contact Person: Mary K. Bradley, Executive Director

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 97-0122-EX4) was for a term commencing July 1, 1997 and ending June 30, 2002 and authorized the operation of a charter school serving no more than 150 students in grades 6 through 12. The charter and Charter School Agreement were subsequently renewed for a term commencing July 1, 2002 and ending June 30, 2007, serving no more than 300 students (authorized by Board Report 01-1128-EX2). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2007 and ending June 30, 2012, serving no more than 1,900 students (authorized by Board Report 07-0523-EX6). The charter and Charter School Agreement were then renewed for a term commencing July 1, 2012 and ending June 30, 2017, serving no more than 2,600 students (authorized by Board Report 12-0328-EX12). The charter and Charter School Agreement were subsequently amended as follows:

- Board Report 15-0527-EX18: Identified the independent facility at 8522 S. Lafayette Avenue as the new location of Perspectives Charter School – Leadership Academy Campus and High School of Technology Campus beginning in the fall of 2016 contingent upon the subsequent approval of the facility by the CPS Facility Department.
- Board Report 16-0427-EX20: Delayed the relocation of the Perspectives Charter School – Leadership Academy Campus and High School of Technology Campus to 8522 S. Lafayette Avenue until the fall of 2017 contingent upon the subsequent approval of the facility by the CPS Facility Department. Also rescinded the authority to open the Perspectives Charter School – Chicago Lawn Campus.

CHARTER RENEWAL PROPOSAL: Perspectives Charter School submitted a renewal proposal on September 14, 2016 to continue the operation of Perspectives Charter School under a unified mission. The charter school shall continue to serve grades 6 through 12 with a maximum enrollment of 2,600 students.

Also Perspectives Charter School proposed to relocate its Perspectives Charter School – Leadership Academy Campus and High School of Technology Campus to the independent facility at 8522 S. Lafayette Avenue beginning in the fall of 2017 as identified in Board Report 16-0427-EX20. This Board approval of the relocation site is contingent upon the subsequent approval of the facility by the CPS Facility Department which shall include, without limitation, the receipt of all necessary zoning and occupancy permits and health and safety approvals for that site.

Campus Name	Year Opened	Address	At Capacity Grades	2016-2017 Enrollment	At Capacity Enrollment
Rodney D. Joslin	1997	1930 S. Archer Avenue	6-12	394	400
Leadership Academy	2006	8131 S. May Street 8522 S. Lafayette Avenue (in fall of 2017)	6-12	481	1,080
High School of Technology	2007	8131 S. May Street 8522 S. Lafayette Avenue (in fall of 2017)	9-12	381	540
Math and Science Academy	2008	3663 S. Wabash Avenue	6-12	469	580

The agreement will incorporate an accountability plan in which the charter school is evaluated by the Board each year based on numerous factors related to its academic, financial and operational performance.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of Perspective Charter School's academic performance, financial viability, and legal and contract compliance. This evaluation included a review of the proposal, academic results, financial performance, governance documents, parental issues, facilities surveys, and special education documentation. A public hearing was held on November 21, 2016 for all contract and charter schools going through renewals to receive public comments, including Perspectives Charter School. The Office of Innovation and Incubation recommends that, based on the school's performance on these and other accountability criteria, as well as the school's demonstration of intent to satisfy the "Additional Terms and Conditions" referred to herein below, Perspectives Charter School be authorized to continue operating as a charter school.

RENEWAL TERM: The term of Perspective Charter School's charter and agreement is being extended for a five (5) year term commencing July 1, 2017 and ending June 30, 2022.

ADDITIONAL TERMS AND CONDITIONS: Additional terms and conditions will be communicated to the charter school by the Chief Executive Officer or his designee in a formal Letter of Conditions and will be included as an attachment to the Charter School Agreement with Perspectives Charter School.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the charter school, in the written Charter School Agreement. Authorize the President and Secretary to execute the written Charter School Agreement. Authorize the Executive Director of the Office of Innovation and Incubation to issue a letter notifying the Illinois State Board of Education of the action(s) approved hereunder and to submit the approved proposal and signed Charter School Agreement to the Illinois State Board of Education for certification. Authorize the General Counsel to further negotiate and execute any amendments to the Charter School Agreement as required by the Illinois State Board of Education.

LSC REVIEW: Approval of Local School Council is not applicable to this report.

FINANCIAL: The financial implications will be addressed during the development of the 2017-2018 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY17 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

16-1207-EX12

AUTHORIZE RENEWAL OF THE POLARIS CHARTER ACADEMY AGREEMENT WITH CONDITIONS

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Authorize renewal of the Polaris Charter Academy Agreement (the "Charter School Agreement") with conditions for an additional five-year period. A new Charter School Agreement applicable to this renewal term will be negotiated. The authority granted herein shall automatically rescind in the event a written Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this Board Report. The agreement authorized herein will only take effect upon certification by the Illinois State Board of Education. Information pertinent to this renewal is stated below.

SCHOOL OPERATOR/ Polaris Charter Academy, an IL not-for-profit corporation

CHARTER SCHOOL: 620 N. Sawyer Avenue
Chicago, Illinois 60624
Phone: 773-534-0820
Contact Persons: Joel Pomerenk, Board Chair and
Michelle Navarre, Principal

OVERSIGHT: Office of Innovation and Incubation
42 W. Madison Street, 3rd Floor
Chicago, IL 60602
Phone: 773-553-1530
Contact Person: Mary K. Bradley, Executive Director

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 06-1115-EX13) was for a term commencing July 1, 2007 and ending June 30, 2012 and authorized the operation of a charter school serving no more than 480 students in grades K through 8. The charter and Charter School Agreement were subsequently renewed for a term commencing July 1, 2012 and ending June 30, 2017 (authorized by Board Report 12-0328-EX13).

CHARTER RENEWAL PROPOSAL: Polaris Charter Academy submitted a renewal proposal on September 14, 2016 to continue the operation of Polaris Charter Academy. The charter school shall continue to be located at 620 N. Sawyer Avenue and shall continue to serve grades K through 8 with a maximum enrollment of 480 students.

The agreement will incorporate an accountability plan in which the charter school is evaluated by the Board each year based on numerous factors related to its academic, financial and operational performance.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of Polaris Charter Academy's academic performance, financial viability, and legal and contract compliance. This evaluation included a review of the proposal, academic results, financial performance, governance documents, parental issues, facilities surveys, and special education documentation. A public hearing was held on November 21, 2016 for all contract and charter schools going through renewals to receive public comments, including Polaris Charter Academy. The Office of Innovation and Incubation recommends that, based on the school's performance on these and other accountability criteria, as well as the school's demonstration of intent to satisfy the "Additional Terms and Conditions" referred to herein below, Polaris Charter Academy be authorized to continue operating as a charter school.

RENEWAL TERM: The term of Polaris Charter Academy's charter and agreement is being extended for a five (5) year term commencing July 1, 2017 and ending June 30, 2022.

ADDITIONAL TERMS AND CONDITIONS: Additional terms and conditions will be communicated to the charter school by the Chief Executive Officer or his designee in a formal Letter of Conditions and will be included as an attachment to the Charter School Agreement with Polaris Charter Academy.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the charter school, in the written Charter School Agreement. Authorize the President and Secretary to execute the written Charter School Agreement. Authorize the Executive Director of the Office of Innovation and Incubation to issue a letter notifying the Illinois State Board of Education of the action(s) approved hereunder and to submit the approved proposal and signed Charter School Agreement to the Illinois State Board of Education for certification. Authorize the General Counsel to further negotiate and execute any amendments to the Charter School Agreement as required by the Illinois State Board of Education.

LSC REVIEW: Approval of Local School Council is not applicable to this report.

FINANCIAL: The financial implications will be addressed during the development of the 2017-2018 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY17 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

16-1207-EX13

AUTHORIZE RENEWAL OF THE PROVIDENCE ENGLEWOOD CHARTER SCHOOL AGREEMENT WITH CONDITIONS

THE CHIEF EXECUTIVE OFFICER RECOMMENDS THE FOLLOWING:

Authorize renewal of the Providence Englewood Charter School Agreement (the "Charter School Agreement") with conditions for an additional three-year period. A new Charter School Agreement applicable to this renewal term will be negotiated. The authority granted herein shall automatically rescind in the event a written Charter School Agreement is not executed by the Board and the charter school's governing board within 120 days of the date of this Board Report. The agreement authorized herein will only take effect upon certification by the Illinois State Board of Education. Information pertinent to this renewal is stated below.

SCHOOL OPERATOR: Providence Englewood School Corporation, an IL not-for-profit corporation
6515 S. Ashland Avenue
Chicago, Illinois 60636
Phone: 773-434-0202
Contact Persons: John Stoops, Board Chair and
Angela Johnson-Williams, Principal

CHARTER SCHOOL: Providence Englewood Charter School
6515 S. Ashland Avenue
Chicago, Illinois 60636
Phone: 773-434-0202
Contact Person: Angela Johnson-Williams, Principal

OVERSIGHT: Office of Innovation and Incubation
42 W. Madison Street, 3rd Floor
Chicago, IL 60602
Phone: 773-553-1530
Contact Person: Mary K. Bradley, Executive Director

ORIGINAL AGREEMENT: The original Charter School Agreement (authorized by Board Report 06-0322-EX5) was for a term commencing August 31, 2006 and ending June 30, 2011 and authorized the operation of a charter school serving no more than 500 students in grades K through 8. The charter and Charter School Agreement were subsequently renewed for a term commencing July 1, 2011 and ending June 30, 2014 (authorized by Board Report 11-0323-EX10). The charter and Charter School Agreement were further renewed for a term commencing July 1, 2014 and ending June 30, 2017 (authorized by Board Report 14-0226-EX10).

CHARTER RENEWAL PROPOSAL: Providence Englewood School Corporation submitted a renewal proposal on September 14, 2016 to continue the operation of Providence Englewood Charter School (Providence Englewood). The charter school shall continue to be located at 6515 S. Ashland Avenue and shall continue to serve grades K through 8 with a maximum enrollment of 500 students.

The agreement will incorporate an accountability plan in which the charter school is evaluated by the Board each year based on numerous factors related to its academic, financial and operational performance.

CHARTER EVALUATION: After receiving the charter renewal proposal, the Office of Innovation and Incubation conducted a comprehensive evaluation of Providence Englewood's academic performance, financial viability, and legal and contract compliance. This evaluation included a review of the proposal, academic results, financial performance, governance documents, parental issues, facilities surveys, and special education documentation. A public hearing was held on November 21, 2016 for all contract and charter schools going through renewals to receive public comments, including Providence Englewood. The Office of Innovation and Incubation recommends that, based on the school's performance on these and other accountability criteria, as well as the school's demonstration of intent to satisfy the "Additional Terms and Conditions" referred to herein below, Providence Englewood be authorized to continue operating as a charter school.

RENEWAL TERM: The term of Providence Englewood's charter and agreement is being extended for a three (3) year term commencing July 1, 2017 and ending June 30, 2020.

ADDITIONAL TERMS AND CONDITIONS: Additional terms and conditions will be communicated to the charter school by the Chief Executive Officer or his designee in a formal Letter of Conditions and will be included as an attachment to the Charter School Agreement with the Providence Englewood School Corporation.

AUTHORIZATION: Authorize the General Counsel to include relevant terms and conditions, including any indemnities to be provided to the charter school, in the written Charter School Agreement. Authorize the President and Secretary to execute the written Charter School Agreement. Authorize the Executive Director of the Office of Innovation and Incubation to issue a letter notifying the Illinois State Board of Education of the action(s) approved hereunder and to submit the approved proposal and signed Charter School Agreement to the Illinois State Board of Education for certification. Authorize the General Counsel to further negotiate and execute any amendments to the Charter School Agreement as required by the Illinois State Board of Education.

LSC REVIEW: Approval of Local School Council is not applicable to this report.

FINANCIAL: The financial implications will be addressed during the development of the 2017-2018 fiscal year budget. Since the School Code of Illinois prohibits the incurring of any liability unless an appropriation has been previously made, expenditures beyond FY17 are deemed to be contingent liabilities only, subject to appropriation in subsequent fiscal year budgets.

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the Provisions of 105 ILCS 5/34-21.3, which restricts the employment of, or the letting of contracts to, former Board members during the one-year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Board Member Ward abstained on Board Report 16-1207-EX13.

16-1207-OP1

AMEND BOARD REPORT 16-0525-OP1
RENEW LEASE AGREEMENT WITH MESSIAH EVANGELICAL LUTHERAN CONGREGATION
CHURCH AND SCHOOL
FOR SPACE AT 6200 W PATTERSON AVE FOR SMYSER ELEMENTARY

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease agreement with Messiah Evangelical Lutheran Congregation Church and School for use of space at 6200 West Patterson Avenue for Smyser Elementary. A written lease renewal is currently being negotiated. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to the lease agreement is stated below.

This December 2016 amendment is to correct the name of the Landlord and to reflect that the Board shall be responsible for utilities and operating expenses.

LANDLORD: Messiah Evangelical Lutheran Congregation Church and School
6200 West Patterson Avenue
Chicago, Illinois 60634
Contact: Barbara Lattyak / (773) 685-2923 / susie082593@sbcglobal.net

TENANT: Board of Education of the City of Chicago

PREMISES: 6200 West Patterson Avenue, Chicago, Illinois (includes entire school building and use of parking lot during school hours)

USE: For use by Smyser Elementary School.

ORIGINAL TERM: The original term commenced on August 1, 2011, and ends on June 30, 2016 (authorized by Board Report 11-0727-OP2).

NEW TERM: The renewal term shall be for five years, commencing on July 1, 2016, and ending on June 30, 2021.

EARLY TERMINATION RIGHT: Either the Board or the Landlord may terminate the lease upon six months prior written notice to the other party.

RENT: \$192,600 per year, to be paid in monthly installments of \$16,050.

UTILITIES AND OPERATING EXPENSES ADDITIONAL RENT: The Board shall reimburse landlord or pay service providers directly for the actual cost of electricity, heat, telecommunications, garbage and snow removal, or other services reasonably necessary to operate the building. ~~The additional rent is estimated to be \$70,000.00 annually.~~

IMPROVEMENTS: The Board shall have the right to make improvements to the premises, if necessary, with the consent of the Landlord.

OPERATION & MAINTENANCE: The Board shall provide janitorial services and normal maintenance. Landlord shall be responsible for all structural repairs and maintenance to the Premises.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease agreement. Authorize the President and Secretary to execute the lease agreement. Authorize the Chief Operating Officer, Chief Facilities Officer, or Chief of Capital Improvement to execute all ancillary documents required to administer or effectuate the lease agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: The total amount to be paid by the Board for the 5-year renewal is \$963,000. Charge to Real Estate.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-OP2

**APPROVE RENEWAL LEASE AGREEMENT WITH
CHICAGO CHARTER SCHOOL FOUNDATION (CHICAGO INTERNATIONAL CHARTER SCHOOL)
FOR A PORTION OF
THE TRUTH SCHOOL BUILDING, 1443 N. OGDEN, AND ANNEX, 1409 N. OGDEN**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease agreement with the **Chicago Charter School Foundation (Chicago International Charter School or "CICS")** for a portion of the Truth School building located at 1443 N. Ogden Avenue and the Truth Annex building located at 1409 N. Ogden Avenue, Chicago, Illinois for use as a charter school. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease agreement is not executed within 90 days of the date of this Board Report.

TENANT: Chicago Charter School Foundation/ChicagoQuest North
11 E. Adams Street, Suite 600
Contact: Elizabeth Shaw, CEO
Phone: 312-651-5000

LANDLORD: Board of Education of the City of Chicago

PREMISES: Tenant shall use a portion of the Truth School building and Truth annex, located at 1443 N. Ogden Avenue and 1409 N. Ogden Avenue, respectively, as set forth in the lease agreement, unless otherwise permitted by Landlord. The tenant shall share the premises with Noble Network of Charter Schools. The renewal of Tenant's current Charter School Agreement is scheduled to be authorized by the Board on the date hereof.

USE: Tenant shall use the Premises to operate a charter school and related educational and community programs and for no other purpose.

ORIGINAL LEASE AGREEMENT: The original lease agreement (authorized by Board Report 11-0622-OP3) was for a term commencing on July 1, 2011 and ending on June 30, 2011. The lease was subsequently renewed (authorized by Board Report 12-0627-OP2) for a term commencing on July 1, 2012 and ending June 30, 2017. The Board Report was amended (authorized by Board Report 15-0624-OP2) to allow CICS to share the premises with the Noble Network of Charter Schools, beginning on July 1, 2015.

RENEWAL TERM: The term of the lease renewal shall be five (5) years, commencing on July 1, 2017, and ending on June 30, 2022. If Tenant's Charter School Agreement is terminated, the lease shall also terminate.

RENT: One dollar (\$1.00) per year.

OPERATING AND UTILITIES EXPENSES: Tenant shall procure all operating services from Landlord, unless otherwise permitted by Landlord. Tenant shall reimburse Landlord for operating services provided by Landlord at Landlord's then-current rates and costs and in accordance with Landlord's then-current procedures. The charter shall be assessed to reflect this option.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease renewal agreement. Authorize the President and Secretary to execute the lease renewal agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the lease renewal.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Rent payable to the General Fund.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-OP3

**APPROVE RENEWAL LEASE AGREEMENT WITH
KIPP CHICAGO SCHOOLS
FOR A PORTION OF HOPE COLLEGE PREPARATORY HIGH SCHOOL, 5515 S. LOWE AVENUE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease agreement with the **KIPP Chicago Schools** for a portion of the Hope College Preparatory High School building located at 5515 S. Lowe Avenue, Chicago, Illinois for use as a charter school. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease agreement is not executed within 90 days of the date of this Board Report.

TENANT: KIPP Chicago Schools (KIPP Chicago Charter Schools – KIPP Bloom)
2007 South Halsted Avenue
Contact: Nicole Boardman, Chief Operating Officer
Phone: 312-733-8108

LANDLORD: Board of Education of the City of Chicago

PREMISES: Tenant shall use a portion of the Hope College Preparatory High School building, located at 5515 S. Lowe Avenue as set forth in the lease agreement, unless otherwise permitted by Landlord. Tenant shall share the Premises with Hope College Preparatory High School. The renewal of Tenant's current Charter School Agreement is scheduled to be authorized by the Board on the date hereof.

USE: Tenant shall use the Premises to operate a charter school and related educational and community programs and for no other purpose.

ORIGINAL LEASE AGREEMENT: The original lease agreement (authorized by Board Report 13-0724-OP2) commenced on August 1, 2013 and ends on June 30, 2017.

TERM: The term of the lease renewal shall be five (5) years, commencing on July 1, 2017, and ending on June 30, 2022. If Tenant's Charter School Agreement is terminated, the lease shall also terminate.

RENT: One dollar (\$1.00) per year.

OPERATING AND UTILITIES EXPENSES: Tenant shall procure all operating services from Landlord, unless otherwise permitted by Landlord. Tenant shall reimburse Landlord for operating services provided by Landlord at Landlord's then-current rates and costs and in accordance with Landlord's then-current procedures. The charter shall be assessed to reflect this option.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease agreement. Authorize the President and Secretary to execute the lease agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the lease agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Rent payable to the General Fund.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Board Member Dr. Hines abstained on Board Report 16-1207-OP3.

16-1207-OP4

**APPROVE RENEWAL LEASE AGREEMENT WITH
KIPP CHICAGO SCHOOLS
FOR A PORTION OF NASH ELEMENTARY SCHOOL, 4818 W. OHIO**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease agreement with the **KIPP Chicago Schools** for a portion of the Nash Elementary School building located at 4818 W. Ohio, Chicago, Illinois for use as a charter school. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease agreement is not executed within 90 days of the date of this Board Report.

TENANT: KIPP Chicago Schools (KIPP Chicago Charter Schools – KIPP Create)
2007 South Halsted Avenue
Contact: Nicole Boardman, Chief Operating Officer
Phone: 312-733-8108

LANDLORD: Board of Education of the City of Chicago

PREMISES: Tenant shall use a portion of the Nash Elementary School, located at 4818 W. Ohio Street as set forth in the lease agreement, unless otherwise permitted by Landlord. Tenant shall share the Premises with Nash Elementary School. The renewal of Tenant's current Charter School Agreement is scheduled to be authorized by the Board on the date hereof.

USE: Tenant shall use the Premises to operate a charter school and related educational and community programs and for no other purpose.

ORIGINAL LEASE AGREEMENT: The original lease agreement (authorized by Board Report 12-0425-OP8) commenced on August 1, 2013 and ends on June 30, 2017 and was for 4837 W. Erie Street. The address of the property was subsequently corrected to 4818 W. Ohio Street. The original lease was with Academy of Communications and Technology Charter School (ACT). ACT and KIPP merged and the resulting entity is KIPP Chicago Schools.

TERM: The term of the lease renewal shall be five (5) years, commencing on July 1, 2017, and ending on June 30, 2022. If Tenant's Charter School Agreement is terminated, the lease shall also terminate.

RENT: One dollar (\$1.00) per year.

OPERATING AND UTILITIES EXPENSES: Tenant shall procure all operating services from Landlord, unless otherwise permitted by Landlord. Tenant shall reimburse Landlord for operating services provided by Landlord at Landlord's then-current rates and costs and in accordance with Landlord's then-current procedures. The charter shall be assessed to reflect this option.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease agreement. Authorize the President and Secretary to execute the lease agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the lease agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Rent payable to the General Fund.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Board Member Dr. Hines abstained on Board Report 16-1207-OP4.

16-1207-OP5

**APPROVE RENEWAL LEASE AGREEMENT WITH
KIPP CHICAGO SCHOOLS
FOR A PORTION OF THE ORR SCHOOL BUILDING, 730 N. PULASKI ROAD**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease agreement with the **KIPP Chicago Schools** for the Orr School building located at 730 N. Pulaski Road, Chicago, Illinois for use as a charter school. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease agreement is not executed within 90 days of the date of this Board Report.

TENANT: KIPP Chicago Schools (KIPP Chicago Charter Schools – KIPP One Academy)
2007 South Halsted Avenue
Contact: Nicole Boardman, Chief Operating Officer
Phone: 312-733-8108

LANDLORD: Board of Education of the City of Chicago

PREMISES: Tenant shall use a portion of the Orr School building, located at 730 N. Pulaski Road as set forth in the lease agreement, unless otherwise permitted by Landlord. The renewal of Tenant's current Charter School Agreement is scheduled to be authorized by the Board on the date hereof.

USE: Tenant shall use the Premises to operate a charter school and related educational and community programs and for no other purpose.

ORIGINAL LEASE AGREEMENT: The original lease term (authorized by Board Report 16-0427-OP3) commenced on July 1, 2016 and ends on June 30, 2017.

TERM: The term of the lease renewal shall be five (5) years, commencing on July 1, 2017, and ending on June 30, 2022. If Tenant's Charter School Agreement is terminated, the lease shall also terminate.

RENT: One dollar (\$1.00) per year.

OPERATING AND UTILITIES EXPENSES: Tenant shall procure all operating services from Landlord, unless otherwise permitted by Landlord. Tenant shall reimburse Landlord for operating services provided by Landlord at Landlord's then-current rates and costs and in accordance with Landlord's then-current procedures. The charter shall be assessed to reflect this option.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease renewal agreement. Authorize the President and Secretary to execute the lease renewal agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the lease renewal.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Rent payable to the General Fund.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Board Member Dr. Hines abstained on Board Report 16-1207-OP5.

16-1207-OP6

**APPROVE RENEWAL LEASE AGREEMENT WITH
KIPP CHICAGO SCHOOLS
FOR A PORTION OF PENN SCHOOL, 1616 S. AVERS**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease agreement with the **KIPP Chicago Schools** for a portion of the Penn School building located at 1616 S. Avers, Chicago, Illinois for use as a charter school. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease agreement is not executed within 90 days of the date of this Board Report.

TENANT: KIPP Chicago Schools (KIPP Chicago Charter Schools – KIPP Ascend College Prep)
2007 South Halsted Avenue
Contact: Nicole Boardman, Chief Operating Officer
Phone: 312-733-8108

LANDLORD: Board of Education of the City of Chicago

PREMISES: Tenant shall use a portion of the Penn School building, located at 1616 S. Avers as set forth in the lease agreement, unless otherwise permitted by Landlord. Tenant shall share the Premises with Penn School. The renewal of Tenant's current Charter School Agreement is scheduled to be authorized by the Board on the date hereof.

USE: Tenant shall use the Premises to operate a charter school and related educational and community programs and for no other purpose.

ORIGINAL LEASE AGREEMENT: The original lease term (authorized by Board Report 15-0624-OP1) commenced on July 1, 2015 and ends on June 30, 2017.

TERM: The term of the lease renewal shall be five (5) years, commencing on July 1, 2017, and ending on June 30, 2022. If Tenant's Charter School Agreement is terminated, the lease shall also terminate.

RENT: One dollar (\$1.00) per year.

OPERATING AND UTILITIES EXPENSES: Tenant shall procure all operating services from Landlord, unless otherwise permitted by Landlord. Tenant shall reimburse Landlord for operating services provided by Landlord at Landlord's then-current rates and costs and in accordance with Landlord's then-current procedures. The charter shall be assessed to reflect this option.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease renewal agreement. Authorize the President and Secretary to execute the lease renewal agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the lease renewal.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Rent payable to the General Fund.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Board Member Dr. Hines abstained on Board Report 16-1207-OP6.

16-1207-OP7

**APPROVE RENEWAL LEASE AGREEMENT WITH
THE MONTESSORI NETWORK
FOR JOHNS SCHOOL, 6936 S. HERMITAGE AVENUE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease agreement with **The Montessori Network** for the former Johns School building located at 6936 S. Hermitage Avenue, Chicago, Illinois for use as a charter school. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease agreement is not executed within 90 days of the date of this Board Report.

TENANT: The Montessori Network (Montessori School of Englewood Charter School)
5248 N. Wayne Avenue
Contact Name: Rita Nolan
Phone: 773-808-1921

LANDLORD: Board of Education of the City of Chicago

PREMISES: Tenant shall be the sole occupant of the former Johns School building, located at 6936 S. Hermitage Avenue as set forth in the lease agreement, unless otherwise permitted by Landlord. The renewal of Tenant's current Charter School Agreement is scheduled to be authorized by the Board on the date hereof.

USE: Tenant shall use the Premises to operate a charter school and related educational and community programs and for no other purpose.

ORIGINAL LEASE AGREEMENT: The original lease agreement (authorized by Board Report 16-0622-OP2) commenced on July 1, 2016 and ends on June 30, 2017.

TERM: The term of the lease renewal shall be five (5) years, commencing on July 1, 2017, and ending on June 30, 2022. If Tenant's Charter School Agreement is terminated, the lease shall also terminate.

RENT: One dollar (\$1.00) per year.

OPERATING AND UTILITIES EXPENSES: Tenant shall procure all operating services from Landlord, unless otherwise permitted by Landlord. Tenant shall reimburse Landlord for operating services provided by Landlord at Landlord's then-current rates and costs and in accordance with Landlord's then-current procedures. The charter shall be assessed to reflect this option.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease agreement. Authorize the President and Secretary to execute the lease agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the lease agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Rent payable to the General Fund.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-OP8

**APPROVE RENEWAL LEASE AGREEMENT WITH
PERSPECTIVES CHARTER SCHOOL
FOR FORMER RAYMOND SCHOOL, 3663 S. WABASH**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease agreement with the **Perspectives Charter School** for the former Raymond School building located at 3663 S. Wabash, Chicago, Illinois for use as a charter school. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease agreement is not executed within 90 days of the date of this Board Report.

TENANT: Perspectives Charter School – Math and Science Academy
3663 S. Wabash Avenue
Contact Name: Rhonda Hopps
Phone: 312-604-2123

LANDLORD: Board of Education of the City of Chicago

PREMISES: Tenant shall be the sole occupant of the former Raymond building, located at 3663 S. Wabash as set forth in the lease agreement, unless otherwise permitted by Landlord. The renewal of Tenant's current Charter School Agreement is scheduled to be authorized by the Board on the date hereof.

USE: Tenant shall use the Premises to operate a charter school and related educational and community programs and for no other purpose.

ORIGINAL LEASE AGREEMENT: The original lease agreement (authorized by Board Report 09-1123-OP4) commenced on February 8, 2010 and ended on June 30, 2012. The lease was subsequently renewed (authorized by Board Report 12-0425-OP6) commencing on July 1, 2012 and ends on June 30, 2017.

TERM: The term of the lease renewal shall be five (5) years, commencing on July 1, 2017, and ending on June 30, 2022. If Tenant's Charter School Agreement is terminated, the lease shall also terminate.

RENT: One dollar (\$1.00) per year.

OPERATING AND UTILITIES EXPENSES: Tenant shall procure all operating services from Landlord, unless otherwise permitted by Landlord. Tenant shall reimburse Landlord for operating services provided by Landlord at Landlord's then-current rates and costs and in accordance with Landlord's then-current procedures. The charter shall be assessed to reflect this option.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease agreement. Authorize the President and Secretary to execute the lease agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the lease agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Rent payable to the General Fund.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-OP9

**APPROVE RENEWAL LEASE AGREEMENT WITH
PERSPECTIVES CHARTER SCHOOL
FOR FORMER CALUMET SCHOOL, 8131 S. MAY**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease agreement with the **Perspectives Charter School** for the former Calumet School building located at 8131 S. May, Chicago, Illinois for use as a charter school. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease agreement is not executed within 90 days of the date of this Board Report.

TENANT: Perspectives Charter School – Leadership Academy and High School of Technology
3663 S. Wabash Avenue
Contact Name: Rhonda Hopps
Phone: 312-604-2123

LANDLORD: Board of Education of the City of Chicago

PREMISES: Tenant shall be the sole occupant of the former Calumet building (other than a school-based health center), located at 8131 S. May as set forth in the lease agreement, unless otherwise permitted by Landlord. The renewal of Tenant's current Charter School Agreement is scheduled to be authorized by the Board on the date hereof.

USE: Tenant shall use the Premises to operate a charter school and related educational and community programs and for no other purpose.

ORIGINAL LEASE AGREEMENT: The original lease agreement (authorized by Board Report 06-0619-COO31) commenced on July 1, 2006 and ended on June 30, 2012. The lease was subsequently renewed (authorized by Board Report 12-0425-OP5) commencing on July 1, 2012 and ends on June 30, 2017.

TERM: The term of the lease renewal shall be five (5) years, commencing on July 1, 2017, and ending on June 30, 2022. If Tenant's Charter School Agreement is terminated, the lease shall also terminate.

RENT: One dollar (\$1.00) per year.

OPERATING AND UTILITIES EXPENSES: Tenant shall procure all operating services from Landlord, unless otherwise permitted by Landlord. Tenant shall reimburse Landlord for operating services provided by Landlord at Landlord's then-current rates and costs and in accordance with Landlord's then-current procedures. The charter shall be assessed to reflect this option.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease agreement. Authorize the President and Secretary to execute the lease agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the lease agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Rent payable to the General Fund.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-OP10

**APPROVE RENEWAL LEASE AGREEMENT WITH
POLARIS CHARTER ACADEMY
FOR FORMER MORSE SCHOOL, 620 N. SAWYER AVENUE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease agreement with the **Polaris Charter Academy** for the former Morse School building located at 620 N. Sawyer Avenue, Chicago, Illinois for use as a charter school. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease agreement is not executed within 90 days of the date of this Board Report.

TENANT: Polaris Charter Academy
620 N. Sawyer Avenue
Contact Name: Michelle Navarre
Phone: 773-534-0820

LANDLORD: Board of Education of the City of Chicago

PREMISES: Tenant shall be the sole occupant of the former Morse School building, located at 620 N. Sawyer Avenue as set forth in the lease agreement, unless otherwise permitted by Landlord. The renewal of Tenant's current Charter School Agreement is scheduled to be authorized by the Board on the date hereof.

USE: Tenant shall use the Premises to operate a charter school and related educational and community programs and for no other purpose.

ORIGINAL LEASE AGREEMENT: The original lease agreement (authorized by Board Report 09-1123-OP5) commenced on July 1, 2007 and ended on June 30, 2012. The lease was subsequently renewed (authorized by Board Report 12-0425-OP7) commenced on July 1, 2012 and ends on June 30, 2017.

TERM: The term of the lease renewal shall be five (5) years, commencing on July 1, 2017, and ending on June 30, 2022. If Tenant's Charter School Agreement is terminated, the lease shall also terminate.

RENT: One dollar (\$1.00) per year.

OPERATING AND UTILITIES EXPENSES: Tenant shall procure all operating services from Landlord, unless otherwise permitted by Landlord. Tenant shall reimburse Landlord for operating services provided by Landlord at Landlord's then-current rates and costs and in accordance with Landlord's then-current procedures. The charter shall be assessed to reflect this option.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease agreement. Authorize the President and Secretary to execute the lease agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the lease agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Rent payable to the General Fund.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-OP11

**APPROVE RENEWAL LEASE AGREEMENT WITH
PROVIDENCE ENGLEWOOD SCHOOL CORPORATION
FOR FORMER BUNCHE SCHOOL, 6515 S. ASHLAND AVE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Approve entering into a renewal lease agreement with the **Providence Englewood School Corporation** for the former Bunche School building located at 6515 S. Ashland Avenue, Chicago, Illinois for use as a charter school. A written lease agreement is currently being negotiated. The authority granted herein shall automatically rescind in the event a written lease agreement is not executed within 90 days of the date of this Board Report.

TENANT: Providence Englewood School Corporation (Providence Englewood Charter School)
6515 S. Ashland Avenue
Contact Name: Angela Johnson-Williams
Phone: 773-434-0202

LANDLORD: Board of Education of the City of Chicago

PREMISES: Tenant shall be the sole occupant of the former Bunche School building, located at 6515 S. Ashland Avenue as set forth in the lease agreement, unless otherwise permitted by Landlord. The renewal of Tenant's current Charter School Agreement is scheduled to be authorized by the Board on the date hereof.

USE: Tenant shall use the Premises to operate a charter school and related educational and community programs and for no other purpose.

ORIGINAL LEASE AGREEMENT: The original lease agreement (authorized by Board Report 11-0622-OP5) commenced on August 31, 2011 and ended on June 30, 2014. The lease was subsequently renewed (authorized by Board Report 14-0226-OP6) commencing on July 1, 2014 and ends on June 30, 2017.

TERM: The term of the lease renewal shall be three (3) years, commencing on July 1, 2017, and ending on June 30, 2020. If Tenant's Charter School Agreement is terminated, the lease shall also terminate.

RENT: One dollar (\$1.00) per year.

OPERATING AND UTILITIES EXPENSES: Tenant shall procure all operating services from Landlord, unless otherwise permitted by Landlord. Tenant shall reimburse Landlord for operating services provided by Landlord at Landlord's then-current rates and costs and in accordance with Landlord's then-current procedures. The charter shall be assessed to reflect this option.

AUTHORIZATION: Authorize the General Counsel to include other relevant terms and conditions in the written lease agreement. Authorize the President and Secretary to execute the lease agreement. Authorize the Chief Operating Officer to execute any and all ancillary documents related to the lease agreement.

AFFIRMATIVE ACTION: Exempt.

LSC REVIEW: Local School Council approval is not applicable to this report.

FINANCIAL: Rent payable to the General Fund.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Board Member Ward abstained on Board Report 16-1207-OP11.

16-1207-AR1

DEBARMENT OF CHARLES MEADOWS

THE CHIEF ADMINISTRATIVE OFFICE REPORTS THE FOLLOWING RECOMMENDATION:

That the Board of Education of the City of Chicago ("Board") permanently debar **Charles Meadows** (hereinafter "Respondent") from doing any business with the Board.

Following the Office of the Inspector General's recommendations in Report 15-00886, the Board's Chief Procurement Officer served Respondent with a Notice of Proposed Debarment ("Notice") on September 12, 2016, and again on October 14, 2016, initiating a debarment proceeding against him, based upon Respondent's theft of a CPS laptop thereby violating sections 2(a)(3), 2(i)(6, 9) and 2(k) of the Board's Debarment Policy ("Policy"). The Respondent failed to submit a written response pursuant to section 4.5(d) of the Policy. The Chief Administrative Officer has reviewed the record (as defined in section 4.5(10) of the Policy), and suggests debarment is appropriate.

Based on the facts set forth in the record as defined in section 4.5(10) of the Policy, the Chief Administrative Officer recommends that the Board adopt the findings of the Inspector General and permanently debar Respondent from doing any business with the Board effective immediately. Furthermore, all existing contracts between the Board and Respondent are terminated. Respondent is also ineligible to act as a subcontractor or supplier to any existing or future Board contracts.

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Affirmative Action review is not applicable to this report.

FINANCIAL: None.

GENERAL CONDITIONS: None.

16-1207-AR2

DEBARMENT OF NOTHIN' BUT U AND KEVIN SNIDER**THE CHIEF ADMINISTRATIVE OFFICE REPORTS THE FOLLOWING RECOMMENDATION:**

That the Board of Education of the City of Chicago ("Board") permanently debar **Nothin' But U** and **Kevin Snider** (hereinafter "Respondents") from doing any business with the Board.

Following the Office of the Inspector General's recommendations in Report 14-00058, the Board's Chief Procurement Officer served Respondents with a Notice of Proposed Debarment ("Notice") on September 14, 2016, initiating a debarment proceeding against them, based upon Respondents' willful and repeated failure to pay rent for the use of CPS facilities, along with Kevin Snider's multiple violations of the Code of Ethics thereby violating sections 2(j)(2, 3, 6, 7, 9) and 2(k) of the Board's Debarment Policy ("Policy"). During the course of the investigation, Kevin Snider resigned his position with CPS. The Chief Administrative Officer has reviewed the record (as defined in section 4.5(10) of the Policy) and suggests debarment is appropriate.

Based on the facts set forth in the record as defined in section 4.5(10) of the Policy, the Chief Administrative Officer recommends that the Board adopt the findings of the Inspector General and permanently debar Respondents from doing any business with the Board effective immediately. Furthermore, all existing contracts between the Board and Respondents are terminated. Respondents are also ineligible to act as a subcontractor or supplier to any existing or future Board contracts.

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Affirmative Action review is not applicable to this report.

FINANCIAL: None.

GENERAL CONDITIONS: None.

16-1207-AR3

DEBARMENT OF OUTFITTERS CUSTOM PRINTED APPAREL**THE CHIEF ADMINISTRATIVE OFFICE REPORTS THE FOLLOWING RECOMMENDATION:**

That the Board of Education of the City of Chicago ("Board") permanently debar **Outfitters Custom Printed Apparel** (hereinafter "Respondent") from doing any business with the Board.

Following the Office of the Inspector General's recommendations in Report 15-00622, the Board's Chief Procurement Officer served Respondent with a Notice of Proposed Debarment ("Notice") on September 12, 2016, initiating a debarment proceeding against it, based upon Respondent's unethical behavior thereby violating sections 2(j)(9) of the Board's Debarment Policy ("Policy") and section VIII(A) of the Board's Code of Ethics. During the course of the investigation, the joint owner of Outfitters sent a letter to procurement stating that they will cease doing business with CPS. The CAO has reviewed the record (as defined in section 4.5(10) of the Policy) and suggests that debarment is appropriate.

Based on the facts set forth in the record as defined in section 4.5(10) of the Policy, the Chief Administrative Officer recommends that the Board adopt the findings of the Inspector General and permanently debar the Respondent from doing any business with the Board effective immediately. Furthermore, all existing contracts between the Board and Respondent are terminated. Respondent is also ineligible to act as a subcontractor or supplier to any existing or future Board contracts.

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Affirmative Action review is not applicable to this report.

FINANCIAL: None.

GENERAL CONDITIONS: None.

16-1207-PR1

AUTHORIZE A NEW AGREEMENT WITH ADVANCED STRATEGIES FOR PROFESSIONAL DEVELOPMENT SERVICES FOR ESL/BILINGUAL ONLINE COURSEWORK

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with Advanced Strategies for Professional Development to provide ESL/bilingual online coursework for Chicago Public School teachers at an estimated annual cost set forth in the Compensation Section of this report. Vendor was selected on a non-competitive basis. This request was presented to the Single/Sole Source Committee on October 7, 2016 and approved by the Chief Procurement Officer. Upon approval as a Single Source, the item was published on the Procurement website on October 11, 2016, found here: <http://csc.cps.k12.il.us/purchasing/>. The item will remain on the Procurement website until the December 7, 2016 Board Meeting. This process complies with the independent consultant's recommendations for single source procurements and the Board's Single/Sole Source Committee Charter. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to the execution of their written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Contract Administrator : Janus, Ms. Rene / 773-553-3241

VENDOR:

- 1) Vendor # 22611
ADVANCED STRATEGIES FOR
PROFESSIONAL DEVELOPMENT
2 N. LASALLE 14TH FL
CHICAGO, IL 60602

Mike Pietrzak
773 965-3276

Ownership: For Profit - Michael Pietrzak -
100%

USER INFORMATION :

Contact: 12670 - Education General - City Wide

42 West Madison Street

Chicago, IL 60602

Giraldo, Mr. Fernando

773-553-2560

Project
Manager: 11385 - Early Childhood Development - City Wide

42 West Madison Street

Chicago, IL 60602

Kim, Mr. David

773-553-2010

TERM:

The term of this agreement shall commence on January 1, 2017 and shall end December 31, 2018. This agreement shall have no options to renew.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES:

Our agreement with Advanced Strategies for Professional Development will provide selected Pre K teachers to complete the six course sequence over five semesters. This initiative will increase the number of endorsed teachers who can deliver high quality, rigorous instruction to EL students. CPS funds 66% of the tuition for the ESL/Bilingual coursework. Teachers applying a) must be employed in CPS preschool programs for at least two (2) years; b) are expected to be employed by CPS during the time they are enrolled in coursework and two years after completion of endorsement.

OUTCOMES:

Vendor's services will result in an increased number of Early Childhood ESL/Bilingual endorsed teachers who can deliver high quality rigorous instruction to improve student outcomes. CPS data indicates that preschool programs lack sufficient ESL/Bilingual endorsed teachers, but they do have students who are eligible for support. Beginning in fall 2016, all Pre K teachers who serve English Learners must be ESL and/or Bilingual endorsed according to Illinois School Code.

COMPENSATION:

Vendor shall be paid as follows:
Estimated annual costs for the two (2) year term are set forth below:
\$101,400.00, FY17
\$101,400.00, FY18

REIMBURSABLE EXPENSES:

None.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief of Early Childhood Education to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

The Minority and Women Owned Business goals are not applicable as the scope is not further divisible.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund: Early Childhood Block Grant, Title III and Participant Tuition Pay, Department of Office of Early Childhood, Unit 11385; Department of Language and Cultural Education, Unit 11540
\$101,400.00, FY17
\$101,400.00, FY18
Not to exceed \$202,800.00 for the two (2) year term.
Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-PR2

AUTHORIZE A NEW AGREEMENT WITH ECRA GROUP, INC. FOR STUDENT GROWTH MEASURE SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with ECRA Group, Inc. to provide student growth measure services to all schools in the District at an estimated annual cost set forth in the Compensation Section of this report. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to the execution of their written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Contract Administrator : Janus, Ms. Rene / 773-553-3241
CPOR Number : 16-1130-CPOR-1806

VENDOR:

- 1) Vendor # 80157
ECRA GROUP INC.
1475 E. WOODFIELD RD 14TH FLR
SCHAUMBURG, IL 60173

John Gatta
847 318-0072

For Profit - Ownership: Louis A Gatta - 54%,
John L Gatta - 46%

USER INFORMATION :

Contact:
10811 - Office of School Quality Measurement
42 W Madison Street
Chicago, IL 60602
Crosby, Mr. Ryan Allan
773-553-5062

TERM:

The term of this agreement shall commence on January 1, 2017 and shall end December 31, 2017. This agreement shall have two (2) options to renew for periods of twelve (12) months each.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES:

Student growth measures will compare students with similar characteristics to see how students grow relative to each other and to capture the impact of instruction on student outcomes. Statistical models developed for student growth will provide CPS with an unbiased estimate of instructional effectiveness based on standardized test score results. This is critical in providing fair and accurate growth ratings for use in our teacher evaluation system and SQRP.

Student growth measures will be computed at the school, grade, teacher, network, and student group levels for both the NWEA MAP and PARCC assessments. The NWEA MAP results will be used in teacher evaluation calculations, while both sets of results will be used to help CPS assess growth at schools throughout the District. Vendor will also provide consultation and professional development to CPS personnel to better understand the student growth models and how to effectively use them in an accountability system.

OUTCOMES:

Vendor's services will result in providing a necessary component of CPS's teacher evaluation system. Student growth measures are based on complex statistical formulae that CPS does not have expertise and capacity to calculate internally. Vendor will provide valuable data for use in better understanding patterns of academic growth among CPS students. Expanding investigations into a PARCC student growth measure helps CPS better evaluate how students are progressing against State-level standards. Student growth measures developed for CPS are completely customized to CPS's needs.

COMPENSATION:

Vendor shall be paid as follows:
Estimated annual costs for the one (1) year term are a total not to exceed of \$230,000.00.

REIMBURSABLE EXPENSES:

None.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Director of School Quality Measurement to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

No M/WBE goals assigned to this contract, scope of services not further divisible.

LSC REVIEW:

Local School Council approval is not applicable to this.

FINANCIAL:

Fund 115, Office of School Quality Measurement, Unit 10811
FY17 - \$90,000.00
FY18 - \$140,000.00
Not to exceed \$230,000.00 for the one (1) year term.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-PR3

REPORT ON THE AWARD OF CONSTRUCTION CONTRACTS AND CHANGES TO CONSTRUCTION CONTRACTS FOR THE BOARD OF EDUCATION'S CAPITAL IMPROVEMENT PROGRAM

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

This report details the award of Capital Improvement Program construction contracts in the total amount of \$1,864,751.75 to the respective lowest responsible bidders for various construction projects, as listed in Appendix A of this report. These construction contracts shall be for projects approved as part of the Board's Capital Improvement Program. Work involves all labor, material and equipment required to construct new schools, additions, and annexes, or to renovate existing facilities, all as called for in the plans and specifications for the respective projects. Proposals, schedules of bids, and other supporting documents are on file in the Department of Operations. These contracts have been awarded in accordance with section 7-3 of the Rules of the Board of Education of the City of Chicago.

This report also details changes to existing Capital Improvement Program construction contracts, in the amount of \$566,360.82 as listed in the attached December Change Order Log. These construction contract changes have been processed and are being submitted to the Board for approval in accordance with section 7-15 of the Rules of the Board of Education of the City of Chicago, since they require an increased commitment necessitated by an unforeseen combination of circumstances or conditions calling for immediate action to protect Board property to prevent interference with school sessions.

LSC REVIEW: Local School Council approval is not applicable to this report.

AFFIRMATIVE ACTION: The General Contracting Services Agreements entered into by each of the pre-qualified general contractors and other miscellaneous construction contracts awarded outside the pre-qualified general contractor program for new construction awards and changes to existing construction contracts shall be subject to the Board's Business Diversity Program for Construction Projects and any revisions or amendments to that policy that may be adopted during the term of any such contract.

FINANCIAL: Expenditures involved in the Capital Improvement Program are charged to the Department of Operations, Capital Improvement Program.

Budget classification: Fund – 436, 468, 476, 477, 479, 480, 481, 482, 483, 484, 485 & 486 will be used for all Change Orders (December Change Order Log); Funding source for new contracts is so indicated on Appendix A

Funding Source: Capital Funding

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

**Appendix A
December 2016**

SCHOOL	CONTRACTOR	CONTRACT #	CONTRACT METHOD	CONTRACT AWARD	AWARD DATE	ANTICIPATED COMPLETION DATE	FISCAL YEAR	AFFIRM.	ACTION			PROJECT SCOPE AND NOTES	REASONS FOR PROJECT
								AA	H	A	WBE		
Tanner	KR MILLER CONTRACTORS INC	3225295	JOC	100,027.60	10/14/2016	9/30/2016	2017	0	68	0	0	The scope of work for this emergency JOC project is to replace the plumbing (3) risers servicing the drinking fountains in the classroom wing. The cold water main in the crawl space servicing the classroom wing will also be replaced as part of this scope. Four new drinking fountains will be installed at the South riser. Four new drinking fountains will be installed at the North riser. New Pre-K and Elementary height drinking fountains will be installed in the 1 North hallway. Work may include expedited lead and ACM mitigation. Work is to be completed, flushed and tested prior to the return of teachers.	1
Jones	Friedler Construction	3223703	GC	\$ 137,580.00	10/11/2016	1/4/2017	2016	0	0	0	52	The scope of work for this emergency JOC project is to install temporary repairs and stabilization to the soffit and upper level surfaces.	4
Clark	Auburn	3220346	Other	\$ 11,065.50	9/30/2016	12/31/2016	2017	30	0	0	7	The scope of work for the A/C Program is to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Donoghue	Auburn	3220351	Other	\$ 11,065.00	9/30/2016	12/31/2016	2017	30	0	0	7	The scope of work for the A/C Program is to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Kilmer	Auburn	3220975	Other	\$ 66,393.00	10/3/2016	12/31/2016	2017	30	0	0	7	The scope of work for the A/C Program is to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Lasalle II	Auburn	3219507	Other	\$ 40,573.50	9/28/2016	12/31/2016	2017	30	0	0	7	The scope of work for the A/C Program is to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Lovett	Auburn	3220348	Other	\$ 38,729.25	9/30/2016	12/31/2016	2017	30	0	0	7	The scope of work for the A/C Program is to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Lowell	Auburn	3219847	Other	\$ 75,614.75	9/29/2016	12/31/2016	2017	30	0	0	7	The scope of work for the A/C Program is to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Ruggles	Auburn	3219505	Other	\$ 64,548.75	9/28/2016	12/31/2016	2017	30	0	0	7	The scope of work for the A/C Program is to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Shoop	Auburn	3225138	Other	\$ 66,393.00	10/13/2016	12/31/2016	2017	30	0	0	7	The scope of work for the A/C Program is to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Stagg	Auburn	3220345	Other	\$ 82,991.25	9/30/2016	12/31/2016	2017	30	0	0	7	The scope of work for the A/C Program is to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Suder	Auburn	3220344	Other	\$ 57,171.75	9/30/2016	12/31/2016	2017	30	0	0	7	The scope of work for the A/C Program is to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Tanner	Auburn	3219502	Other	\$ 36,885.00	9/28/2016	12/31/2016	2017	30	0	0	7	The scope of work for the A/C Program is to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Warren	Auburn	3219504	Other	\$ 20,286.75	9/28/2016	12/31/2016	2017	30	0	0	7	The scope of work for the A/C Program is to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Bouchet	Auburn	3219501	Other	\$ 71,925.75	9/28/2016	12/31/2016	2017	30	0	0	7	The scope of work for the A/C Program is to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Bouchet	Ilco	3221792	Other	\$ 23,035.00	10/5/2016	12/31/2016	2017		N/A			The scope of work for the A/C Program is for the purchase of new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Clark	Ilco	3223876	Other	\$ 3,750.00	10/11/2016	12/31/2016	2017		N/A			The scope of work for the A/C Program is for the purchase of new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

Appendix A
December 2016

SCHOOL	CONTRACTOR	CONTRACT #	CONTRACT METHOD	CONTRACT AWARD	AWARD DATE	ANTICIPATED COMPLETION DATE	FISCAL YEAR	AFFIRM.	ACTION	PROJECT SCOPE AND NOTES	REASONS FOR PROJECT
Donoghue	Ilco	3220243	Other	\$ 3,750.00	9/29/2016	12/31/2016	2017	AA	H	A WBE	8
Kilmer	Ilco	3220981	Other	\$ 21,964.00	10/3/2016	12/31/2016	2017		N/A		8
LaSalle II	Ilco	3220359	Other	\$ 12,410.00	9/30/2016	12/31/2016	2017		N/A		8
Lovett	Ilco	3220360	Other	\$ 12,857.00	9/30/2016	12/31/2016	2017		N/A		8
Lowell	Ilco	3222446	Other	\$ 25,089.00	10/6/2016	12/31/2016	2017		N/A		8
Ruggles	Ilco	3221793	Other	\$ 21,875.00	10/5/2016	12/31/2016	2017		N/A		8
Shoop	Ilco	3225141	Other	\$ 22,500.00	10/13/2016	12/31/2016	2017		N/A		8
Stagg	Ilco	3220572	Other	\$ 27,857.00	9/30/2016	12/31/2016	2017		N/A		8
Suder	Ilco	3220573	Other	\$ 19,107.00	9/30/2016	12/31/2016	2017		N/A		8
Tanner	Ilco	3221796	Other	\$ 12,232.00	10/5/2016	12/31/2016	2017		N/A		8
Warren	Ilco	3221481	Other	\$ 6,607.00	10/4/2016	12/31/2016	2017		N/A		8
Tanner	Murphy & Jones	3223316	VT	\$ 43,378.00	10/7/2016	12/31/2016	2017	0	95	0 5	8
Suder	Murphy & Jones	3223321	VT	\$ 75,197.00	10/7/2016	12/31/2016	2017	0	95	0 5	8
Shoop	Murphy & Jones	3223322	VT	\$ 82,080.00	10/7/2016	12/31/2016	2017	0	95	0 5	8
Ruggles	Murphy & Jones	3223324	VT	\$ 94,096.00	10/7/2016	12/31/2016	2017	0	95	0 5	8
Lovett	Murphy & Jones	3223325	VT	\$ 52,441.00	10/7/2016	12/31/2016	2017	0	95	0 5	8
Lowell	Murphy & Jones	3223328	VT	\$ 90,651.00	10/7/2016	12/31/2016	2017	0	95	0 5	8
Kilmer	Murphy & Jones	3223332	VT	\$ 64,163.00	10/7/2016	12/31/2016	2017	0	95	0 5	8
LaSalle II	Murphy & Jones	3223334	VT	\$ 140,345.00	10/7/2016	12/31/2016	2017	0	95	0 5	8

**Appendix A
December 2016**

SCHOOL	CONTRACTOR	CONTRACT #	CONTRACT METHOD	CONTRACT AWARD	AWARD DATE	ANTICIPATED COMPLETION DATE	FISCAL YEAR	AFFIRM.	ACTION			PROJECT SCOPE AND NOTES	REASONS FOR PROJECT
								AA	H	A	WBE		
Warren	Murphy & Jones	3223335	VT	\$ 28,735.00	10/7/2016	12/31/2016	2017	0	95	0	5	The scope of work for the A/C Program is for the electrical work to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Clark, G	Murphy & Jones	3223336	VT	\$ 12,479.00	10/7/2016	12/31/2016	2017	0	95	0	5	The scope of work for the A/C Program is for the electrical work to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Donoghue	Murphy & Jones	3223337	VT	\$ 29,826.00	10/7/2016	12/31/2016	2017	0	95	0	5	The scope of work for the A/C Program is for the electrical work to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Bouchet	Murphy & Jones	3223338	VT	\$ 71,873.00	10/7/2016	12/31/2016	2017	0	95	0	5	The scope of work for the A/C Program is for the electrical work to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
Stagg	Murphy & Jones	3223313	VT	\$ 85,232.00	10/7/2016	12/31/2016	2017	0	95	0	5	The scope of work for the A/C Program is for the electrical work to install new window air conditioning units in all utilized classrooms in order to provide adequate cooling.	8
				\$ 1,864,751.75									

- Reasons:
1. Safety
 2. Code Compliance
 3. Fire Code Violations
 4. Deteriorated Exterior Conditions
 5. Priority Mechanical Needs
 6. ADA Compliance
 7. Support for Educational Portfolio Strategy
 8. Support for other District Initiatives
 9. External Funding Provided

CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number of Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Oracle PO Number	Board Rpt Number
Daniel J Corkery School									
2016 Corkery NCP 2016-22851-NCP									
All-Bry Construction Company			\$916,000.00	13	\$105,795.51	\$1,021,795.51	11.55%		
<u>Change Date</u>	<u>App Date</u>	<u>Change Order Descriptions</u>							
09/07/16	09/14/16	Contractor to provide labor and material to remove existing concrete slab beneath existing soft playground surface material.						3201445	\$5,768.31
09/24/16	09/28/16	Contractor to provide labor and material to furnish and install additional interpretive bilingual signs.					School Request		\$1,807.30
09/07/16	09/08/16	Contractor to provide labor and material to remove obstructions to properly install concrete walk-in area of kitchen community garden.					Discovered Conditions		\$1,650.53
09/07/16	09/08/16	Contractor to provide labor and material to provide additional fence mounted signage.					Owner Directed		\$754.36
08/30/16	09/08/16	Contractor to provide labor and material to re-route existing surface mounted raceways, and wiring to avoid interference with the new overhead door operator installation.					Discovered Conditions		\$1,832.74
09/19/16	09/26/16	Contractor to provide labor and material to remove the existing piping and install ductile Iron piping per the Chicago Department of Water Management requirements.					Code Compliance		\$6,226.44
09/24/16	09/28/16	Contractor to provide labor and material to install a mid-rail assembly for new chain link fence.					Omission – AOR		\$2,107.41
09/15/16	09/23/16	Contractor to provide labor and material to demolish existing, and install a new manhole structure.					Discovered Conditions		\$9,020.60
								Project Total: \$29,167.69	

The following change orders have been approved and are being reported to the Board in arrears.

CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number of Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Oracle PO Number	Board Rpt Number
Louis Nettelhorst School									
2016 Nettelhorst UAF 2016-24661-UAF									
	All-Bry Construction Company		\$187,600.00	5	\$11,050.30	\$198,650.30	5.89%		
<u>Change Date</u>	<u>App Date</u>	<u>Change Order Descriptions</u>						<u>Reason Code</u>	
09/08/16	09/14/16	Contractor to provide labor and material for removal, and install of new HMA pavement.						3200564	\$11,997.40
09/08/16	09/21/16	Contractor to provide labor and material to install flat top slab for catch basin.							\$609.50
09/08/16	09/14/16	Contractor to provide credit for the right-of-way sewer work removed from scope.							-\$4,367.00
09/08/16	09/14/16	Contractor to provide labor and material to remove soft surface, and install new partial sidewalk.							\$2,120.00
09/08/16	09/14/16	Contractor to provide labor and material for a removing, and installation of new basketball hoop rim, and brackets.						Owner Directed	\$690.40
								Project Total: \$11,050.30	
Ernst Prussing									
2016 Prussing BLR 2016-25031-BLR									
	Friedler Construction Co.		\$1,146,800.00	6	\$31,378.64	\$1,178,178.64	2.74%		
<u>Change Date</u>	<u>App Date</u>	<u>Change Order Descriptions</u>						<u>Reason Code</u>	
09/13/16	09/21/16	Contractor to provide labor and material to install filters at the output registers in all rooms.						3117362	\$3,096.00
09/24/16	09/28/16	Contractor to provide labor and material to remove existing wood door and frame, and saw-cut the existing clay tile wall to install new doors.						Omission - AOR	\$12,425.34
								Project Total: \$15,521.34	

The following change orders have been approved and are being reported to the Board in arrears.

CPS

Chicago Public Schools
Capital Improvement Program

December 2016

These change order approval cycles range from
09/01/2016 to 09/30/2016

10/14/16
Page 3 of 7

CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number of Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Oracle PO Number	Board Rpt Number
James Wadsworth School									
2016 Wadsworth NCP 2016-25711-NCP									
All-Bry Construction Company									
			\$1,250,400.00	4	\$37,588.66	\$1,287,988.66	3.01%		
<u>Change Date</u>	<u>App Date</u>	<u>Change Order Descriptions</u>					<u>Reason Code</u>		
09/24/16	09/28/16	Contractor to provide labor and material for alternate artificial turf infill, and shock pad.					Owner Directed	3200563	\$32,171.00
								Project Total: \$32,171.00	
Frank W Gunsaulus Scholastic Academy School									
2016 Gunsaulus NCP 2016-29121-NCP									
Elanar Construction									
			\$2,307,440.00	1	\$53,355.10	\$2,360,795.10	2.31%		
<u>Change Date</u>	<u>App Date</u>	<u>Change Order Descriptions</u>					<u>Reason Code</u>		
09/27/16	09/28/16	Contractor to provide labor and material to replace synthetic turf surface, and shock pad.					Owner Directed	3215237	\$53,355.10
								Project Total: \$53,355.10	

The following change orders have been approved and are being reported to the Board in arrears.

CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number of Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Oracle PO Number	Board Rpt Number
Jose De Diego Community Academy									
2016 De Diego MCR 2016-31261-MCR									
	Madison Construction Company		\$10,940,540.00	21	\$172,484.71	\$11,113,024.71	1.58%		
<u>Change Date</u>	<u>App Date</u>	<u>Change Order Descriptions</u>					<u>Reason Code</u>		
09/01/16	09/07/16	Contractor to provide labor and material to reconnect plumbing vent stack, provide temporary connection of roof drains, and install ductile iron riser to bottom of roof deck.					Discovered Conditions	3093138	\$4,848.03
08/31/16	09/21/16	Contractor to provide labor and material for removal and re-installation of ceiling grid, tiles and lights at select locations, which was originally part of Phase II scope.					Other		\$33,415.53
09/16/16	09/21/16	Contractor to provide labor and material to install additional masonry to raise parapet wall to maintain roof warranty.					Discovered Conditions		\$2,974.36
08/31/16	09/07/16	Contractor to provide labor and material to demolish, and cap existing chimneys not in use					Discovered Conditions		\$4,507.60
08/19/16	09/26/16	Contractor to provide credit for copper gutter installation to prevent dielectric corrosion.					Owner Directed		-\$2,024.78
								Project Total:	\$43,720.74
Road Amundsen High School									
2016 Amundsen CAR 2016-46031-CAR									
	Reliable & Associates		\$322,300.00	5	\$18,285.39	\$340,585.39	5.67%		
<u>Change Date</u>	<u>App Date</u>	<u>Change Order Descriptions</u>					<u>Reason Code</u>		
09/13/16	09/14/16	Contractor to provide labor and material to install stops at all windows to prevent bottom sash from opening into A/C unit assembly.					Discovered Conditions	3116997	\$5,758.85
09/13/16	09/14/16	Contractor to provide labor and material to provide skim coat with existing plaster area.					Discovered Conditions		\$983.19
09/13/16	09/23/16	Contractor to provide labor and material to install unistrut type channels, and paint struts to match existing ceiling in order to properly secure cord reels to the ceiling.					Safety Issue		\$6,509.62
								Project Total:	\$13,251.66

The following change orders have been approved and are being reported to the Board in arrears.

CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number of Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Oracle PO Number	Board Rpt Number
Albert G Lane Technical High School									
2015 Lane Tech MCR 2015-46221-MCR									
Tyler Lane Construction, Inc.			\$50,164,330.00	101	\$1,939,909.49	\$52,104,239.49	3.87%		
<u>Change Date</u>	<u>App Date</u>	<u>Change Order Descriptions</u>						<u>Reason Code</u>	
								2867615 / 3002938 / 3060061	11-0525-PR8
09/13/16	09/14/16	Contractor to provide labor and material to remove, repair, patch, prime and paint deteriorated plaster and paint surfaces						Discovered Conditions	\$26,066.00
09/06/16	09/07/16	Contractor to provide labor and material to remove additional exposed mastic in select classrooms and hallways.						Discovered Conditions	\$22,638.00
08/11/16	09/28/16	Contractor to provide labor and material to install insulated panels and glazing units at select window locations.						Omission – AOR	\$9,767.00
08/31/16	09/01/16	Contractor to provide labor and material to install additional roof ladder and walkway pad at select roof locations.						School Request	\$10,941.00
09/28/16	09/29/16	Contractor to provide labor and material to repair, refinish, replace wood floors in select rooms.						Owner Directed	\$23,424.00
09/28/16	09/28/16	Contractor to provide labor and material to replace storm sewer line between select door locations.						Discovered Conditions	\$22,532.00
08/31/16	09/01/16	Contractor to provide labor and material to remove and replace the damaged concrete landing section.						Discovered Conditions	\$1,961.00
08/31/16	09/08/16	Contractor to provide labor and material to remove and replace corroded sections of drainage piping in the select basement areas.						Discovered Conditions	\$31,733.00
09/14/16	09/14/16	Contractor to provide labor and material to safely hang and secure the elevator and counterweights to remove the hoist cables, disassemble the hoist machine and replace the thrust bearing on site, re-build the machine and test for proper operation.						ADA Conformance	\$6,201.00
								Project Total: \$155,263.00	

The following change orders have been approved and are being reported to the Board in arrears.

CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number of Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Oracle PO Number	Board Rpt Number
Morgan Park High School									
2016 Morgan Park SLK 2016-46251-SLK									
	Buckeye Construction		\$620,500.00	3	\$13,301.00	\$633,801.00	2.14%		
<u>Change Date</u>	<u>App Date</u>	<u>Change Order Descriptions</u>				<u>Reason Code</u>			
09/09/16	09/16/16	Contractor to provide labor and material to enclose existing plumbing risers at select locations.				Discovered Conditions		3084220	\$8,639.00
09/09/16	09/21/16	Contractor to provide labor and material to prime and paint existing wood trim mounted between the top of the metal locker hood and existing ceiling at select locations.				Discovered Conditions			\$862.00
09/09/16	09/14/16	Contractor to provide labor and material to paint existing locker doors.				Owner Directed			\$3,800.00
								Project Total:	\$13,301.00
Southside Occupational Academy									
2016 Southside Occ SAC 2016-49031-SAC									
	K.R. Miller Contractors, Inc		\$275,000.00	1	\$32,389.73	\$307,389.73	11.78%		
<u>Change Date</u>	<u>App Date</u>	<u>Change Order Descriptions</u>				<u>Reason Code</u>			
09/26/16	09/26/16	Reconciliation change order to reflect final proposal.				Owner Directed		3110166	\$32,389.73
								Project Total:	\$32,389.73
Dunbar Vocational Career Academy									
2016 Dunbar CAR 2016-53021-CAR									
	Wight & Company		\$3,409,000.00	18	-\$2,691.56	\$3,406,308.44	-0.08%		
<u>Change Date</u>	<u>App Date</u>	<u>Change Order Descriptions</u>				<u>Reason Code</u>			
08/23/16	09/07/16	Contractor to provide labor and material to abate ACM at select locations.				Discovered Conditions		3084166 / 3200462	\$26,437.39
09/26/16	09/29/16	Contractor to provide labor and material for moving in teachers and cleaning at select locations.				Owner Directed			\$1,863.48
								Project Total:	\$28,300.87

The following change orders have been approved and are being reported to the Board in arrears.

CHANGE ORDER LOG

School	Vendor	Project Number	Original Contract Amount	Number of Change Orders	Total Change Orders	Revised Contract Amount	Total % of Contract	Oracle PO Number	Board Rpt Number
Dyett High School									
2016 Dyett CSP 2016-66021-CSP									
Wight & Company			\$11,050,000.00	38	\$1,155,139.93	\$12,205,139.93	10.45%		
<u>Change Date</u>	<u>App Date</u>	<u>Change Order Descriptions</u>					<u>Reason Code</u>		
09/08/16	09/15/16	Contractor to provide labor and material to repair leaks in refrigeration system on select RTU circuits and select AHU circuits.					Discovered Conditions	3078956	\$28,620.00
08/16/16	09/01/16	Contractor to provide labor and material for leveling concrete slab and flooring in select rooms.					Discovered Conditions		\$23,940.16
07/12/16	09/14/16	Contractor to provide labor and material to remove exhaust duct, fire damper and exhaust grills and replace with transfer grill mounted in wall with fire damper.					Discovered Conditions		\$3,441.30
06/29/16	09/08/16	Contractor to provide labor and material to remove and replace existing south sump pump controller with new controller with vertical float switch to match existing.					Discovered Conditions		\$14,196.58
09/16/16	09/26/16	Contractor to provide labor and material to remove existing tap box and provide new feeders to existing pool office panels.					Discovered Conditions		\$10,001.00
07/21/16	09/01/16	Contractor to provide labor and material to repair 1st floor masonry bearing walls.					Discovered Conditions		\$44,169.96
08/16/16	09/15/16	Contractor to provide labor and material to level existing concrete slab, and finish floor to match existing.					Omission – AOR		\$7,643.39
09/08/16	09/15/16	Contractor to provide labor and material to install VCT over existing with proper floor reducer.					Omission – AOR		\$6,856.00
								Project Total:	\$138,868.39

Total Change Orders for this Period \$566,360.82

The following change orders have been approved and are being reported to the Board in arrears.

16-1207-PR4

AUTHORIZE A NEW AGREEMENT WITH HERFF JONES, LLC FOR THE PURCHASE OF CAPS AND GOWNS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with Herff Jones, LLC for the purchase of graduation caps, gowns and related products for all schools at an estimated annual cost set forth in the Compensation Section of this report. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for this purchase is available for signature. No goods may be ordered or received and no payment shall be made to Vendor prior to the execution of their written agreement. The authority granted herein shall automatically rescind in the event their written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification Number : 16-350050

Contract Administrator : Sinnema, Mr. Ethan Cedric / 773-553-5180

VENDOR:

- 1) Vendor # 17837
HERFF JONES, LLC
4501 W. 62nd Street
Indianapolis, IN 46268

Jim Cranley
800 553-3737

Ownership: No Owner Has Greater Than
10%

USER INFORMATION :

Project
Manager: 12210 - Procurement and Contracts Office

42 West Madison Street

Chicago, IL 60602

Bochenek, Ms. Amanda M

773-553-3207

TERM:

The term of this agreement shall commence on January 1, 2017 and shall end on December 31, 2019. This agreement shall have two (2) options to renew for periods of one (1) year each.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

DESCRIPTION OF PURCHASE:

Vendor will provide student graduation caps, gowns, tassels, honor cords, honor stoles, and faculty gowns and hoods.

OUTCOMES:

This agreement will allow all schools to purchase graduation caps, gowns and related graduation products at a discounted price.

COMPENSATION:

Vendor shall be paid in accordance with the unit prices contained in the agreement. Estimated annual costs for the three (3) year term are set forth below:

\$400,000.00, FY 2017
\$500,000.00, FY 2018
\$500,000.00, FY 2019
\$100,000.00, FY 2020

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize the Chief Procurement Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts (M/WBE Program), the M/WBE goals for this contract are set at 30% MBE and 7% WBE. However, the Office of Business Diversity recommends that a partial waiver of the goals be waived due to good faith efforts demonstrated by the vendor. The vendor is proposing 10% MBE and 8% WBE and has scheduled the following vendors:

Total MBE: 10%

R2 Logistics, Inc.
747 S. Eastwood Dr.
Woodstock, IL 60098
Ownership: Ricardo Rios

Total WBE: 8%

Precision Transportation, Inc.
1010 Dixie Highway, Suite 309
Chicago Heights, IL 60411
Ownership: Joyce Michael

S & D Cartage
242 Strathmore Ct.
Bloomington, IL 60108

Ownership: Stephanie Jenks

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Multiple Funds, Multiple Units

\$400,000.00, FY 2017
\$500,000.00, FY 2018
\$500,000.00, FY 2019
\$100,000.00, FY 2020

Not to exceed \$1,500,000.00 for the three (3) year term. Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-PR5

AMEND BOARD REPORT 16-0427-PR14

AUTHORIZE THE PRE-QUALIFICATION STATUS OF AND ENTERING INTO AGREEMENTS WITH ORACLE CONSULTANTS

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the pre-qualification of various vendors to provide consulting services related to Oracle-based financial, procurement, and human capital management system improvements to the district at an estimated annual cost set forth in the Compensation Section of this report. Vendors were selected on a competitive basis pursuant to Board Rule 7-2. Written master agreements for vendors are currently being negotiated. No services shall be provided by vendors and no payment shall be made to any of the vendors prior to the execution of their written agreement. The pre-qualification status approved herein shall automatically rescind in the event such vendor fails to execute the Board's master agreement within 90 days of the date of this Board Report. Information pertinent to the this agreements is stated below.

This December 2016 amendment is necessary to increase the maximum spend authority in the initial term of the pre-qualified vendor pool by \$2,079,000 from \$1,750,000 to \$3,829,000. The proposed increase would ensure that CPS can continue to support critical, fixed duration FY17 project improvement initiatives in both the Human Capital and Financial systems space. No amendments to the agreements are required.

Specification Number : 16-350016

Contract Administrator : Knowles, Mr. Jonathan / 773-553-2280

USER INFORMATION :

Project 12510 - Information & Technology Services
Manager: 42 West Madison Street
Chicago, IL 60602
Gallagher, Mr. Patrick F.
773-553-1300

TERM:

The term of each this agreement shall commence on July 1, 2016 and shall end June 30, 2017. There is one (1) option to renew for one year.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate each this agreement with 30 days written notice.

SCOPE OF SERVICES: Vendors will provide To enter into an agreement with a pool of project-based consulting vendors for Oracle based financial, procurement and human capital system improvements in FY17.

DELIVERABLES:

Consultants are required to address anticipated project work in the following areas:

- a. Finance - Anticipate the need for additional programming changes in FY17 in support of new process and policy around school procurement and budget practices. Recent examples include modifications to school spend limit handling and changes to pension contribution for central office staff.
- b. Human Capital Management systems - Anticipate the need for additional programming changes in FY17 in support of new process and policy around district recruiting, hiring and onboarding practices. As well, we anticipate the need to update the district's time-keeping system (Kronos) and support the recently released RFP for the consolidation of healthcare plan providers.

OUTCOMES:

Vendors' services will result in improvements to the Oracle based financial, procurement, and human capital systems.

COMPENSATION:

The sum of payments to all pre-qualified vendors for the pre-qualification term shall not exceed:
FY17 Operating Funds - ~~\$1,750,000.00~~ \$3,829,000.00

Costs associated herewith shall be reported to the Board on a quarterly basis pursuant to Board Rule 7-8.

USE OF POOL:

Information and Technology Services is authorized to receive services from the pre-qualified pool by use of the mini-bid process.

REIMBURSABLE EXPENSES:

None

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written master agreements. Authorize the President and Secretary to execute the master agreements. Authorize Chief Information Officer to execute all ancillary documents required to administer or effectuate these agreements.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Programs for Minority and Women Owned Business Enterprise (M/WBE) Participation in Goods and Services and Construction Contracts, the overall M/WBE goals for the award are 30% MBE and 7% WBE.

Total MBE - 30%
Mirage Software Inc dba Bourntec Solutions
1701 E. Woodfield Road, Suite 200
Schaumburg, IL 60173
Contact: Sri Surya Tel

Clarity Partners, LLC
227 W. Monroe St., Suite 3950
Chicago, IL 60606
Contact: Rodney Zech

The iWay Group, Inc.
1717 N Naper Blvd, Suite 200
Naperville, IL 60563
Contact: Tom Zhang

GNC Consulting
21195 S. LaGrange RD.
Frankfort, IL 60423
Contact: Gary Lyons

Senryo Technologies
387 Shuman Blvd. Suite 208E
Naperville, IL 60563
Contact: Dinkar Karumuri

Total WBE - 7%
Blackwell Management Solutions, LLC
1912 Weston Lane
Schaumburg, IL 60173
Contact: Pamela Blackwell

Quad656 LLC
656 E. Swedesford Rd
Wayne, PA 19087
Contact: Matthew Sullivan

The William Everette Group
35 E Wacker Drive, Suite 3900
Chicago, IL 60601
Contact: Ellen Turner

B2B Strategic Solutions, Inc.
150 N. Michigan Ave
Chicago, IL 60601
Contact: Donna C. Bryant

Viva USA Inc.
3601 W. Algonquin Rd, Suite 425
Rolling Meadows, IL 60008
Contact: Scott Campbell

LSC REVIEW:

Local School Council approval is not applicable to this report

FINANCIAL:

Fund 115 and 484, General and Capital Funds, 12510
FY17 Operating Funds - ~~\$1,750,000.00~~ \$3,829,000.00
Not to exceed ~~\$1,750,000~~ \$3,829,000.00 for the one year term.
Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

- | | | | |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1) | <p>Vendor # 63035
CLARITY PARTNERS, LLC
20 N. CLARK ST, STE 3600
CHICAGO, IL 60602
Rodney Zech
312 920-0550</p> <p>Ownership: David C Namkung 51%, Rodney S. Zech 49%</p> | 5) | <p>Vendor # 87711
MIRAGE SOFTWARE INC DBA BOURNTEC SOLUTIONS INC
1701 EAST WOODFIELD RD
SCHAUMBURG, IL 60173
Srujana Gudur
224 232-5090</p> <p>Ownership: Srujana Gudur 100%</p> |
| 2) | <p>Vendor # 94462
COMPUTER AID, INC
10 South LaSalle, Suite 1000
Chicago, IL 60603
Thomas Weaver
630 561-9411</p> <p>Ownership: Anthony J Salvaggio 98.94%, Ernest J. Dianastasis 1.06%</p> | 6) | <p>Vendor # 22804
SENRYO TECHNOLOGIES INC
387 SHUMAN BOULEVARD
NAPERVILLE, IL 60563
Steven Heeley
630 355-7429</p> <p>Ownership: Dinkar Karumuri 100%</p> |
| 3) | <p>Vendor # 87712
GNC CONSULTING, INC
21195 S. LAGRANGE RD.
FRANKFORT, IL 60423
Nancy Cooper
815 469-7255</p> <p>Ownership: Garry Cooper 51%, Nancy Cooper 49%</p> | | |
| 4) | <p>Vendor # 16092
Hitachi Consulting Corporation
14643 Dallas Parkway Ste 800
Dallas, TX 75254
Michelle Drewer
262 421-8042</p> <p>Ownership: Hitachi Information And Telecommunications Systems Global Holding Corporation 99.6%</p> | | |

16-1207-PR6

AUTHORIZE A NEW AGREEMENT WITH CDW GOVERNMENT, LLC FOR THE PURCHASE OF END USER COMPUTING DEVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with CDW Government, LLC for the purchase of End User Computing Devices for all schools, including charter schools, network offices, and departments, at an estimated annual cost set forth in the Compensation Section of this report. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for this purchase is currently being negotiated. No goods may be ordered or received and no payment shall be made to Vendor prior to the execution of their written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Specification Number : 16-350055

Contract Administrator : Knowles, Mr. Jonathan / 773-553-2280

VENDOR:

1) Vendor # 63673
CDW GOVERNMENT, LLC
300 NORTH MILWAUKEE AVE.
VERNON HILLS, IL 60061

Sean Dillon
877 489-8641

Ownership Information: Publicly Traded

USER INFORMATION :

Project
Manager: 12510 - Information & Technology Services

42 West Madison Street

Chicago, IL 60602

Pelton, Mr. James R.

773-553-1300

TERM:

The term of this agreement shall commence on January 1, 2017 and shall end June 30, 2018. This agreement shall have two (2) options to renew for periods of one (1) year each.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

DESCRIPTION OF PURCHASE:

The vendor shall supply personal computing devices that use the Windows or Chrome operating system, related accessories, and setup and installation services to the Board.

OUTCOMES:

This purchase will result in the supply of end user computer devices and associated installation, configuration, extended warranty, and maintenance services for all departments and schools. By leveraging district spend across end user computing products we were able to achieve discounts as compared to previous contracts.

COMPENSATION:

Vendor shall be paid in accordance with the unit prices contained in the agreement; Estimated annual costs for the eighteen (18) month term are set forth below:

\$18,666,666.66, FY 17

\$37,333,333.33, FY 18

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize Chief Information Officer to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women Owned Business Enterprise (M/WBE) Participation in Goods and Services Contracts, the contract is in full compliance with the proposed goals of 30% MBE and 7% WBE. The selected vendor has scheduled the following participation:

Total MBE: 30%
KBS Computer Services, Inc.
8056 186th St.
Tinley Park, IL 60487
Ownership: Anthony R. Kitchens

Wynndalco Enterprises, LLC
55 W. Wacker Dr. 9th floor
Chicago, IL 60601
Ownership: David Andalcio

Total WBE: 7%
Iyka Enterprises, Inc.
201 E. Loop Rd., Suite 252
Wheaton, IL 60189
Ownership: Poonam Gupta-Krishnan

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Multiple Departments, Multiple Units

\$18,666,666.66, FY 17

\$37,333,333.33, FY 18

Not to exceed \$56,000,000.00 for the eighteen (18) month term.

Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-PR7

AUTHORIZE A NEW AGREEMENT WITH COGHLAN LAW LLC FOR SUBROGATION SERVICES

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize a new agreement with Coghlan Law LLC to provide Subrogation Claims Management and other services for the Board's self-funded medical insurance plan. Vendor will be paid on a contingency basis plus reimbursable expenses. Vendor was selected on a competitive basis pursuant to Board Rule 7-2. A written agreement for Vendor's services is currently being negotiated. No services shall be provided by Vendor and no payment shall be made to Vendor prior to the execution of their written agreement. The authority granted herein shall automatically rescind in the event a written agreement is not executed within 90 days of the date of this Board Report. Information pertinent to this agreement is stated below.

Contract Administrator : Hubbard, Ms. Carisa Ann / 773-553-2280
CPOR Number : 16-1115-CPOR-1803

VENDOR:

- 1) Vendor # 24950
COGHLAN LAW LLC
161 NORTH CLARK STREET., SUITE 1325
CHICAGO, IL 60601

Barbara J. Coghlan
312 357-9200

Ownership: Barbara Coghlan 100%

USER INFORMATION :

Contact:
11010 - Talent Office
42 West Madison Street
Chicago, IL 60602
Fairhall, Ms. Gail A
773-553-3807

Project
Manager: 11010 - Talent Office

42 West Madison Street

Chicago, IL 60602

Lyons, Mr. Matthew A

773-553-2520

TERM:

The term of this agreement shall commence on January 1, 2017 and shall end December 31, 2017. This agreement shall have three (3) options to renew for periods of twelve (12) months each.

EARLY TERMINATION RIGHT:

The Board shall have the right to terminate this agreement with 30 days written notice.

SCOPE OF SERVICES:

Vendor will provide subrogation services for the Board's self-funded medical plan. This health plan includes inpatient and outpatient medical services. Subrogation is the process by which an insurance plan pursues a third party for payment when a claim is made against the plan and the at-fault third party is liable for the claim. Estimated cost-avoidance to the Board is approximately \$450,000 per year after vendor is paid contingency fee of 33 percent. Services include:

- Evaluating subrogation potential of each medical claim
- Seeking recoveries from liable third parties and their insurance providers
- Negotiating with third parties for the purpose of settling subrogation claims
- Reporting and remitting subrogation payments to the Board

DELIVERABLES:

Vendor will provide subrogation services and recovery to the Board on a daily basis. Subrogation claim files from the insurance carriers are sent daily to the Vendor for review and recovery. Vendor will deliver quarterly reports that include analysis and recovery of claims.

OUTCOMES:

Vendor's services will result in an efficient and cost-effective administration of the Board's self-funded healthcare plan.

COMPENSATION:

Vendor shall be paid a contingency fee in the amount of 33.33 percent of the gross recoveries, in which the gross recovery or savings was realized by the Board after the assignment of the injury claim to the Vendor, plus reimbursable expenses as set forth in the agreement. Gross recoveries are estimated at approximately \$700,000 per year. Reimbursable expenses shall not exceed \$200,000.

REIMBURSABLE EXPENSES:

Vendor shall be paid reimbursable expenses as set forth in the agreement.

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written agreement. Authorize the President and Secretary to execute the agreement. Authorize Chief Officer of Talent to execute all ancillary documents required to administer or effectuate this agreement.

AFFIRMATIVE ACTION:

The M/WBE goals for this agreement include: 15% total MBE and 5% total WBE participation. Coghlan Law, LLC is a certified WBE firm.

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115, Pension & Liability Insurance - City Wide; Unit 12470 FY17 \$200,000
Not to exceed \$200,000 for the one (1) year term.
Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

16-1207-PR8

**AMEND BOARD REPORT 16-0928-PR9
AUTHORIZE THE FIRST RENEWAL AGREEMENT WITH EYEMED VISION CARE FOR VISION
INSURANCE**

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING DECISION:

Authorize the first renewal agreement with EyeMed Vision Care and its third party administrator, First American Administrators, Inc., and authorize insurance policy to be issued by the Fidelity Security Life Insurance Company to provide vision insurance and services to the Talent Office at an estimated annual cost set forth in the Compensation Section of this report. A written document exercising this option is currently being negotiated. No payment shall be made to EyeMed during the option period prior to execution of the written document. The authority granted herein shall automatically rescind in the event a written document is not executed within 90 days of the date of this amended Board Report. Information pertinent to this option is stated below.

This December 2016 amendment is necessary to i) identify EyeMed's third-party administrator, First American Administrators, Inc. ("FAA"), which is a party to the original services agreement and ii) identify the insurance company, Fidelity Security Life Insurance Company, who will be issuing the insurance policy that is the basis of services provided by EyeMed and receiving all payments from the Board associated with the insurance and services provided.

Specification Number : 13-250045

Contract Administrator : Hubbard, Ms. Carisa Ann / 773-553-2280

VENDOR:

1) Vendor # 23348
EYEMED VISION CARE
4000 LUXOTTICA PLACE
MASON, OH 45040
Kathleen Jewel King
513 765-6015

Vendor # 99449
2) FIDELITY SECURITY LIFE INSURANCE
COMPANY
3130 BROADWAY
KANSAS CITY, MI 64111
Kenneth G. House
816 968-0574

Vendor # 99450
3) FIRST AMERICAN ADMINISTRATORS, INC
4000 LUXOTTICA PLACE
MASON, OH 45040
Brian Haigis
513 765-3025

USER INFORMATION :

Project 11010 - Talent Office
Manager: 42 West Madison Street
Chicago, IL 60602
Lyons, Mr. Matthew A
773-553-2520

PM Contact: 11010 - Talent Office
42 West Madison Street
Chicago, IL 60602
Fairhall, Ms. Gail A
773-553-3807

ORIGINAL AGREEMENT:

The original Agreement (authorized by Board Report 13-0925-PR15) in the amount of \$6,600,000.00 is for a term commencing January 1, 2014 and ending December 31, 2016, with the Board having two (2) options to renew for a one (1) year term. The Board Report was amended (authorized by Board Report 13-1218-PR17) to identify First American Administrators, Inc. as the third party administrator and Fidelity Security Life Insurance Company, the company that issues the insurance policy for the vision services. The original agreement was awarded on a competitive basis pursuant to Board Rule 7-2.

OPTION PERIOD:

The term of this agreement is being renewed for one year commencing January 1, 2017 and ending December 31, 2017.

OPTION PERIODS REMAINING:

There is one (1) option period for one year remaining.

SCOPE OF SERVICES:

Vendor will continue to provide vision care insurance and services (including all administrative, utilization review and vision care network access) for CPS enrollees in the basic and enhanced vision plans. EyeMed's network includes optometrists, ophthalmologists, and other licensed vision care professionals who will provide services and materials to CPS enrollees in offices throughout the Chicago area.

DELIVERABLES:

Vendor will continue to provide vision insurance and all necessary communications, brochures, pamphlets and materials to the Board and Board employees, respond to telephone inquiries and direct employees to appropriate use of vision plan benefits and services, provide management reports to ensure that all services are rendered in a prompt and fair manner to all eligible employees and their dependents, and ensure that all claims are accurately processed according to the plan of benefits.

OUTCOMES:

Vendor's services will result in comprehensive and affordable vision care through contracted discount provider arrangements for the Board's vision care program for Chicago Public Schools and Board enrollees. The robust vision plan will continue to help attract and retain high quality talent to CPS.

COMPENSATION:

Vendor shall be paid during this option period as specified in the option document; total for the option period not to exceed \$2,200,000; estimated annual costs for this option period are set forth below:

\$1,100,000 FY17

\$1,100,000 FY18

AUTHORIZATION:

Authorize the General Counsel to include other relevant terms and conditions in the written option document. Authorize the President and Secretary to execute the option document. Authorize the Chief Officer of the Talent Office to execute all ancillary documents required to administer or effectuate this option agreement.

AFFIRMATIVE ACTION:

Pursuant to the Remedial Program for Minority and Women Owned Business Enterprise Participation in Goods and Services Contracts (M/WBE Program), this contract is in full compliance with the requirements of 15% total MBE and 5% WBE.

The vendor has scheduled the following:

Total MBE: 15%
Tropical Optical
3624 W. 26th St.
Chicago, IL 60623

Total WBE: 5%
Vision Health Management
5401 S. Wentworth Ave. Suite 14C
Chicago, IL 60609

LSC REVIEW:

Local School Council approval is not applicable to this report.

FINANCIAL:

Fund 115 General Funds
Talent Office Unit 11010
Not to exceed: \$2,200,000 for the one year term.
\$1,100,000 FY17
\$1,100,000 FY18
Future year funding is contingent upon budget appropriation and approval.

CFDA#: Not Applicable

GENERAL CONDITIONS:

Inspector General - Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts - The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board members during the one year period following expiration or other termination of their terms of office.

Indebtedness - The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics - The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability - The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

President Clark indicated that if there are no objections, Board Reports 16-1207-EX1 through 16-1207-EX13, 16-1207-OP1 through 16-1207-OP11, 16-1207-AR1 through 16-1207-AR3, and 16-1207-PR1 through 16-1207-PR8, with the noted abstentions, would be adopted by the last favorable roll call vote, all members voting therefore.

President Clark thereupon declared Board Reports 16-1207-EX1 through 16-1207-EX13, 16-1207-OP1 through 16-1207-OP11, 16-1207-AR1 through 16-1207-AR3, and 16-1207-PR1 through 16-1207-PR8 adopted.

16-1207-EX14

REPORT ON PRINCIPAL CONTRACT (NEW)

THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING:

Accept and file a copy of the contract with the principal listed below who was selected by the Local School Council pursuant to the Illinois School Code and the Uniform Principal's Performance Contract #14-0625-EX12.

DESCRIPTION: Recognize the selection by the local school council of the individual listed below to the position of principal subject to the Principal Eligibility Policy, #14-0723-PO1, and approval of any additional criteria by the General Counsel for the purpose of determining consistency with the Uniform Principal's Performance Contract, Board Rules, and Law.

The Talent Office has verified that the following individual has met the requirements for eligibility.

<u>NAME</u>	<u>FROM</u>	<u>TO</u>
Maureen Delgado	Interim Principal Clinton	Contract Principal Clinton Network: 2 P.N. 119217 Commencing: 9/27/16 Ending: 9/26/20

LSC REVIEW: The respective Local School Council has executed the Uniform Principal's Performance Contract with the individual named above.

AFFIRMATIVE ACTION STATUS: None.

FINANCIAL: The salary of this individual will be established in accordance with the provisions of the Administrative Compensation Plan.

PERSONNEL IMPLICATIONS: The position to be affected by approval of this action is contained in the 2016-2017 school budget.

16-1207-EX15

REPORT ON PRINCIPAL CONTRACTS (RENEWALS)**THE CHIEF EXECUTIVE OFFICER REPORTS THE FOLLOWING:**

Accept and file copies of the contracts with the principals listed below whose contracts were renewed by the Local School Councils pursuant to the Illinois School Code and the Uniform Principal's Performance Contract #09-0722-EX5 and #14-0624-EX12.

DESCRIPTION: Recognize the selection by local school councils of the individuals listed below to the position of principal subject to the Principal Eligibility Policy, #14-0723-PO1, and approval of any additional criteria by the General Counsel for the purpose of determining consistency with the Uniform Principal's Performance Contract, Board Rules, and Law.

The Illinois Administrators Academy has verified that the following principals have completed 20 hours of Professional Development. The **RENEWAL** contracts commence on the date specified in the contract and terminates on the date specified in the contract.

<u>NAME</u>	<u>FROM</u>	<u>TO</u>
Julie Mcglade	Contract Principal Garvy	Contract Principal Garvy Network: 1 P.N. 116292 Commencing: 12/30/16 Ending: 12/29/20
Aaron Rucker	Contract Principal Ryder	Contract Principal Ryder Network: 11 P.N. 113273 Commencing: 2/4/17 Ending: 2/3/21
Judith Sauri	Contract Principal Edwards	Contract Principal Edwards Network: ISP P.N. 116689 Commencing: 7/1/17 Ending: 6/30/21

LSC REVIEW: The respective Local School Councils have executed the Uniform Principal's Performance Contract with the individuals named above.

AFFIRMATIVE ACTION STATUS: None.

FINANCIAL: The salary of these individuals will be established in accordance with the provisions of the Administrative Compensation Plan.

PERSONNEL IMPLICATIONS: The positions to be affected by approval of this action are contained in the 2016-2017 school budgets.

16-1207-AR4

REPORT ON BOARD REPORT RESCISSIONS**THE GENERAL COUNSEL REPORTS THE FOLLOWING:**

- I. **Extend the rescission dates contained in the following Board Reports to February 22, 2017 because the parties remain involved in good faith negotiations which are likely to result in an agreement and the user group(s) concurs with this extension:**

- 11-0928-OP1; Reaffirm Board Report 11-0727-OP4: Authorize Entering into a Lease Agreement with the Chicago Park District for Gately Stadium.
User Group: Office of Real Estate
Services: Lease Agreement
Status: In negotiations

2. 11-1214-OP1: Amend Board Report 10-1215-OP1: Amend Board Report 10-0825-OP1: Approve Entering into an Intergovernmental Agreement to Exchange Land, an Amendment to the Lease Between the Public Building Commission and the Board, a Shared Use and Temporary License Agreement with the Chicago Park District Each in Connection with an Addition to the Edgebrook School.
Services: Lease Agreement
User Group: Real Estate
Status: In negotiations
3. 15-0527-OP2: Approve Renewal Lease Agreement with Academy for Global Citizenship Charter School for the Hearst Annex School Building at 4941 W. 46th Street.
Services: Lease Agreement
User Group: Real Estate
Status: In negotiations
4. 15-0527-OP4: Approve Renewal Lease Agreement with Legacy Charter School for the Mason School Building at 4217 West 18th Street.
Services: Lease Agreement
User Group: Real Estate
Status: In negotiations
5. 15-0527-OP5: Approve Renewal Lease Agreement with Northwestern University Settlement Association for the Use of The Lozano School Building at 1424 North Cleaver Street.
Services: Lease Agreement
User Group: Real Estate
Status: In negotiations
6. 15-0527-OP6: Approve Renewal Lease Agreement with Urban Prep Academies Inc. for the Doolittle West School Building, 521 East 35th Street, and A Portion of the Doolittle East Building, 535 East 35th Street.
Services: Lease Agreement
User Group: Real Estate
Status: In negotiations
7. 15-0527-OP7: Approve Renewal Lease Agreement with Urban Prep Academies Inc. for the Medill School Building, 1326 West 14th Place.
Services: Lease Agreement
User Group: Real Estate
Status: In negotiations
8. 15-0527-OP8: Approve Renewal Lease Agreement with Urban Prep Academies Inc. for the Englewood School Building, 6201 South Stewart Avenue.
Services: Lease Agreement
User Group: Real Estate
Status: In negotiations
9. 15-1118-PR5: Amend Board Report 14-0326-PR13: Authorize The Final Renewal Agreement with Oracle America, Inc. to Provide Talent Acquisition and On-Boarding Implementation Services.
Services: On-Boarding Implementation Services
User Group: Information & Technology Services
Status: In negotiations
10. 16-0323-PR5: Authorize the First Renewal Agreement with Constellation Newenergy, Inc. for The Supply of Electricity.
Services: Supply of Electricity
User Group: Facility Operations & Maintenance
Status: In negotiations
11. 16-0323-PR8: Authorize the Second Renewal Agreement with Constellation Energy Services – Natural Gas, LLC to Supply Natural Gas.
Services: Supply Natural Gas
User Group: Facility Operations & Maintenance
Status: In negotiations
12. 16-0427-EX6: Authorize Renewal of the LEARN Charter School Agreement with Conditions.
Services: Charter School
User Group: Office of Innovation and Incubation
Status: In negotiations
13. 16-0427-EX7: Authorize Renewal Agreement with Banner Learning Corp, - Chicago with Conditions for Alternative Learning Opportunities Program Services.
Services: Charter School
User Group: Office of Innovation and Incubation
Status: In negotiations

14. 16-0427-EX9: Amend Board Report 15-0527-EX27: Amend Board Report 14-0723-EX4: Amend Board Report 14-0528-EX16; Amend Board Report 13-0724-EX3: Amend Board Report 13-0522-EX3: Approve Entering into Agreements with Various Providers for Alternative Learning Opportunities Program Services.
Services: Charter School
User Group: Office of Innovation and Incubation
Status: In negotiations

15. 16-0427-EX11: Amend Board Report 15-0527-EX17; Amend Board Report 14-0528-EX5: Amend Board Report 13-0424-EX14: Amend Board Report 13-0227-EX10: Approve the Renewal of the Charter School Agreement with UNO Charter School.
Services: Charter School
User Group: Office of Innovation and Incubation
Status: In negotiations

16. 16-0427-EX12: Amend Board Report 15-0527-EX11: Authorize Renewal of the Rowe Elementary Charter School Agreement.
Services: Charter School
User Group: Office of Innovation and Incubation
Status: In negotiations

17. 16-0427-EX10: Amend and Ratify Board Report 15-1216-EX2: Amend Board Report 15-0527-EX22: Amend Board Report 14-1022-EX4: Amend Board Report 12-0328-EX11: Approve the Renewal of the Charter School Agreement with Chicago Charter School Foundation (Chicago International Charter School.)
Services: Charter School
User Group: Office of Innovation and Incubation
Status: In negotiations

18. 16-0427-EX13: Amend Board Report 14-0528-EX11: Amend Board Report 14-0226-EX11: Approve the Renewal of the School Management and Performance Agreement with Chicago High School for the Arts, and Illinois Not-For-Profit Corporation.
Services: Charter School
User Group: Office of Innovation and Incubation
Status: In negotiations

19. 16-0427-EX14: Amend Board Report 15-1028-EX7: Amend Board Report 15-0624-EX7: Amend Board Report 14-0423-EX9: Amend Board Report 14-0226-EX9: Approve the Renewal of the Charter School Agreement with Noble Network of Charter Schools.
Services: Charter School
User Group: Office of Innovation and Incubation
Status: In negotiations

20. 16-0427-EX15: Amend Board Report 14-0528-EX6: Amend Board Report 13-0522-EX102: Amend Board Report 11-0223-EX2: Approve the Granting of a Charter and Entering into a Charter School Agreement with the Montessori Network, Inc., an Illinois Not For Profit Corporation.
Services: Charter School
User Group: Office of Innovation and Incubation
Status: In negotiations

21. 16-0427-EX18: Amend Board Report 15-0527-EX28: Amend Board Report 14-0924-EX3: Amend Board Report 14-0528-EX14: Authorize the Establishment of Excel Academy and Woodlawn (Now Known as Excel Academy of South Shore) and Entering into a School Management and Performance Agreement with Camelot Alt Ed-Illinois, LLC, an Illinois Liability Company
Services: Charter School
User Group: Office of Innovation and Incubation
Status: In negotiations

22. 16-0427-EX19: Amend Board Report 15-0527-EX12: Authorize Renewal of the Legacy Charter School Agreement.
Services: Charter School
User Group: Office of Innovation and Incubation
Status: In negotiations

23. 16-0427-EX20: Amend Board Report 15-0527-EX18: Amend Board Report 12-0328-EX12: Approve the Renewal of the Charter School Agreement with Perspectives Charter School.
Services: Charter School
User Group: Office of Innovation and Incubation
Status: In negotiations

24. 16-0427-EX21: Amend Board Report 15-0929-EX5: Amend Board Report 15-0527-EX24: Authorize Renewal of the Youth Connection Charter School Agreement.
Services: Charter School
User Group: Office of Innovation and Incubation
Status: In negotiations

25. 16-0427-EX22: Amend Board Report 15-1028-EX6: Amend Board Report 15-0624-EX6: Amend Board Report 14-0122-EX7: Amend Board Report 13-0522-EX104: Amend Board Report 13-0424-EX7: Amend Board Report 12-0328-EX9: Amend Board Report 12-0125-EX3: Approve the Renewal of the Charter School Agreement with Academy of Communications and Technology Charter School/KIPP Chicago Schools (KIPP Chicago Charter Schools).
 Services: Charter School
 User Group: Office of Innovation and Incubation
 Status: In negotiations
26. 16-0525-EX2: Authorize Extending the Agreements with Various Providers for High Quality Early Childhood Services Funded by the Illinois Early Childhood Block Grant.
 Services: Early Childhood Services
 User Group: Office of Early Childhood Education
 Additional Action: This matter was inadvertently omitted from the September 28, 2016 and November 16, 2016 rescission reports. The extension of the rescission date is ratified to take effect as of the prior date thereby extending the rescission date to January 25, 2017.
27. 16-0525-OP3: Renew License Agreement with the Boys & Girls Club for Space at 2950 W. 25th St. for Spry Community Links High School.
 Services: License Agreement
 User Group: Office of Real Estate
 Status: In negotiations
28. 16-0525-PR3: Authorize the Final Renewal Agreement with the College Board for Advanced Placement Exam Services.
 Services: Advanced Placement Exam Services
 User Group: Teaching and Learning Office
 Status: In negotiations
29. 16-0525-PR4: Authorize the Extension of the Agreement with Northwest Evaluation Association for Adaptive Growth Assessment,
 Services: Adaptive Growth Assessment
 User Group: Teaching and Learning Office
 Status: In negotiations
30. 16-0525-PR5: Authorize A New Agreement with Amplify Education Inc. and Northwest Evaluation Association for the Purchase of an Early Grades Assessment System.
 Services: Early Grades Assessment System
 User Group: Teaching and Learning Office
 Status: In negotiations
15. 16-0525-PR12: Authorize the Third Renewal Agreement with Various Vendors for the Purchase of Chromebook Computing Devices.
 Services: Purchase of Chromebook Computing Devices
 User Group: Information & Technology Services
 Status: 1 of 2 agreements have been executed; the remaining agreement is in negotiations
32. 16-0727-OP1: Approve Entering into an Intergovernmental Agreement with the County of Cook for the Lease of the Hanson Park Fieldhouse Site Located at Approximately 5501 W. Fullerton Avenue and Authorize Public Building Commission to Convey Title of the Hanson Park Property to the City of Chicago in Trust for Use of Schools.
 Services: Lease Agreement
 User Group: Real Estate
 Status: In negotiations
33. 16-0727-PR1: Authorize a New Software License Agreement with Faria Systems for International Baccalaureate Managebac Software.
 Services: Software License Agreement
 User Group: Teaching and Learning Office
 Status: In negotiations
34. 16-0727-PR3: Amend Board Report 15-1028-PR14: Authorize New Agreements with Various Vendors for Integrated Pest Management Services.
 Services: Integrated Pest Management
 User Group: Facility Operations & Maintenance
 Status: In negotiations
35. 16-0727-PR4: Authorize the First Renewal Agreement with Canon Business Process Services, Inc. for Central Office Mail/Receiving Room Management Services.
 Services: Central Office Mail/Receiving Room Management
 User Group: Facility Operations & Maintenance
 Status: In negotiations

36. 16-0727-PR5: Authorize the First Renewal Agreement with CBRE, Inc. for Real Estate Brokerage Services.
Services: Brokerage Services
User Group: Facility Operations & Maintenance
Status: In negotiations
41. 16-0727-PR10: Ratify Second Renewal Agreement with Autoclear, LLC for the Purchase of Portable X-Ray Machines and Related Installation, Maintenance and Training Services.
Services: Purchase of Portable X-Ray Machines and Related Installation, Maintenance and Training Services.
User Group: School Safety and Security Office
Status: In negotiations
42. 16-0727-PR11: Authorize New Agreements with SCR Medical Transportation, Inc. and Reliant Transportation, Inc. for Para-Transit and Alternative Modes of Student Transportation Services. Services: Student Transportation Services
User Group: Student Transportation
Status: In negotiations
43. 16-0727-PR13: Authorize New Agreements with Office Depot and CDW-G for the Purchase of Audio Visual and Interactive Whiteboard Equipment.
Services: Purchase of Audio Visual and Interactive Whiteboard Equipment
User Group: Information & Technology Services
Status: In negotiations
44. 16-0727-PR14: Authorize a New Agreement with Payflex Systems USA, Inc. for Cobra Administration Services.
Services: Cobra Administration Services
User Group: Talent Office
Status: In negotiations
45. 16-0928-PR2: Authorize a New Master Agreement with Academy for Urban School Leadership for Professional Development, Management Consulting and Turnaround Services
Services: Professional Development, Management Consulting and Turnaround Services
User Group: Network Support
Status: In negotiations
46. 16-0928-PR6: Authorize the First and Second Renewal Agreement with AT&T, Corp. For Telecommunications Voice and Data Services
Services: Telecommunications Voice and Data Services
User Group: Information & Technology Services
Status: In negotiations
47. 16-0928-PR7: Authorize the First Renewal Agreement with Benefit Express Services, LLC. to Provide Medical and Dependent Care Flexible Spending Account (FSA) Services to Participating Employees.
Services: Medical and Dependent Care Flexible Spending Account
User Group: Talent Office
Status: In negotiations
48. 16-0928-PR8: Authorize the First Renewal Agreement with Delta Dental of Illinois for Dental Insurance
Services: Dental Insurance
User Group: Talent Office
Status: In negotiations
49. 16-0928-PR9: Authorize the First Renewal Agreement with Eyemed Vision Care for Vision Insurance
Services: Medical and Dependent Care Flexible Spending Account
User Group: Talent Office
Status: In negotiations
50. 16-0928-PR10: Authorize the Second and Final Renewal Agreement with Sedgwick Claims Management Services Inc. for Short-Term Disability (STD) and Family Leave Medical Act Services
Services: Short Term Disability and Family Leave Medical Act Services
User Group: Talent Office
Status: In negotiations
51. 16-0928-PR11: Authorize a New Agreement with R.V. Kuhns and Associates, Inc. dba RVK, Inc. for Retirement Plans Consulting Services
Services: Consulting Services
User Group: Talent Office
Status: In negotiations

- II. **Rescind the following Board Reports in part or in full for failure to enter into an agreement with the Board, after repeated attempts, and the user groups have been advised of such rescission:**

1. 16-0427-EX16: Amend Board Report 15-0527-EX15: Amend Board Report 14-0122-EX19: Consideration of a Proposal for Charter and Charter School Agreement Submitted by Intrinsic Schools, an Illinois Not-For-Profit Corporation (Intrinsic Charter School 2)
Services: Charter School
User Group: Innovation & Incubation
Action: Intrinsic Schools withdrew their charter proposal on October 31, 2016. As a result, authority to enter into a charter agreement is being rescinded.

President Clark thereupon declared Board Reports 16-1207-EX14, 16-1207-EX15, and 16-1207-AR4 accepted.

OMNIBUS

At the Regular Board Meeting held on December 7, 2016 the foregoing motions, reports and other actions set forth from number 16-1207-MO1 through 16-1207-MO3 except as otherwise indicated, were adopted as the recommendations or decisions of the Chief Executive Officer and General Counsel.

Board Member Dr. Hines abstained on Board Reports 16-1207-EX8, 16-1207-OP3, 16-1207-OP4, 16-1207-OP5, and 16-1207-OP6.

Board Member Ward abstained on Board Reports 16-1207-EX13 and 16-1207-OP11.

ADJOURNMENT

President Clark moved to adjourn the meeting, and it was so ordered by a voice vote, all members present voting therefore.

President Clark thereupon declared the Board Meeting adjourned.

I, Estela G. Beltran, Secretary of the Board of Education and Keeper of the records thereof, do hereby certify that the foregoing is a true and correct record of certain proceedings of said Board of Education of the City of Chicago at its Regular Board Meeting held on December 7, 2016 held at the CPS Loop Office, 42 W. Madison Street, Garden Level, Board Room, Chicago, Illinois, 60602.

**Estela G. Beltran
Secretary**

INDEX**AR – REPORTS FROM THE GENERAL COUNSEL**

16-1207-AR1	Debarment of Charles Meadows	203
16-1207-AR2	Debarment of Nothin' But U and Kevin Snider	204
16-1207-AR3	Debarment of Outfitters Custom Printed Apparel	204
16-1207-AR4	Report on Board Report Rescissions	230 - 235
16-1207-AR5	Authorize Retention of The Law Firm The Del Galdo Law Group, LLC	3
16-1207-AR6	Authorize Retention of The Law Firm Foley & Lardner LLP	3, 4
16-1207-AR7	Authorize Continued Retention of The Law Firm Nielsen, Zehe & Antas, P.C.	4
16-1207-AR8	Workers' Compensation – Payment for Lump Sum Settlement for Steven Dzialowy – Case No. 08 WC 38419	5
16-1207-AR9	Workers' Compensation – Approve Partial 5(b) Lien Recovery for Patricia Habtemichael – Case No. 05 WC 43158	5, 6
16-1207-AR10	Approve Settlement Recommendation in Tully v. Board of Education of the City of Chicago, Case No. 14-CV-4434.....	6
16-1207-AR11	Appoint Assistant General Counsel Department of Law (Laura L. Smith)	7
16-1207-AR12	Appoint Assistant General Counsel Department of Law (Susan J. Best)	7
16-1207-AR13	Appoint Assistant General Counsel Department of Law (Shirley Z. Blazejczyk)	8

CO – COMMUNICATION

16-1207-CO1	Communication Re: Location of Board Meeting of January 25, 2017 – CPS Loop Office, 42 W. Madison, Garden Level, Board Room, Chicago, IL 60602*	166, 167
-------------	------------------------------------------------------------------------------------------------------------------------------------------------------------	----------

EX – REPORTS FROM THE CHIEF EXECUTIVE OFFICER

16-1207-EX1	Transfer of Funds* *[Note: The complete documents for October and November 2016 will be on File in the Office of the Board].....	167 - 171
16-1207-EX2	Establish Robert J. Richardson Middle School and its Attendance Boundary and Adjust the Attendance Boundaries of Louis Pasteur Elementary School and Ferdinand Peck Elementary School.....	171 - 173
16-1207-EX3	<u>Amend Board Report 15-0527-EX6</u> Authorize Renewal of the Galapagos Charter School Agreement with Conditions	173 - 175
16-1207-EX4	Authorize Renewal of the Catalyst Maria Charter School Agreement with Conditions	175, 176
16-1207-EX5	Authorize Renewal of the Chicago Excel Academy Agreement with Conditions	176, 177
16-1207-EX6	Authorize Renewal of the Chicago International Charter School Agreement with Conditions	178 - 180
16-1207-EX7	Authorize Renewal of the Instituto Justice and Leadership Academy Charter High School Agreement with Conditions	180, 181

EX – REPORTS FROM THE CHIEF EXECUTIVE OFFICER (Continued)

16-1207-EX8	Authorize Renewal of the KIPP Chicago Charter Schools Agreement with Conditions	182 - 184
16-1207-EX9	Authorize Renewal of the Legal Prep Charter Academy Agreement with Conditions	184, 185
16-1207-EX10	Authorize Renewal of the Montessori School of Englewood Charter Agreement with Conditions	186, 187
16-1207-EX11	Authorize Renewal of the Perspectives Charter School Agreement with Conditions	187 - 189
16-1207-EX12	Authorize Renewal of the Polaris Charter Academy Agreement with Conditions	189, 190
16-1207-EX13	Authorize Renewal of the Providence Englewood Charter School Agreement with Conditions	190 - 192
16-1207-EX14	Report on Principal Contract (New)	229
16-1207-EX15	Report on Principal Contracts (Renewal)	230
16-1207-EX16	Ratify Tentative Collective Bargaining Agreement Between the Board of Education of the City of Chicago and the Chicago Teachers Union, Local 1 American Federation of Teachers, AFL-CIO	8
16-1207-EX17	Ratify Tentative Collective Bargaining Agreement Between the Board of Education of the City of Chicago and the International Union of Operating Engineers, Local 143 (Engineers Bargaining Unit)	9
16-1207-EX18	Ratify Tentative Collective Bargaining Agreement Between the Board of Education of the City of Chicago and the International Union of Operating Engineers, Local 143B (Financial Services Bargaining Unit).....	9
16-1207-EX19	Transfer and Appoint Chief Operating Officer Effective October 31, 2016 and Ratify all Lawful Actions Taken as Chief Operating Officers Since October 31, 2016 (Denise Little)	9, 10
16-1207-EX20	Transfer and Appoint Chief Officer Strategic Planning & Communications Effective November 1, 2016 and Ratify all Lawful Actions Taken as Chief Officer Strategic Planning & Communications Since November 1, 2016 (Emily Bittner)	10
16-1207-EX21	Approve Appointment of Chief Health Officer Effective November 17, 2016 and Ratify all Lawful Actions Taken as Chief Health Officer Since November 17, 2016 (Kenneth Fox)	10, 11
16-1207-EX22	Warning Resolution – Kevin Lee, Tenured Teacher, Assigned to Neal F. Simeon Career Academy High School.....	11
16-1207-EX23	Warning Resolution – Beverly Tatum, Tenured Teacher, Assigned to Ludwig Van Beethoven Elementary School.....	11, 12
16-1207-EX24	Remove and Replace the Principal of Stephen F. Gale Elementary Community Academy and Terminate the Principal's Contract.....	12, 13
<u>MO – MOTIONS</u>		
16-1207-MO1	Motion to Hold a Closed Session	1, 2
16-1207-MO2	Motion Re: Adopt and Maintain as Confidential Closed Session Minutes from October 26, 2016	16

MO – MOTIONS

16-1207-MO3 Motion Re: Approval of Record of Proceedings of Meeting Open to the Public October 26, 2016 17

OP – REPORTS FROM THE CHIEF ADMINISTRATIVE OFFICER

16-1207-OP1 Amend Board Report 16-0525-OP1 Renew Lease Agreement with Messiah Evangelical Lutheran Congregation Church and School for Space at 6200 W Patterson Ave for Smyser Elementary 192, 193

16-1207-OP2 Approve Renewal Lease Agreement with Chicago Charter School Foundation (Chicago International Charter School) for a Portion of the Truth School Building, 1443 N. Ogden, and Annex, 1409 N. Ogden 193, 194

16-1207-OP3 Approve Renewal Lease Agreement with KIPP Chicago Schools for a Portion of Hope College Preparatory High School, 5515 S. Lowe Avenue..... 194, 195

16-1207-OP4 Approve Renewal Lease Agreement with KIPP Chicago Schools for a Portion of Nash Elementary School, 4818 W. Ohio 195, 196

16-1207-OP5 Approve Renewal Lease Agreement with KIPP Chicago Schools for a Portion of the Orr School Building, 730 N. Pulaski Road 196, 197

16-1207-OP6 Approve Renewal Lease Agreement with KIPP Chicago Schools for a Portion of Penn School, 1616 S. Avers..... 197, 198

16-1207-OP7 Approve Renewal Lease Agreement with Montessori Network, Inc. for Johns, 6936 S. Hermitage Avenue 198, 199

16-1207-OP8 Approve Renewal Lease Agreement with Perspectives Charter School for Former Raymond School, 3663 S. Wabash 199, 200

16-1207-OP9 Approve Renewal Lease Agreement with Perspectives Charter School for Former Calumet School, 8131 S. May 200, 201

16-1207-OP10 Approve Renewal Lease Agreement with Polaris Charter Academy for Former Morse School, 620 N. Sawyer Avenue..... 201, 202

16-1207-OP11 Approve Renewal Lease Agreement with Providence Englewood School Corporation for Former Bunche School, 6515 S. Ashland Ave 202, 203

16-1207-OP12 Authorize the Condemnation Settlement and Acquisition of the Property at 19th West 16th Street for the Construction of a New Elementary School to Relieve Overcrowding..... 17, 18

16-1207-OP13 Disposition of Bids Received for the Sale of Land Located at 13425 S. Baltimore 18, 19

PO – POLICIES

16-1207-PO1 Extend the Remedial Program for Minority and Women-Owned Business Enterprise Participation in Construction Projects 139 - 153

16-1207-PO2 Extend the Remedial Program for Minority and Women-Owned Business Enterprise Participation in Goods and Services Contracts 153 - 165

PR – REPORTS FROM THE CHIEF PROCUREMENT OFFICER

16-1207-PR1 Authorize a New Agreement with Advanced Strategies for Professional Development Services for ESL/Bilingual Online Coursework 205, 206

16-1207-PR2 Authorize a New Agreement with ECRA Group, Inc. for Student Growth Measure Services..... 206 - 208

PR – REPORTS FROM THE CHIEF PROCUREMENT OFFICER (Continued)

16-1207-PR3	Report on the Award of Construction Contracts and Changes to Construction Contracts for the Board of Education's Capital Improvement Program.....	208 - 218
16-1207-PR4	Authorize a New Agreement with Herff Jones, LLC for the Purchase of Caps and Gowns.....	219, 220
16-1207-PR5	<u>Amend Board Report 16-0427-PR14</u> Authorize the Pre-Qualification Status of and Entering Into Agreements with Oracle Consultants.....	220 - 223
16-1207-PR6	Authorize a New Agreement with CDW Government, LLC for the Purchase of End User Computing Devices.....	223 - 225
16-1207-PR7	Authorize a New Agreement with Coghlan Law LLC for Subrogation Services	225 - 227
16-1207-PR8	<u>Amend Board Report 16-0928-PR9</u> Authorize the First Renewal Agreement with Eyemed Vision Care for Vision Insurance	227 - 229

RS – RESOLUTIONS

16-1207-RS1	Resolution Adopting the Amended Annual School Budget for Fiscal Year 2017	20 - 25
16-1207-RS2	Resolution Affirming the Adoption of, and Restating and Supplementing Resolution 16-1026-RS1, Resolution Providing for the Issue of One or More Series of Capital Improvement Bonds of the Board of Education of the City of Chicago in an Aggregate Principal Amount Not to Exceed \$840,000,000	26 - 136
16-1207-RS3	Resolution Authorize Appointment of Members to Local School Councils to Fill Vacancies.....	137
16-1207-RS4	Resolution Authorize Appointment of Members to DeVry University Advantage Academy and Barbara Vick E.C.C. Appointed Local School Councils for New Terms of Office	138
16-1207-RS5	Resolution to Affirm Chicago Public Schools' Status as a Welcoming District for All Students.....	139

RS – REPORTS FROM THE BOARD OF EDUCATION

16-1207-RS6	Resolution Approving Chief Executive Officer's Recommendation to Dismiss Educational Support Personnel	14
16-1207-RS7	Resolution Approving Chief Executive Officer's Recommendation to Dismiss Probationary Appointed Teachers	14, 15
16-1207-RS8	Resolution Authorizing the Honorable Termination of Regularly Certified and Appointed Teacher	15, 16

RU – BOARD RULE

16-1207-RU1	Amend Board Rule 4-4 Employment Requirements	166
-------------	----------------------------------------------------	-----