



City of Chicago



SO2016-2616

Office of the City Clerk

Document Tracking Sheet

Meeting Date: 4/13/2016

Sponsor(s): Emanuel (Mayor)

Type: Ordinance

Title: Issuance of City of Chicago General Obligation Bonds
Project Series 2016 and levy and collection of direct annual
tax upon all taxable property

Committee(s) Assignment: Committee on Finance

AMENDED SUBSTITUTE ORDINANCE

AN ORDINANCE providing for the issuance of General Obligation Bonds of the City of Chicago, in an amount not to exceed \$600,000,000 for project costs, and providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on said Bonds.

WHEREAS, the City of Chicago (the "City") is a body politic and corporate under the laws of the State of Illinois and a home rule unit under Article VII of the Illinois Constitution of 1970; and

WHEREAS, it is in the best interests of the inhabitants of the City and necessary for the welfare of the government and affairs of the City to finance (i) public right-of-way infrastructure improvements in City neighborhoods, including street and alley construction and improvements, lighting improvements, sidewalk improvements and replacement, and curb and gutter repairs and replacement; (ii) infrastructure improvements to enhance the development of economic activity, including industrial street construction and improvements, streetscaping, median landscaping, demolition of hazardous, vacant or dilapidated buildings that pose a threat to public safety and welfare, shoreline reconstruction, riverbank stabilization, residential and commercial infrastructure redevelopment and railroad viaduct clearance improvements; (iii) transportation improvements (to City property and facilities and to property and facilities located within the City limits which are owned by other governmental entities), including street resurfacing, bridge and freight tunnel rehabilitation, traffic signal modernization, new traffic signal installation, intersection safety improvements and transit facility improvements; (iv) grants to assist not-for-profit organizations or educational or cultural institutions, or to assist other municipal corporations, units of local government, school districts, the State of Illinois or the United States of America; (v) the acquisition of personal property, including, but not limited to, computer hardware and software, vehicles or other capital items useful or necessary for City purposes; (vi) constructing, equipping, altering and repairing various municipal facilities including fire stations, police stations, libraries, senior and health centers and other municipal facilities; and (vii) the funding of (A) judgments entered against the City, (B) certain settlements or other payments required to be made by the City as a condition to the resolution of litigation or threatened litigation or arbitration and (C) such escrow accounts or other reserves as shall be deemed necessary for any of said purposes (the purposes described in clauses (i) through (vii) above being referred to herein as the "Project"); and

WHEREAS, the cost of the Project is estimated to be not less than \$600,000,000 and the City expects to pay a portion of such costs by borrowing money and issuing its general obligation bonds in one or more series and at one or more times in the aggregate principal amount of not to exceed \$600,000,000 (plus the amount of any original issue discount as herein provided); and

WHEREAS, the City has determined that it is advisable and necessary to authorize the borrowing of the sum necessary at this time for any or all of the purposes of (i) paying or reimbursing the City for its prior payment of costs of the Project, including capitalizing or funding such interest on the bonds herein authorized for that purpose as may be necessary, and (ii) paying the expenses of issuing the bonds herein authorized for the purposes described herein, and in evidence thereof to authorize the issuance of its General Obligation Bonds (the "Bonds"), in one or more series and at one or more times as herein provided, such borrowing being for a proper public purpose and in the public interest, and the City, by virtue of its

constitutional home rule powers and all laws applicable thereto, has the power to issue such Bonds; and

WHEREAS, the Bonds may include one or more series of bonds the interest on which is, as designated by series, either includible or excludable from the gross income of their owners for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, it is desirable to provide for the issuance of Bonds under and pursuant to one or more trust indentures from the City to a bond trustee substantially in the form authorized by Section 2 of this Ordinance, as each may from time to time be amended or supplemented in accordance with its provisions (each such trust indenture is a "Trust Indenture"); and

WHEREAS, it is desirable to provide for an Authorized Officer (as defined in this Ordinance) to appoint a bank or trust company to act as bond trustee under one or more Trust Indentures (each such bank or trust company acting in the capacity as bond trustee, bond registrar and paying agent under one or more Trust Indentures, together with any successor bank or trust company appointed by an Authorized Officer and acting in such capacity, is referred to as a "Bond Trustee"); and

WHEREAS, the City's ability to issue Bonds from time to time without further action by the City Council at various times, in various principal amounts and with various interest rates, maturities, redemption provisions and other terms will enhance the City's opportunities to obtain financing for the Project upon the most favorable terms available at such time or times of issuance; and

WHEREAS, authority is granted herein to each Authorized Officer to determine to sell the Bonds, in one or more series at one or more times, as and to the extent such Authorized Officer determines that such sale or sales are desirable and in the best financial interest of the City; now, therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHICAGO AS FOLLOWS:

Section 1. The City Council, after a public meeting heretofore held on this Ordinance by the Committee on Finance of the City Council, pursuant to proper notice and in accordance with the findings and recommendations of such Committee, finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and incorporates them into this Ordinance by this reference.

Section 2. There shall be borrowed on the credit of and for and on behalf of the City in one or more series and at one or more times for Project purposes, the sum of not to exceed \$600,000,000 plus an amount equal to the amount of any net original issue discount used in the marketing of such Bonds (not to exceed 15 percent of the principal amount of any such series of Bonds). The Bonds shall be issued from time to time in one or more series for Project purposes in an aggregate principal amount not exceeding the amount specified above, or such lesser amounts as may be determined by the City's Chief Financial Officer or the City Comptroller (each such officer is referred to as an "Authorized Officer").

The Bonds of each series may be issued pursuant to, and have such terms and provisions as are set forth in, a Trust Indenture from the City to a Bond Trustee substantially in

the form attached as *Exhibit A*, which is incorporated in this Ordinance by this reference, but with such revisions in text as the Mayor or the Authorized Officer executing the same shall determine are necessary or desirable, the execution thereof, and any amendment thereto, by the Mayor or such Authorized Officer to evidence the City Council's approval of all such revisions. Such revisions may include, among other things, revisions required (i) to reflect the issuance of the Bonds as Capital Appreciation Bonds, Convertible Bonds or Direct Purchase Bonds (each as hereinafter defined) and (ii) in the case of the issuance of a series of Bonds the interest on which is includable in the gross income of their owners for federal income tax purposes. With respect to any series of Bonds issued pursuant to a Trust Indenture, in the event of any conflict between the provisions of this Ordinance and such Trust Indenture (including in the form of Bond attached thereto as an exhibit), the terms of such Trust Indenture shall be deemed to control. The Mayor or an Authorized Officer is authorized to enter into one or more of such Trust Indentures from time to time on behalf of the City.

All or any portion of the Bonds may be issued as Bonds payable in one payment on a fixed date ("*Capital Appreciation Bonds*"). Each series of 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 applicable Bond Registrar (as defined in Section 3), 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*") of such minimum amounts and integral multiples thereof as shall be agreed upon by an Authorized Officer and the purchasers of such Capital Appreciation Bonds (but no single Bond shall represent Compound Accreted Value maturing on more than one date). 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 (or integral multiple thereof) 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 (the "*Yield to Maturity*").

All or any portion of the Bonds may be issued as Bonds bearing interest at fixed rates and paying interest semiannually as described below (the "*Current Interest Bonds*"). Each series of Current Interest Bonds shall be dated such date as shall be agreed upon by an Authorized Officer and the purchasers of such Current Interest Bonds, shall be in fully registered form, shall be in such minimum denominations and integral multiples thereof as shall be agreed upon by an Authorized Officer and the purchasers of such Current Interest Bonds (but no single Current Interest Bond shall represent installments of principal maturing on more than one date), and shall be numbered as determined by the applicable Bond Registrar.

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 an Authorized Officer. While in the form of Capital Appreciation Bonds, such Convertible Bonds shall be subject to all of the provisions and limitations of this Ordinance 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 Ordinance relating to Current Interest Bonds. In particular, when Convertible Bonds are in the form of Capital Appreciation Bonds prior to their conversion to Current Interest Bonds, the transfer, exchange and replacement provisions of this Ordinance with respect to Capital Appreciation Bonds shall apply to such Convertible Bonds; *provided* that the Convertible Bonds delivered in the form of Capital Appreciation Bonds in connection with any such transfer, exchange or replacement shall have

identical provisions for conversion to Current Interest Bonds as set forth in the Convertible Bonds being transferred, exchanged or replaced. 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 as approved by an Authorized Officer at the time of sale of such Convertible Bonds. Notwithstanding any other provision hereof, any series of Bonds may be issued as Capital Appreciation Bonds, Current Interest Bonds, Convertible Bonds, or any combination thereof.

All or any portion of the Bonds may be issued and sold from time to time as a direct purchase to holders (the "*Direct Purchase Bonds*"). The Direct Purchase Bonds shall be sold as provided in Section 12 hereof.

The principal of the Bonds of each series shall become due and payable on or before the earlier of (i) January 1, 2057, or (ii) 40 years after the date of issuance of such series. Each series of Current Interest Bonds shall bear interest at a rate or rates and each series of Capital Appreciation Bonds shall have Yields to Maturity not to exceed 10 percent per annum. Any portion of the Bonds may be issued as bonds the interest on which is not excludable from the gross income of their owners for federal income tax purposes if doing so is determined by an Authorized Officer to be beneficial to the City.

Each Capital Appreciation Bond shall accrue interest from its date at the rate per annum compounded semiannually on each January 1 and July 1, commencing on such January 1 or July 1 as determined by an Authorized Officer at the time of sale of such Capital Appreciation Bonds, which will produce the Yield to Maturity identified therein until the maturity date thereof. Interest on the Capital Appreciation Bonds shall be payable only at the respective maturity dates thereof.

Each Current Interest Bond shall bear interest from the later of its date or the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid, such interest (computed upon the basis of a 360-day period of twelve 30-day months) being payable on January 1 and July 1 of each year, commencing on such January 1 or July 1 as shall be determined by an Authorized Officer at the time of the sale of each series of Current Interest Bonds. Interest on each Current Interest Bond shall be paid to the person in whose name such Current Interest Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date, by check or draft of the applicable Bond Registrar, or, at the option of any registered owner of \$1,000,000 or more in aggregate principal amount of Current Interest Bonds of a series, by wire transfer of immediately available funds to such bank in the continental United States of America as the registered owner of such Current Interest Bonds shall request in writing to the applicable Bond Registrar.

The Compound Accreted Value of the Capital Appreciation Bonds, the principal of the Current Interest Bonds and any redemption premium shall be payable in lawful money of the United States of America upon presentation and surrender thereof at the designated corporate trust office of the applicable Bond Registrar.

Each of the Bonds shall be designated "General Obligation Bonds, Series _____," with such additions, modifications or revisions as shall be determined to be necessary by an Authorized Officer at the time of the sale of such Bonds to reflect the calendar year of issuance of the Bonds, the order of sale of the Bonds, the specific series of the Bonds, whether the Bonds are being issued on a taxable basis, whether the Bonds are Capital Appreciation Bonds, Current

Interest Bonds, Convertible Bonds, or Direct Purchase Bonds, and any other authorized features of the Bonds determined by an Authorized Officer as desirable to be reflected in the title of the Bonds being issued and sold.

The seal of the City or a facsimile thereof shall be affixed to or printed on each of the Bonds, and the Bonds shall be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. As used in this Ordinance, "*City Clerk*" shall mean the duly qualified and acting City Clerk of the City or any Deputy City Clerk or other person who may lawfully take a specific action or perform a specific duty prescribed for the City Clerk pursuant to this Ordinance.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the applicable Bond Registrar or Bond Trustee as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Ordinance unless and until such certificate of authentication shall have been duly executed by the applicable Bond Registrar or Bond Trustee by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the applicable Bond Registrar or Bond Trustee if signed by an authorized officer of such Bond Registrar or Bond Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 3. (a) Registration and Transfer. The City shall cause books (the "*Bond Register*") for the registration and for the transfer of each series of Bonds as provided in this Ordinance to be kept at the designated corporate trust office of a bank or trust company designated by an Authorized Officer, which shall, with respect to a series of Bonds issued pursuant to a Trust Indenture, be the Bond Trustee for such series of Bonds (the "*Bond Registrar*"), as the registrar for the City in connection with such series of Bonds. The City is authorized to prepare multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the designated corporate trust office of the applicable Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to such Bond Registrar and duly executed by the registered owner or its attorney duly authorized in writing, the City shall execute and such Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees (a) in the case of any Capital Appreciation Bond, a new fully registered Capital Appreciation Bond or Bonds of the same series, maturity and Yield to Maturity of authorized denominations, for a like aggregate original principal amount of Capital Appreciation Bond or Bonds of the same series, maturity and Yield to Maturity of other authorized denominations, or (b) in the case of Current Interest Bonds, one or more fully registered Bonds of the same series, interest rate and maturity of authorized denominations, for a like principal amount. Any Capital Appreciation Bond or Bonds may be exchanged at said office of the applicable Bond Registrar for a like aggregate original principal amount of Capital Appreciation Bond or Bonds of the same series, maturity and Yield to Maturity of other authorized denominations. Any Current Interest Bond or Bonds may be exchanged at said office of the applicable Bond Registrar for a like aggregate principal amount

of Bonds of the same series, type, interest rate and maturity of other authorized denominations. The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the applicable Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; *provided* that (a) the aggregate original principal amount of outstanding Capital Appreciation Bonds of each series, maturity and Yield to Maturity authenticated by the applicable Bond Registrar shall not exceed the authorized aggregate original principal amount of Capital Appreciation Bonds of such series, maturity and Yield to Maturity less previous retirements and (b) the principal amount of Current Interest Bonds of each series, maturity and interest rate authenticated by the applicable Bond Registrar or Bond Trustee shall not exceed the authorized principal amount of Current Interest Bonds for such series, maturity and interest rate less previous retirements.

The applicable Bond Registrar shall not be required to transfer or exchange (a) any Bond after notice calling such Bond for redemption has been mailed, or (b) any Bond during a period of 15 days next preceding mailing of a notice of redemption of such Bond; *provided, however*, that provisions relating to the transfer or exchange of Bonds of a series shall be as determined by an Authorized Officer at the time of the sale of such series and may be set forth in a notification of sale as described in Section 12 hereof or in the Trust Indenture as authorized in Section 2 hereof.

The person in whose name any Bond is registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the Compound Accreted Value of, principal of, redemption premium, if any, or interest on any Bond, as appropriate, shall be made only to or upon the order of the registered owner thereof or its legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the applicable Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except that no such payment may be required in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(b) *Book-Entry Only System.* If so determined and directed by an Authorized Officer in connection with the sale of any of the Bonds, such Bonds may be issued in book-entry only form. In connection with the issuance of Bonds in book-entry only form, an Authorized Officer is authorized to execute and deliver to the book-entry depository selected by such Authorized Officer such depository's standard form of representation letter. If any of the Bonds are registered in the name of a securities depository which uses a book-entry system, the standing of the beneficial owner to enforce any of the covenants herein may be established through the books and records of such securities depository or a participant therein.

(c) *Bonds Lost, Destroyed, etc.* If any Bond, whether in temporary or definitive form, is lost (whether by reason of theft or otherwise), destroyed (whether by mutilation, damage, in whole or in part, or otherwise) or improperly cancelled, the applicable Bond Registrar may authenticate a new Bond of like series, date, maturity date, interest rate (or, in the case of Capital Appreciation Bonds, Yield to Maturity), denomination and original principal amount (in the case of Capital Appreciation Bonds) or principal amount (in the case of Current Interest Bonds) and bearing a number not contemporaneously outstanding; *provided* that (i) in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the applicable Bond Registrar, and (ii) in the case of any lost Bond or Bond destroyed in whole, there shall be first

furnished to the applicable Bond Registrar evidence of such loss or destruction, together with indemnification of the City and such Bond Registrar, satisfactory to such Bond Registrar. If any lost, destroyed or improperly cancelled Bond shall have matured or is about to mature, or has been called for redemption, instead of issuing a duplicate Bond, the applicable Bond Registrar shall pay the same without surrender thereof if there shall be first furnished to such Bond Registrar evidence of such loss, destruction or cancellation, together with indemnity, satisfactory to it. Upon the issuance of any substitute Bond, the applicable Bond Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

(d) *Redemption and Repurchase.* The Bonds may be made subject to redemption prior to maturity at the option of the City, in whole or in part on any date, at such times and at such redemption prices (to be expressed as a percentage of the principal amount of Current Interest Bonds being redeemed or as a formula as described below and expressed as a percentage of the Compound Accreted Value of Capital Appreciation Bonds to be redeemed or as a formula as described below) not to exceed 120 percent, plus, in the case of Current Interest Bonds, accrued interest to the date of redemption, as determined by an Authorized Officer at the time of the sale thereof.

Notwithstanding the foregoing, such 120 percent limitation on the redemption price of Bonds shall not apply where the redemption price is based upon a formula designed to compensate the owner of the Bonds to be redeemed based upon prevailing market conditions on the date fixed for redemption, commonly known as a "make-whole" redemption price (the "*Make-Whole Redemption Price*"). At the time of sale of the Bonds, an Authorized Officer shall determine the provisions of the formula to be used to establish any Make-Whole Redemption Price, which may vary depending on whether the Bonds are issued on a taxable or tax-exempt basis. An Authorized Officer shall confirm and transmit the applicable Make-Whole Redemption Price on such dates and to such parties as shall be necessary to effectuate such redemption.

If fewer than all of the outstanding Bonds of a series are to be optionally redeemed, the Bonds to be called shall be called from such maturities and interest rates of such series as may be determined by an Authorized Officer.

Certain of the Bonds of a series may be made subject to mandatory redemption, at par and accrued interest to the date fixed for redemption, as determined by an Authorized Officer at the time of the sale thereof.

An Authorized Officer is authorized to sell (at a price determined by such Authorized Officer to be in the best interests of the City) or waive any right the City may have to call any of the Bonds for optional redemption, in whole or in part, and is further authorized to expend the proceeds of any such sales for any purpose for which the proceeds of the Bonds are authorized to be expended and for the payment or prepayment of any City debt obligations whether issued before or after the date of adoption of this Ordinance, all as determined by an Authorized Officer; *provided however*, to the extent that interest on such Bonds is excluded from gross income for federal income tax purposes, such expenditures shall not adversely affect such exclusion. If determined to be necessary or appropriate, an Authorized Officer is authorized to solicit the consent of holders of outstanding Bonds to any such sale or waiver.

At the time of sale of Bonds of a series, an Authorized Officer is authorized to determine the manner of redeeming such Bonds, either by lot in the manner hereinafter provided or

pro-rata in the manner determined by an Authorized Officer at the time of sale, if less than all of the Bonds of the same series, maturity and interest rate are to be redeemed.

The Current Interest Bonds shall be redeemed only in amounts equal to the respective minimum authorized denominations and integral multiples thereof and the Capital Appreciation Bonds shall be redeemed only in amounts representing the respective minimum authorized Maturity Amounts and integral multiples thereof. In the event of the redemption of fewer than all the Bonds of the same series, maturity and interest rate by lot, the aggregate principal amount or Maturity Amount (as appropriate) thereof to be redeemed shall be the minimum authorized denomination or Maturity Amount (as appropriate) for such series or an integral multiple thereof, and the applicable Bond Registrar shall assign to each Bond of such series, maturity and interest rate, a distinctive number for each minimum authorized denomination or Maturity Amount (as appropriate) of such Bond and shall select by lot from the numbers so assigned as many numbers as, at such minimum authorized denomination or Maturity Amount (as appropriate) for each number, shall equal the principal amount or Maturity Amount (as appropriate) of such Bonds to be redeemed. In such case, the Bonds to be redeemed shall be those to which were assigned numbers so selected; *provided* that only so much of the principal amount or Maturity Amount (as appropriate) of each Bond shall be redeemed as shall equal such minimum authorized denomination or Maturity Amount (as appropriate) for each number assigned to it and so selected. In the event of the redemption of fewer than all Bonds of the same series, maturity and interest rate on a pro-rata basis, if the Bonds are held in book-entry form at the time of redemption, at the time of sale of the Bonds, an Authorized Officer is authorized to direct the Bond Registrar to instruct the book-entry depository to select the specific Bonds within such maturity and interest rate for redemption pro-rata among such Bonds. The City shall have no responsibility or obligation to ensure that the book-entry depository properly selects such Bonds for redemption.

The City shall, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the applicable Bond Registrar), notify the applicable Bond Registrar of such redemption date and of the principal amount or Maturity Amount (as appropriate) of Bonds of such series to be redeemed.

In connection with any mandatory redemption of Bonds of a series as authorized above, the principal amounts of Bonds (or the Compound Accreted Value of the Capital Appreciation Bonds) of such series to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds of such series credited against future mandatory redemption requirements in such order of the mandatory redemption dates as an Authorized Officer may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date of Bonds of a series, the applicable Bond Registrar may, and if directed by an Authorized Officer shall, purchase Bonds of such series required to be retired on such mandatory redemption date at such prices as an Authorized Officer shall determine. Any such Bonds so purchased shall be cancelled and the principal amount (or Compound Accreted Value, as appropriate) thereof shall be credited against the payment required on such next mandatory redemption date with respect to such series of Bonds.

The applicable Bond Registrar shall promptly notify the City in writing of the Bonds, or portions thereof, selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount, Compound Accreted Value or Maturity Amount (as appropriate) thereof, and the interest rate thereof to be redeemed.

Subject to the limitation on redemption price set forth above, the terms of such redemption shall be determined by an Authorized Officer at the time of sale of the Bonds of each series and may be set forth in a notification of sale as described in Section 12 hereof or in the Trust Indenture as authorized in Section 2 hereof.

Section 4. Unless waived by any owner of Bonds to be redeemed, notice of the call for any such redemption shall be given by the applicable Bond Registrar on behalf of the City by mailing the redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the applicable Bond Register or at such other address as is furnished in writing by such registered owner to such Bond Registrar, but the failure to mail any such notice or any defect therein as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. Any notice of redemption mailed as provided in this Section shall be conclusively presumed to have been given whether or not actually received by the addressee.

All notices of redemption shall state:

- (1) the series designation of the Bonds to be redeemed,
- (2) the redemption date,
- (3) the redemption price, or in the case of a redemption of Bonds at a Make-Whole Redemption Price, a description of the formula by which the redemption price shall be determined,
- (4) if less than all outstanding Bonds of a series are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts and interest rates, Compound Accreted Values or Maturity Amounts) of the Bonds to be redeemed,
- (5) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue or compound from and after said date,
- (6) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the designated corporate trust office of the applicable Bond Registrar, and
- (7) such other information as shall be deemed necessary by the applicable Bond Registrar at the time such notice is given to comply with law, regulation or industry standard.

With respect to an optional redemption of any series of Bonds, such notice may state that said redemption is conditioned upon the receipt by the applicable Bond Registrar on or prior to the date fixed for redemption of moneys sufficient to pay the redemption price of the Bonds of such series. If such moneys are not so received, such redemption notice shall be of no force and effect, the City shall not redeem such Bonds and the applicable Bond Registrar 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 Bonds will not be redeemed. Unless the notice of redemption shall be made conditional as provided above, on or prior to any redemption date for a series of

Bonds, the City shall deposit with the applicable Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions thereof of such series which are to be redeemed on that date.

Notice of redemption having been given as aforesaid, the Bonds, or portions thereof, so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City defaults in the payment of the redemption price or unless, in the event of a conditional notice as described above, the necessary moneys were not deposited) such Bonds, or portions thereof, shall cease to bear, accrue or compound interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the applicable Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption (i) of any Current Interest Bond, there shall be prepared for the registered owner a new Current Interest Bond or Bonds of the same series, interest rate and maturity in the amount of the unpaid principal or (ii) of any Capital Appreciation Bond, there shall be prepared for the registered owner a new Capital Appreciation Bond or Bonds of the same series, Yield to Maturity and maturity date in the amount of the unpaid Maturity Amount.

If any Current Interest Bond or portion thereof called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by such Bond, or portion thereof, so called for redemption. If any Capital Appreciation Bond, or portion thereof, called for redemption shall not be so paid upon surrender thereof for redemption, the Compound Accreted Value at such redemption date shall continue to accrue interest from such redemption date at the Yield to Maturity borne by such Capital Appreciation Bond, or portion thereof, so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the applicable Bond Registrar and shall not be reissued.

If any Bond is not presented for payment when the principal amount, Compound Accreted Value or Maturity Amount thereof becomes due, either at maturity or at a date fixed for redemption thereof or otherwise, and if moneys sufficient to pay such Bond are held by the applicable Bond Registrar for the benefit of the registered owner of such Bond, such Bond Registrar shall hold such moneys for the benefit of the registered owner of such Bond without liability to the registered owner for interest. The registered owner of such Bond thereafter shall be restricted exclusively to such funds for satisfaction of any claims relating to such Bond.

Section 5. The Capital Appreciation Bonds and the Current Interest Bonds of each series shall be prepared in substantially the following forms with such insertions and revisions as shall be necessary to reflect the terms and provisions of the sale of the Bonds of such series pursuant to Section 12 hereof; *provided* that if the text of any Bond is to be printed in its entirety on the front side of such Bond, then the text shown or appearing on the reverse side of such Bond shall replace paragraph [2] and the legend, "See Reverse Side for Additional Provisions," shall be omitted. The Convertible Bonds shall be prepared incorporating the provisions of the forms of Capital Appreciation Bonds and Current Interest Bonds set forth below as necessary to reflect the terms and provisions of the sale of the Convertible Bonds pursuant to Section 12 hereof.

All Bonds may be prepared with such insertions and revisions as shall be necessary in connection with the issuance of such Bonds as Direct Purchase Bonds.

[Form of Capital Appreciation Bond — Front Side]

REGISTERED
No. _____

\$ _____

Compound Accreted
Value at Maturity
("Maturity Amount")

UNITED STATES OF AMERICA

STATE OF ILLINOIS

CITY OF CHICAGO

GENERAL OBLIGATION BOND
SERIES _____

See Reverse Side for
Additional Provisions

MATURITY	YIELD TO MATURITY	ORIGINAL PRINCIPAL AMOUNT PER \$_____,000 MATURITY AMOUNT:	DATED DATE	CUSIP
_____, 20__	_____%	\$ _____	_____, 20__	

Registered Owner:

The City of Chicago (the "City") acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Maturity Amount identified above. The amount of interest payable on this Bond on the Maturity Date hereof is the amount of interest accrued from the Dated Date hereof at a semiannual compounding rate necessary to produce the Yield to Maturity set forth above, compounded semiannually on each January 1 and July 1, commencing _____ 1, 20__. The Maturity Amount of this Bond is payable in lawful money of the United States of America upon presentation and surrender of this Bond at the designated corporate trust office of _____, Chicago, Illinois, or its successor, as [bond trustee,] bond registrar and paying agent (the "Bond Registrar"). The Compound Accreted Value of this Bond per \$_____,000 Maturity Amount on January 1 and July 1 of each year, commencing _____ 1, 20__, determined by the semiannual compounding described in this paragraph shall be as set forth in the Table of Compound Accreted Value Per \$_____,000 of Compound Accreted Value at Maturity contained herein.

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

It is certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, and have been done and performed in regular and due form and time as required by law; that the indebtedness of the City, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the Maturity Amount hereof at maturity.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, the City of Chicago by the City Council has caused its corporate seal to be imprinted by facsimile hereon and this Bond to be signed by the duly authorized facsimile signature of the Mayor and attested by the facsimile signature of the City Clerk, all as of the Dated Date identified above.

(Facsimile Signature)
Mayor
City of Chicago

Attest:

(Facsimile Signature)
City Clerk
City of Chicago

[SEAL]

Date of Authentication: _____, _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Bond Ordinance and is one of the General Obligation Bonds, Series _____, of the City of Chicago.

(Manual Signature)
Authorized Officer

[Form of Capital Appreciation Bond — Reverse Side]

CITY OF CHICAGO

**GENERAL OBLIGATION BOND
SERIES _____**

For the prompt payment of the Maturity Amount of this Bond as the same becomes due, and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are irrevocably pledged.

This Bond is one of a series of Bonds aggregating the original principal amount of \$_____ issued pursuant to the constitutional home rule powers of the City for the purposes of (i) paying costs of the Project described in the Bond Ordinance, and (ii) paying expenses incidental to the issuance of the Bonds, and was authorized by an Ordinance adopted by the City Council of the City on _____, 20__ (the "Bond Ordinance").

The Bonds maturing on or after January 1, ____, are redeemable prior to maturity at the option of the City, in whole or in part on any date on or after _____ 1, ____, and if less than all of the outstanding Bonds are to be redeemed, the Bonds to be called shall be called from such maturities as shall be determined by the City, and if less than all of the Bonds of the same maturity and Yield to Maturity are to be redeemed, then [by lot] [pro-rata] for the Bonds of the same maturity and Yield to Maturity in the manner hereinafter provided, the Bonds to be redeemed at the redemption prices (being expressed as a percentage of the Compound Accreted Value of the Bonds to be redeemed) set forth below:

DATES OF REDEMPTION

REDEMPTION PRICE

[Redemption by lot] In the event of the redemption of less than all the Bonds of like maturity and Yield to Maturity, the aggregate Maturity Amount thereof to be redeemed shall be \$_____,000 or an integral multiple thereof, and the Bond Registrar shall assign to each Bond of such maturity and Yield to Maturity a distinctive number for each \$_____,000 Maturity Amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$_____,000 for each number, shall equal the Maturity Amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; *provided* that only so much of the Maturity Amount of each Bond shall be redeemed as shall equal \$_____,000 for each number assigned to it and so selected.

[Redemption pro-rata] In the event of the redemption of less than all the Bonds of like maturity and Yield to Maturity, the Bonds to be redeemed will be selected pro-rata in the manner determined pursuant to the Bond Ordinance.

Notice of any such redemption shall be sent by first class mail not fewer than 30 days nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such Registered Owner

to the Bond Registrar; *provided* that the failure to mail any such notice or any defect therein as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. When so called for redemption, this Bond shall cease to accrue interest on the specified redemption date; *provided* that funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

This Bond is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations, of the same maturity and Yield to Maturity and for the same aggregate Original Principal Amount will be issued to the transferee in exchange therefor. The Bond Registrar shall not be required to transfer or exchange this Bond (A) after notice calling this Bond for redemption has been mailed, or (B) during a period of 15 days next preceding mailing of a notice of redemption of this Bond.

The Bonds are issued in fully registered form in Original Principal Amounts representing \$_____,000 Maturity Amount or any integral multiple thereof. This Bond may be exchanged at the designated corporate trust office of the Bond Registrar for a like aggregate Original Principal Amount of Bonds of the same series and maturity, upon the terms set forth in the Bond Ordinance.

The City and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of the Maturity Amount hereof and redemption premium, if any, hereon and for all other purposes and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

* * *

TABLE OF COMPOUND ACCRETED VALUE

PER \$_____,000 OF COMPOUND ACCRETED VALUE AT MATURITY

* * *

(ASSIGNMENT)

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

(Name and Address of Assignee)

the within Bond and irrevocably constitutes and appoints _____

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 of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

[Form of Current Interest Bond — Front Side]

REGISTERED
No. _____

\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

CITY OF CHICAGO

GENERAL OBLIGATION BOND

SERIES _____

See Reverse Side for
Additional Provisions

Interest
Rate: _____%

Maturity Date:
January 1, 20__

Dated Date:
_____, 20__

CUSIP: _____

Registered Owner:

Principal Amount:

The City of Chicago (the "City") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the date of this Bond or the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on January 1 and July 1 of each year commencing _____ 1, 20__, until said Principal Amount is paid. Principal of this Bond and redemption premium, if any, shall be payable in lawful money of the United States of America upon presentation and surrender at the designated corporate trust office of _____, Chicago, Illinois, as [bond trustee,] bond registrar and paying agent (the "Bond Registrar"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar or, at the option of any Registered Owner of \$1,000,000 or more in aggregate principal amount of the Bonds, by wire transfer of immediately available funds to such bank in the continental United States of America as the Registered Owner hereof shall request in writing to the Bond Registrar.

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

It is certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, and have been done and performed in regular and due form and time as required by law; that the indebtedness of the City, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, the City of Chicago by the City Council has caused its corporate seal to be imprinted by facsimile hereon and this Bond to be signed by the duly authorized facsimile signature of the Mayor and attested by the facsimile signature of the City Clerk, all as of the Dated Date identified above.

(Facsimile Signature)
Mayor
City of Chicago

Attest:

(Facsimile Signature)
City Clerk
City of Chicago

[SEAL]

Date of Authentication: _____, _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Bond Ordinance and is one of the General Obligation Bonds, Series _____, of the City of Chicago.

By: _____
(Manual Signature)
Authorized Officer

[Form of Current Interest Bond — Reverse Side]

**CITY OF CHICAGO
GENERAL OBLIGATION BOND
SERIES _____**

For the prompt payment of this Bond, both principal and interest, as aforesaid, as the same become due, and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City irrevocably pledged.

This Bond is one of a series of Bonds aggregating the principal amount of \$_____ issued pursuant to the constitutional home rule powers of the City for the purposes of (i) paying costs of the Project described in the Bond Ordinance, and (ii) paying expenses incidental to the issuance of the Bonds, and was authorized by an Ordinance adopted by the City Council of the City on _____, 20__ (the "Bond Ordinance").

The Bonds maturing on or after January 1, ____, are redeemable prior to maturity at the option of the City, in whole or in part on any date on or after _____ 1, ____, and if less than all of the outstanding Bonds are to be redeemed, the Bonds to be called shall be called from such maturities and interest rates as shall be determined by the City and if less than all of the Bonds of a single maturity and the same interest rate are to be redeemed then [by lot] [pro-rata] within such maturity and interest rate in the manner hereinafter provided, the Bonds to be redeemed at the redemption prices (being expressed as a percentage of the principal amount) set forth below, plus accrued interest to the date of redemption:

DATES OF REDEMPTION

REDEMPTION PRICE

The Bonds maturing on January 1, ____, are subject to mandatory redemption prior to maturity on January 1 of the years ____ to ____, inclusive, and the Bonds maturing on January 1, ____, are subject to mandatory redemption prior to maturity on January 1 of the years ____ to ____, inclusive, in each case at par and accrued interest to the date fixed for redemption.

[Redemption by lot] In the event of the redemption of less than all the Bonds of like maturity and interest rate, the aggregate principal amount thereof to be redeemed shall be \$_____,000 or an integral multiple thereof, and the Bond Registrar shall assign to each Bond of such maturity and interest rate a distinctive number for each \$_____,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$_____,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; *provided* that only so much of the principal amount of each Bond shall be redeemed as shall equal \$_____,000 for each number assigned to it and so selected.

[Redemption pro-rata] In the event of the redemption of less than all of the Bonds of like maturity and interest rate, the Bonds to be redeemed will be selected pro-rata in the manner determined pursuant to the Bond Ordinance.

Notice of any such redemption shall be sent by first class mail not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar; *provided* that the failure to mail any such notice or any defect therein as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. When so called for redemption, this Bond shall cease to bear interest on the specified redemption date, *provided* that funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

This Bond is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations, of the same interest rate, series and maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Bond Registrar shall not be required to transfer or exchange this Bond (A) after notice calling this Bond for redemption has been mailed, or (B) during a period of 15 days next preceding mailing of a notice of redemption of this Bond.

The Bonds are issued in fully registered form in the denomination of \$_____,000 each or authorized integral multiples thereof. This Bond may be exchanged at the designated corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same interest rate, series and maturity of other authorized denominations, upon the terms set forth in the Bond Ordinance.

The City and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and redemption premium, if any, and for all other purposes and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

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

(Name and Address of Assignee)

the within Bond and irrevocably constitutes and appoints _____

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 of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 6. Each Bond shall be a direct and general obligation of the City for the payment of which (as to Compound Accreted Value, principal, interest and redemption premium, if any, as appropriate) the City pledges its full faith and credit. Each Bond shall be payable (as to Compound Accreted Value, principal, interest and redemption premium, if any, as appropriate) from any moneys, revenues, receipts, income, assets or funds of the City legally available for such purpose, including but not limited to the proceeds of the Pledged Taxes (as defined in Section 7 hereof).

Section 7. For the purpose of providing the funds required to pay as the same become due (i) the principal of and interest and redemption premium, if any, on the Bonds (including the Compound Accreted Value of any Capital Appreciation Bonds), and (ii) to the extent determined by an Authorized Officer to be necessary or desirable, periodic fees and expenses payable to parties involved in the provision of ongoing services relating to the Bonds, such as rating agencies and entities providing financial market information to be used in connection with the structuring and sale of the Bonds (the "Ongoing Financing Services"), there is levied and there shall be collected a direct annual tax upon all taxable property in the City for the years and in the amounts as follows:

YEAR	AMOUNT	YEAR	AMOUNT
2016	\$250,000,000	2036	\$250,000,000
2017	250,000,000	2037	250,000,000
2018	250,000,000	2038	250,000,000
2019	250,000,000	2039	250,000,000

YEAR	AMOUNT	YEAR	AMOUNT
2020	250,000,000	2040	250,000,000
2021	250,000,000	2041	250,000,000
2022	250,000,000	2042	250,000,000
2023	250,000,000	2043	250,000,000
2024	250,000,000	2044	250,000,000
2025	250,000,000	2045	250,000,000
2026	250,000,000	2046	250,000,000
2027	250,000,000	2047	250,000,000
2028	250,000,000	2048	250,000,000
2029	250,000,000	2049	250,000,000
2030	250,000,000	2050	250,000,000
2031	250,000,000	2051	250,000,000
2032	250,000,000	2052	250,000,000
2033	250,000,000	2053	250,000,000
2034	250,000,000	2054	250,000,000
2035	250,000,000	2055	250,000,000

; *provided* that collections of such levy for any year in an amount in excess of that necessary to make the payments described in clauses (i) and (ii), above (a) may be used for any lawful public purpose designated by the City Council or (b) may be reduced and abated by an Authorized Officer if such reduction is deemed desirable by an Authorized Officer in connection with the sale or sales of the Bonds, in each case as determined from time to time by an Authorized Officer as provided in Section 12 hereof.

The tax levy made in this Section is not subject to the “*Aggregate Levy*” limitation contained in the Chicago Property Tax Limitation Ordinance contained in Chapter 3-92 of the Municipal Code of Chicago (the “*Municipal Code*”), and Section 3-92-020 of the Municipal Code is superseded to exclude the tax levy herein from the definition of “*Aggregate Levy*” contained therein.

The term “*Pledged Taxes*” means the taxes hereinabove levied for collection for the purpose of providing the funds necessary to make the payments described in clauses (i) and (ii) of the first paragraph of this Section 7, and the term “*Pledged Taxes*” shall also include any amounts deposited into the hereinafter-defined Bond Fund or deposited with the Ad Valorem Tax Escrow Agent (as defined in Section 9 below) by an Authorized Officer for the purpose of paying principal of and interest on the Bonds and any accrued interest received and deposited in the Bond Fund or the Ad Valorem Tax Escrow Account, if established pursuant to Section 9 below.

As provided in Section 12 or otherwise, the City reserves the right to abate all or a portion of the Pledged Taxes required to be levied in any year if and to the extent on or before March 31 of the next succeeding calendar year (or such earlier date as may be required by law), the City has on hand amounts dedicated to the payments described in clause (i) of the first paragraph of this Section 7 due during the one-year period commencing on January 2 of such

succeeding calendar year. The City may, but shall not be required to, cause the levy or extension in any year of taxes for the payment of the costs of Ongoing Financing Services.

Section 8. The City shall appropriate or otherwise provide amounts sufficient to pay principal of and interest on the Bonds (including the Compound Accreted Value of any Capital Appreciation Bonds) for the years such amounts are due, and the City covenants to take timely action as required by law to carry out the provisions of this Section, but, if for any such year it fails to do so, this Ordinance shall constitute a continuing appropriation ordinance of such amounts without any further action on the part of the City Council.

Section 9. Each Authorized Officer is authorized to establish one or more special accounts, if determined to be necessary in connection with the sale of any of the Bonds, separate and segregated from all other funds and accounts of the City (each a "*Bond Fund*"), which shall be (i) held by an Authorized Officer, or (ii) maintained by a Bond Trustee pursuant to a Trust Indenture, or (iii) maintained with a bank or trust company to be designated by an Authorized Officer (each an "*Ad Valorem Tax Escrow Account*") pursuant to an escrow agreement (each an "*Ad Valorem Tax Escrow Agreement*"), between the City and the applicable Escrow Agent named therein (each an "*Ad Valorem Tax Escrow Agent*"), and one or more of the Mayor or an Authorized Officer are authorized to execute and deliver one or more Ad Valorem Tax Escrow Agreements in connection with the sale of the Bonds in such form as the officers so executing such agreement may deem appropriate in accordance with the provisions of this Ordinance.

In lieu of the proceeds of such taxes being deposited with the City Treasurer, each Authorized Officer is authorized to direct the County Collectors of Cook and DuPage Counties, Illinois (the "*County Collectors*"), to deposit the proceeds of such taxes directly into the Bond Fund held pursuant to the applicable Trust Indenture or the applicable Ad Valorem Tax Escrow Account, if such Trust Indenture has been executed and delivered or such Ad Valorem Tax Escrow Account has been created.

Section 10. If the Pledged Taxes to be applied to the payment of the Bonds are not available in time to make any payments of principal of or interest on the Bonds when due, then the appropriate fiscal officers of the City are directed to make such payments from any other moneys, revenues, receipts, income, assets or funds of the City that are legally available for that purpose in advancement of the collection of such Pledged Taxes, and when the proceeds thereof are received, such other funds shall be replenished, all to the end that the credit of the City may be preserved by the prompt payment of the principal of and interest on the Bonds as the same become due.

Section 11. A copy of this Ordinance, duly certified by the City Clerk, shall be filed in the respective offices of the County Clerks of Cook and DuPage Counties, Illinois (the "*County Clerks*"), and such filing shall constitute the authority for and it shall be the duty of the County Clerks, in each year beginning in 2017, to and including 2056, to extend the taxes levied pursuant to Section 7 hereof for collection in such year, such taxes to be in addition to and in excess of all other taxes heretofore or hereafter authorized to be levied by the City on its behalf.

A copy of this Ordinance, duly certified by the City Clerk, shall also be filed with each applicable Bond Trustee, each applicable Ad Valorem Tax Escrow Agent, if any, each applicable Bond Registrar, and if the County Collectors of Cook and DuPage Counties are authorized to deposit the proceeds of the taxes levied pursuant to Section 7 hereof directly with a Bond

Trustee or an Ad Valorem Tax Escrow Agent pursuant to Section 9 hereof, with such County Collectors.

Section 12. Each Authorized Officer is authorized to sell all or any portion of the Bonds, other than the Direct Purchase Bonds which shall be sold as provided in the following paragraph, from time to time to or at the direction of an underwriter or group of underwriters to be selected by such Authorized Officer (the "*Underwriters*"), with the concurrence of the Chairman of the Committee on Finance of the City Council, on such terms as such Authorized Officer may deem to be in the best interests of the City within the limitations set forth in this Ordinance.

The Bonds may be sold as Direct Purchase Bonds in a manner and containing such terms authorized by an Authorized Officer, including pursuant to a placement agent arrangement, to a purchaser or purchasers other than the Underwriters (the "*Direct Purchasers*"), such Direct Purchasers to be selected by an Authorized Officer and such sale being permitted at a price of not less than 85 percent of the principal amount of the Direct Purchase Bonds being sold. The Mayor or an Authorized Officer is authorized to do all such things and to execute and deliver such additional documents, agreements and certificates as shall be necessary in connection with the sale of Direct Purchase Bonds.

The principal amount of and the interest on the Bonds (including the Compound Accreted Value of any Capital Appreciation Bonds) sold of each series and maturity in the aggregate (after taking into account (i) interest on the Bonds of such series to be paid from proceeds of such series and (ii) mandatory redemptions) shall not exceed the amount levied therefor as specified in Section 7 hereof. The Bonds may be sold from time to time as an Authorized Officer shall determine that the proceeds of such sales are needed.

The Mayor or an Authorized Officer is authorized to execute and deliver a contract of purchase with respect to each sale of the Bonds (i) to, or at the direction of, the Underwriters or (ii) to the Direct Purchasers, in substantially the form previously used for similar general obligation bonds of the City (the "*Contract of Purchase*"), with appropriate revisions to reflect the terms and provisions of the Bonds and such other revisions in text as the Mayor or an Authorized Officer shall determine are necessary or desirable in connection with the sale of the Bonds. Bonds sold pursuant to a Contract of Purchase shall be sold at a price of not less than 85 percent of the principal amount of the Bonds being sold. The compensation paid to the Underwriters in connection with any sale of Bonds shall not exceed five percent of the principal amount of the Bonds being sold. Nothing contained in this Ordinance shall limit the sale of the Bonds or any maturity or maturities thereof at a price or prices in excess of the principal amount thereof.

In connection with any sale of the Bonds, an Authorized Officer is authorized to obtain one or more policies of bond insurance from recognized bond insurers selected by an Authorized Officer, if such Authorized Officer determines such bond insurance to be desirable in connection with such sale of the Bonds. Either Authorized Officer may, on behalf of the City, make covenants with such bond insurer that are not inconsistent with the provisions of this Ordinance and are necessary to carry out the purposes of this Ordinance.

If Bonds are sold so as to require the levy of taxes for any year specified in Section 7 hereof for the purpose of making the payments described in clause (i) of the first paragraph of Section 7 hereof in an amount less than the amount specified for such year in the first paragraph of Section 7 hereof, then an Authorized Officer shall, on or prior to March 31 (or such earlier

date as may be required by law) of the calendar year next succeeding such year, notify the City Council of the determination made pursuant to clauses (a) and (b) of the first paragraph of Section 7 hereof regarding the application of any resulting excess levy collections, and, in addition, in connection with a determination made pursuant to clause (b) of the first paragraph of Section 7 hereof, an Authorized Officer shall file in the respective offices of the County Clerks certificates of tax abatement for such year. In the event that upon the final sale of the Bonds of all series, such Bonds have been sold so as to require the levy of taxes in any year specified in Section 7 hereof for the purpose of making the payments described in clause (i) of the first paragraph of Section 7 hereof in an amount less than the amount specified for such year in Section 7 hereof, then there shall be included, in the final notification of sale to the City Council described below in this Section 12, the determination made pursuant to clauses (a) and (b) of the first paragraph of Section 7 hereof regarding the application of any resulting excess levy collections for such year and any succeeding year and, in addition, in connection with a determination made pursuant to clause (b) of the first paragraph of Section 7 hereof, an Authorized Officer shall file in the respective offices of the County Clerks certificates of tax abatement for such year or years. If any of the Bonds are not to be sold and issued as provided herein and no levy collections are to be applied for the purposes of paying the costs of Ongoing Financing Services as determined by an Authorized Officer, the corresponding taxes herein levied to pay debt service thereon shall be abated in full. Any certificate of abatement delivered pursuant to this paragraph shall refer to the amount of taxes levied pursuant to Section 7 hereof, shall indicate the amount of reduction in the amount of taxes levied by the City resulting from the sale or sales of the Bonds or the non-issuance thereof, which reduced amount is to be abated from such taxes, and shall further indicate the remainder of such taxes which is to be extended for collection by the County Clerks.

The preparation, use and distribution of a preliminary official statement, an official statement, a private placement memorandum, or any other disclosure document relating to each sale and issuance of the Bonds are ratified and approved. The Mayor and each Authorized Officer are each authorized to execute and deliver an official statement or other disclosure document relating to each sale and issuance of the Bonds on behalf of the City. The preliminary official statement, official statement, private placement memorandum, and other disclosure documents herein authorized shall be substantially similar to those previously used for general obligation bonds of the City, and shall contain the terms and provisions of and security for the Bonds, the manner in which the Bonds shall be sold, the use of proceeds of the Bonds, financial information for the City, and such other information as the Mayor or any Authorized Officer determines to be advisable under the circumstances.

Subsequent to the sale of any series of Bonds, an Authorized Officer shall file in the office of the City Clerk a notification of sale directed to the City Council setting forth (i) the series designation, the aggregate principal amount and authorized denominations of, maturity schedule and redemption provisions for the Bonds sold, (ii) the principal amounts of the Bonds sold as Current Interest Bonds, Capital Appreciation Bonds, and Convertible Bonds, respectively, (iii) in the case of Direct Purchase Bonds, the principal amounts of such Bonds sold as Current Interest Bonds, Capital Appreciation Bonds and Convertible Bonds, respectively, (iv) in the case of Bonds sold as Capital Appreciation Bonds, (A) the Original Principal Amounts of and Yields to Maturity on the Capital Appreciation Bonds being sold and (B) a table of Compound Accreted Values per minimum authorized Compound Accreted Value at maturity for any Capital Appreciation Bonds being sold, setting forth the Compound Accreted Value of each such Capital Appreciation Bond on each semiannual compounding date, (v) the interest rates on the Current Interest Bonds sold, (vi) the identity of the insurer or insurers issuing the bond insurance policy or policies, if any, referred to below, (vii) the identity of the Underwriters (or, in

the case of Direct Purchase Bonds, the Direct Purchasers) selected for such Bonds, (viii) the identity of the applicable Bond Registrar or of the Bond Trustee, if any, selected by an Authorized Officer for such Bonds, (ix) the compensation paid to the Underwriters in connection with such sale, and (x) any other matter authorized by this Ordinance to be determined by an Authorized Officer at the time of the sale of the Bonds of each series.

In connection with any sale of the Bonds, an Authorized Officer is authorized to execute and deliver one or more continuing disclosure agreements evidencing the City's agreement to comply with the requirements of Section (b)(5) of Rule 15c2-12, adopted by the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended, in a form approved by the Corporation Counsel. Upon its execution and delivery on behalf of the City as herein provided, each continuing disclosure agreement will be binding on the City, and the officers, employees and agents of the City are authorized to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of each continuing disclosure agreement as executed. Either Authorized Officer is further authorized to amend each continuing disclosure agreement in accordance with its respective terms from time to time following its execution and delivery as that Authorized Officer shall deem necessary. In addition, an Authorized Officer is authorized to make all future filings with the Electronic Municipal Market Access system operated by the Municipal Securities Rulemaking Board or such other municipal securities information repository as shall be designated by the SEC, all in accordance with the provisions of SEC Rule 15c2-12(b)(5). Notwithstanding any other provision of this Ordinance, the sole remedies for any failure by the City to comply with any continuing disclosure agreement shall be the ability of the beneficial owner of any applicable Bond to seek mandamus or specific performance by court order to cause the City to comply with its obligations under such continuing disclosure agreement.

The Bonds shall be duly prepared and executed in the form and manner provided herein and delivered to the purchasers in accordance with the applicable terms of sale.

The Mayor, each Authorized Officer, the City Treasurer and the City Clerk are each authorized to execute and deliver such other documents and agreements (including such contracts, such intergovernmental agreements or such grant agreements with not-for-profit organizations, educational or cultural institutions or for-profit organizations or to assist the United States government, the State of Illinois or other municipal corporations, units of local government or school districts in the State of Illinois, receiving proceeds of the Bonds as an Authorized Officer shall deem necessary and appropriate) and perform such other acts prior to or following the issuance of the Bonds as may be necessary or desirable in connection with the issuance of the Bonds and any transactions contemplated herein related to the application of the proceeds of the Bonds or collections or application of taxes levied for the payment of the Bonds or other purposes hereunder, but subject to any limitations on or restrictions of such power or authority as herein set forth. Any such actions heretofore taken by the Mayor, an Authorized Officer, the City Treasurer or the City Clerk in accordance with the provisions hereof are ratified and approved. With respect to each grant of Bond proceeds, each Authorized Officer is authorized to designate in writing, with the written concurrence of the Budget Director of the City (the "*Budget Director*"), (i) one or more City departments or agencies to administer such grant, and (ii) the head of the City department or agency who shall be authorized to execute a grant agreement and such other documents, agreements or instruments as shall be deemed necessary or desirable by such City department or agency head. Upon any such written designation by an Authorized Officer with respect to a grant of Bond proceeds, such City department or agency shall be authorized to administer such grant and the head of such City

department or agency shall be authorized to execute a grant agreement and such other documents, agreements or instruments as such official shall deem necessary or desirable.

Section 13. The proceeds from the sale of any series of the Bonds shall be used as follows:

(a) The sum representing the accrued interest received, if any, shall be used to pay the first interest becoming due on the Bonds sold, and to that end, shall be deposited in the applicable Bond Fund or the applicable Ad Valorem Tax Escrow Account, if established.

(b) From the sale proceeds derived from any such sale of a series of the Bonds, (i) such sum as may be determined by an Authorized Officer to be necessary to pay not more than three years of interest on the Bonds issued to pay costs of the Project may be used to pay such interest, and to that end, may be deposited in the applicable Bond Fund established for such Bonds; and (ii) the sum determined by an Authorized Officer to be necessary to pay the costs of the Project shall be set aside, held and invested at the direction of an Authorized Officer, as separate funds of the City pending such payment. Notwithstanding any provision of the Municipal Code, investments acquired with proceeds of the Bonds or investment income thereon may include but are not limited to agreements entered into between the City and providers of securities under which agreements such providers agree to purchase from or sell to the City specified securities on specific dates at predetermined prices, all as established at the time of execution of any such agreement and as set forth in such agreement, and guaranteed investment contracts, forward purchase agreements and other similar investment vehicles. Such guaranteed investment contracts, forward purchase agreements and other similar investment vehicles may, to the extent permitted by operative authorizing documents and by applicable law, be assigned or transferred from one bond transaction to another or apply to the proceeds of more than one bond transaction on a commingled or non-commingled basis, as determined by an Authorized Officer. The Mayor or an Authorized Officer is authorized to enter into any amendments to or restatements of existing documents or to execute new documents, to consent to actions being taken by others or to obtain the consent of other parties, as may be necessary or desirable in this respect. Investment income derived from Bond proceeds may be (w) expended for the same purposes for which Bond proceeds may be expended, (x) used for the payment or prepayment of City debt obligations, (y) deposited in the Corporate Fund of the City or (z) rebated to the United States of America as provided in Section 14 hereof, all as determined by an Authorized Officer or the Budget Director. Any commingled investment income from guaranteed investment contracts, forward purchase agreements and other similar investment vehicles shall be apportioned among bond transactions as determined by an Authorized Officer or as otherwise required by operative authorizing documents and applicable law.

(c) From the sale proceeds of a series of the Bonds not applied as provided in paragraphs (a) and (b), above, the amount deemed necessary by an Authorized Officer shall be applied to the payment of the costs of issuance of such Bonds, including the premium or fee for bond insurance, if any, and any unexpended portion of the sale proceeds shall be paid to the City.

The costs of the Project may be paid directly by the City or may be financed by the making of grants for the implementation of the Project to (i) not-for-profit organizations, educational or cultural institutions or for-profit organizations, (ii) the State of Illinois, (iii) other units of local government, political subdivisions, municipal corporations or school districts in the

State of Illinois, including any operating division thereof, or (iv) the United States government, all as determined by an Authorized Officer.

An Authorized Officer shall report to the City Council with respect to the expenditure of the proceeds of each series of the Bonds issued hereunder to pay the costs of the Project. Such reports shall be made no later than August 1 of each year, commencing August 1, 2017, with respect to expenditures made during the preceding calendar year. No report shall be required hereunder following any calendar year in which no proceeds of any series of the Bonds are expended to pay costs of the Project.

Section 14. The City covenants that it will take no action in the investment of the proceeds of the Bonds (other than Bonds issued as bonds the interest on which is not excludable from the gross income of their owners for federal income tax purposes) which would result in making the interest payable on any of such Bonds subject to federal income taxes by reason of such Bonds being classified as "*arbitrage bonds*" within the meaning of Section 148 of the Code.

The City further covenants that it will act with respect to the proceeds of Bonds (other than Bonds issued as bonds the interest on which is not excludable from the gross income of their owners for federal income tax purposes), the earnings on the proceeds of such Bonds and any other moneys on deposit in any fund or account maintained in respect of such Bonds, including, if necessary, a rebate of such earnings to the United States of America, in a manner which would cause the interest on such Bonds to continue to be exempt from federal income taxation under Section 103(a) of the Code.

Each Authorized Officer is authorized to execute such certifications, tax returns, covenants and agreements as shall be necessary, in the opinion of nationally recognized bond counsel, or in the best interest of the City, as determined by an Authorized Officer, to evidence the City's compliance with the covenants contained in this section.

Section 15. This Ordinance is prepared in accordance with the powers of the City as a home rule unit under Article VII of the 1970 Illinois Constitution. The appropriate officers of the City are authorized to take such actions and do such things as shall be necessary to perform, carry out, give effect to and consummate the transactions contemplated by this Ordinance and the Bonds, including, but not limited to, the exercise following the delivery date of any of the Bonds of any power or authority delegated to such official of the City under this Ordinance with respect to the Bonds upon the initial issuance thereof, but subject to any limitations on or restrictions of such power or authority as herein set forth, and any actions heretofore taken by such officers of the City in accordance with the provisions of this Ordinance are ratified and approved.

Section 16. The Mayor and each Authorized Officer may each designate another to act as their respective proxy and, as applicable, to affix their respective signatures to the Bonds whether in temporary or definitive form, and any other instrument, certificate or document required to be signed by the Mayor or an Authorized Officer pursuant to this Ordinance and any instrument, certificate or document required thereby. In such case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor and each Authorized Officer, respectively. A written signature of the Mayor or of an Authorized Officer, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with the

signatures attached, shall be recorded in the Journal of Proceedings of the City Council for such date and filed in the office of the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of an Authorized Officer is so affixed to an instrument, certificate or document at the direction of such Authorized Officer, the same, in all respects, shall be as binding on the City as if signed by such Authorized Officer in person.

Section 17. If requested by the Bond Registrar, the Mayor, each Authorized Officer and the City Clerk are each authorized to execute the standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties thereof.

Section 18. If payment or provision for payment is made, to or for the registered owners of all or a portion of the Bonds, of the Compound Accreted Value of any Capital Appreciation Bond and the principal of and interest due and to become due on any Current Interest Bond at the times and in the manner stipulated therein, and there is paid or caused to be paid to the applicable Bond Registrar or Bond Trustee, the applicable Ad Valorem Tax Escrow Agent as provided in Section 9 hereof, or such bank or trust company as shall be designated by an Authorized Officer (such bank or trust company hereinafter referred to as a "*Defeasance Escrow Agent*"), all sums of money due and to become due according to the provisions of this Ordinance, then these presents and the estate and rights granted by this Ordinance shall cease, terminate and be void as to those Bonds or portions thereof except for purposes of registration, transfer and exchange of Bonds and any such payment from such moneys or obligations. Any Bond shall be deemed to be paid within the meaning of this section when payment of the Compound Accreted Value of any such Capital Appreciation Bond or the principal of any such Current Interest Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Ordinance or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided for by irrevocably depositing with the applicable Bond Registrar or Bond Trustee, the applicable Ad Valorem Tax Escrow Agent as provided in Section 9 hereof, or a Defeasance Escrow Agent, in trust and exclusively for such payment, (1) moneys sufficient to make such payment or (2)(A) direct obligations of the United States of America; (B) obligations of agencies of the United States of America, the timely payment of principal of and interest on which are guaranteed by the United States of America; (C) obligations of the following agencies: Federal Home Loan Mortgage Corp. (FHLMC) debt obligations, Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives) debt obligations, Federal Home Loan Banks (FHL Banks) debt obligations, Fannie Mae debt obligations, Financing Corp. (FICO) debt obligations, Resolution Funding Corp. (REFCORP) debt obligations, and U.S. Agency for International Development (U.S. A.I.D.) Guaranteed notes; (D) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; or (E) instruments evidencing an ownership interest in obligations described in the preceding clauses (A), (B) and (C), or (3) a combination of the investments described in clauses (1) and (2) above, such amounts so deposited being available or maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient moneys to make such payment (all as confirmed by a nationally recognized firm of independent public accountants). At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this Ordinance, except for the

purposes of registration, transfer and exchange of Bonds and any such payment from such moneys or obligations. The defeasance of Bonds under this Ordinance shall also be subject to any additional terms and conditions in the applicable Trust Indenture, if any.

No such deposit under this section shall be made or accepted hereunder and no use made of any such deposit unless, in the case of Bonds (other than Bonds issued as bonds the interest on which is not excludable from the gross income of their owners for federal income tax purposes), the applicable Bond Registrar or Bond Trustee, the applicable Ad Valorem Tax Escrow Agent, or the applicable Defeasance Escrow Agent, as the case may be, shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any of such Bonds to be treated as "*arbitrage bonds*" within the meaning of Section 148 of the Code or any successor provision thereto.

Nothing in this Ordinance shall prohibit a defeasance deposit of escrow securities as provided in this section from being subject to a subsequent sale of such escrow securities and reinvestment of all or a portion of the proceeds of that sale in escrow securities which, together with money to remain so held in trust, shall be sufficient to provide for payment of principal, redemption premium, if any, and interest on any of the defeased Bonds. Amounts held by the applicable Bond Registrar or Bond Trustee, the applicable Ad Valorem Tax Escrow Agent or any Defeasance Escrow Agent in excess of the amounts needed so to provide for payment of the defeased Bonds may be subject to withdrawal by the City. The Mayor or an Authorized Officer is authorized to execute and deliver from time to time one or more agreements (and amendments thereto) with counterparties selected by an Authorized Officer, with respect to the investment and use of such excess amounts held by the applicable Bond Registrar or Bond Trustee, the applicable Ad Valorem Tax Escrow Agent, or a Defeasance Escrow Agent.

Section 19. With respect to the Direct Purchase Bonds, an Authorized Officer is authorized to negotiate the terms and provisions of such Direct Purchase Bonds in addition to or as an alternative to the terms and provisions of the Trust Indenture securing the applicable series of Bonds.

Section 20. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code, or part thereof, is in conflict with the provisions of this Ordinance, the provisions of this Ordinance shall be controlling. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance. No provision of the Municipal Code or violation of any provision of the Municipal Code shall be deemed to render voidable at the option of the City any document, instrument or agreement authorized hereunder or to impair the validity of this Ordinance or the instruments authorized by this Ordinance or to impair the rights of the owners of the Bonds to receive payment of the principal of or interest on the Bonds or to impair the security for the Bonds; *provided further* that the foregoing shall not be deemed to affect the availability of any other remedy or penalty for any violation of any provision of the Municipal Code.

Section 21. This Ordinance shall be published by the City Clerk, by causing to be printed in special pamphlet form at least five copies hereof, which copies are to be made available in her office for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this Ordinance.

Section 22. This Ordinance shall be in full force and effect from and after its adoption, approval by the Mayor and publication as provided herein.

EXHIBIT A
FORM OF TRUST INDENTURE

CH218127122 2

CITY OF CHICAGO

TO

_____ ,
as Trustee

TRUST INDENTURE

SECURING

CITY OF CHICAGO
GENERAL OBLIGATION BONDS, SERIES 2016_

Dated _____, 2016

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(This Table of Contents is not a part of the Indenture
and is only for convenience of reference)

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TRUST INDENTURE

THIS TRUST INDENTURE, made and entered into _____, 2016 (this "*Indenture*"), from the CITY OF CHICAGO (the "*City*"), a municipal corporation and home rule unit of local government duly organized and existing under the Constitution and laws of the State of Illinois, to _____ (the "*Trustee*"), a _____ banking _____ with trust powers, having a corporate trust office located in the City of Chicago, Illinois, duly organized, validly existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America,

WITNESSETH:

WHEREAS, pursuant to an ordinance duly adopted by the City Council of the City (the "*City Council*") on _____, 2016 (the "*Bond Ordinance*") the City duly authorized the issuance and sale of its General Obligation Bonds, Series 2016_ (the "*Bonds*") in order to provide the funds, together with other available funds, including proceeds of other general obligation bonds, for the purpose of (i) paying costs of the Project described in the Bond Ordinance and (ii) paying the expenses of issuance of the Bonds; and

WHEREAS, by virtue of Article VII of the Illinois Constitution of 1970 and pursuant to the Bond Ordinance, the City is authorized to issue the Bonds, enter into this Indenture and to do or cause to be done all the acts and things herein provided or required to be done; and

WHEREAS, the execution and delivery of the Bonds and of this Indenture have in all respects been duly authorized and all things necessary to make such Bonds, when executed by the City and authenticated by the Trustee, the legal, valid and binding obligations of the City and to make this Indenture a legal, valid and binding agreement, have been done; and

WHEREAS, the Bonds, and the Trustee's Certificate of Authentication to be endorsed on such Bonds, shall be substantially in the form attached hereto as *Exhibit A*, with necessary and appropriate variations, omissions and insertions as permitted or required by this Indenture and the Bond Ordinance;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

GRANTING CLAUSES

That the City, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created, and of the purchase and acceptance of the Bonds by the Registered Owners thereof, and of the sum of one dollar, lawful money of the United States of America, to it duly paid by the Trustee at or before the execution and delivery of these presents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, to secure the payment of the principal of, premium, if any, and interest on the Bonds according to their tenor and effect, and to secure the performance and observance by the City of all the covenants expressed or implied herein and in the Bonds, does hereby assign and grant a security interest in and to the following to the Trustee, and its successors in trust and assigns forever, for

the securing of the performance of the obligations of the City hereinafter set forth (the "*Trust Estate*"):

GRANTING CLAUSE FIRST

Any moneys, revenues, receipts, income, assets or funds of the City legally available for such purposes, all to the extent provided in this Indenture, including, but not limited to, the proceeds of a direct annual tax levied by the City in the Bond Ordinance upon all taxable property in the City;

GRANTING CLAUSE SECOND

All moneys and securities from time to time held by the Trustee under the terms of this Indenture, except for moneys deposited with or paid to the Trustee and held in trust hereunder for the redemption of Bonds, notice of the redemption of which has been duly given; and

GRANTING CLAUSE THIRD

Any and all other property, rights and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, alienated, demised, released, conveyed, assigned, transferred, mortgaged, pledged, hypothecated or otherwise subjected hereto, as and for additional security hereunder by the City or by any other person on its behalf or with its written consent to the Trustee, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof;

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future Registered Owners of the Bonds, without privilege, priority or distinction as to the lien or otherwise of any of the foregoing over any other of the foregoing, except to the extent herein otherwise specifically provided;

PROVIDED, HOWEVER, that if the City, its successors or assigns shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner set forth therein according to the true intent and meaning thereof, and shall cause the payments to be made on the Bonds as required herein, or shall provide, as permitted hereby, for the payment thereof, and shall well and truly cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of this Indenture, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to them in accordance with the terms and provisions hereof, then upon the final payment thereof this Indenture and the rights hereby granted shall cease, determine and be void; otherwise this Indenture shall remain in full force and effect.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all said property,

rights and interests and any other amounts hereby assigned and pledged are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as herein expressed, and the City has agreed and covenanted, and does hereby agree and covenant, with the Trustee and the respective owners of the Bonds as follows:

ARTICLE I.

DEFINITIONS

Section 1.01. Definitions. All capitalized terms used herein unless otherwise defined shall have the meanings given in the recitals above and the following meanings for purposes of this Indenture:

"Authorized Denomination" means \$5,000 and any integral multiple thereof.

"Authorized Officer" means (a) the Mayor, the Chief Financial Officer, the City Comptroller or any other official of the City so designated by a Certificate signed by the Mayor or Chief Financial Officer and filed with the Trustee for so long as such designation shall be in effect, and (b) the City Clerk with respect to the certification of any ordinance or resolution of the City Council or any other document filed in his or her office.

"Beneficial Owner" means the owner of a beneficial interest in the Bonds registered in the name of Cede & Co., as nominee of DTC (or a successor securities depository or nominee for either of them).

"Bond Counsel" means one or more firms of nationally recognized bond counsel designated by the Corporation Counsel of the City.

"Bond Fund" means the fund of that name established and described in Section 4.03 hereof.

"Bondholder," "holder," or "owner of the Bonds" means the Registered Owner or Beneficial Owner of any Bond, as the case may be.

"Bond Ordinance" has the meaning given to such term in the recitals hereto.

"Bond Register" means the registration books of the City kept by the Trustee to evidence the registration and transfer of Bonds.

"Bond Year" means a 12-month period commencing on January 2 of each calendar year and ending on January 1 of the next succeeding calendar year.

"Bonds" means the General Obligation Bonds, Series 2016_ issued pursuant to Section 2.01 hereof.

“*Business Day*” means any day other than (i) a Saturday or Sunday, (ii) a day on which banks located in the city where the Designated Corporate Trust Office is located are authorized or required by law to close, and (iii) a day on which The New York Stock Exchange, Inc., is closed.

“*Certificate*” means an instrument of the City in writing signed by an Authorized Officer. Any such instrument in writing and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed so as to form a single instrument. Any such instrument may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or representation of counsel, accountants, or engineers, respectively, unless the officer signing such instrument knows that the opinion or representation with respect to the matters upon which such instrument may be based, as aforesaid, is erroneous. The same Authorized Officer, or the same counsel or accountant or other persons, as the case may be, need not certify to all of the matters required to be certified under any provision of this Indenture or any Supplemental Indenture, but different officers, counsel, accountants or other persons may certify to different facts, respectively.

“*Chief Financial Officer*” means the Chief Financial Officer appointed by the Mayor, or the City Comptroller of the City at any time a vacancy exists in the office of the Chief Financial Officer.

“*City*” means the City of Chicago, a municipal corporation and home rule unit of local government, organized and existing under the Constitution and laws of the State.

“*City Clerk*” means the duly qualified and acting City Clerk of the City or any Deputy City Clerk or other person that may lawfully take a specific action or perform a specific duty prescribed for the City Clerk pursuant to the Bond Ordinance.

“*City Comptroller*” meant the City Comptroller of the City.

“*Code*” means the United States Internal Revenue Code of 1986. References to the Code and to Sections of the Code shall include relevant final, temporary or proposed regulations thereunder as in effect from time to time and as applicable to obligations issued on the Date of Issuance.

“*Date of Issuance*” means _____, 2016, the date of issuance and delivery of the Bonds to the initial purchasers thereof.

“*Defeasance Obligations*” means: (1) moneys sufficient to make such payment; or (2)(A) direct obligations of the United States of America, (B) obligations of agencies of the United States of America, the timely payment of principal of and interest on which are guaranteed by the United States of America, (C) obligations of the following government-sponsored agencies that are not backed by the full faith and credit of the U.S. Government: Federal Home Loan Mortgage Corp. (FHLMC) debt obligations, Farm Credit System (formerly: Federal Land Banks, Federal Intermediate Credit Banks, and Banks for Cooperatives) debt

obligations, Federal Home Loan Banks (FHL Banks) debt obligations, Fannie Mae debt obligations, Financing Corp. (FICO) debt obligations, Resolution Funding Corp. (REFCORP) debt obligations, and U.S. Agency for International Development (U.S. A.I.D.) Guaranteed notes, (D) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, or (E) instruments evidencing an ownership interest in obligations described in the preceding clauses (A), (B) and (C); or (3) a combination of the investments described in clauses (1) and (2) above.

“Delivery Office” shall mean the following offices of the Trustee:

For Notice Purposes:

For Presentation of Bonds for payment or transfers:

“Designated Corporate Trust Office” means the corporate trust office of the Trustee located at the address of the Trustee set forth in the definition of *“Delivery Office”* herein, as such address may be changed from time to time by the Trustee.

“DTC” means The Depository Trust Company, New York, New York, or its nominee, and its successors and assigns, or any other depository performing similar functions.

“Federal Obligation” means any direct obligation of, or any obligation the full and timely payment of principal of and interest on which is guaranteed by, the United States of America.

[*“Fitch”* means Fitch Ratings Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated, or shall no longer perform the functions of a securities rating agency, *“Fitch”* shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.]

“Indenture” means this Indenture, as amended from time to time in accordance with Article IX hereof.

“Interest Payment Date” means each January 1 and July 1. The initial Interest Payment Date shall be _____ 1, 201_.

[*“Kroll”* means Kroll Bond Rating Agency, its successors and assigns, and, if Kroll shall be dissolved or liquidated or shall no longer perform the functions of a security rating agency, *“Kroll”* shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.]

“Maturity Date” means, for the Bonds of each specified maturity, the applicable maturity date set forth in Section 2.02.

[*“Moody’s”* means Moody’s Investors Service, the bond credit rating service of Moody’s Corporation, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, *“Moody’s”* shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.]

“Municipal Code” means the Municipal Code of Chicago, as from time to time amended.

“Opinion of Bond Counsel” means a written opinion of Bond Counsel in form and substance acceptable to the City.

“Outstanding,” means, when used with reference to any Bonds, all of such obligations issued under this Indenture that are unpaid, *provided* that such term does not include:

- (a) Bonds canceled at or prior to such date or delivered to or acquired by the Trustee or Paying Agent at or prior to such date for cancellation;
- (b) matured or redeemed Bonds which have not been presented for payment in accordance with the provisions of this Indenture and for the payment of which the City has deposited funds with the Trustee or Paying Agent;
- (c) Bonds for which the City has provided for payment by depositing in an irrevocable trust or escrow, cash or Defeasance Obligations, in each case, the maturing principal of and interest on which will be sufficient to pay at maturity, or if called for redemption on the applicable redemption date, the principal of, redemption premium, if any, and interest on such Bonds;
- (d) Bonds in lieu of or in exchange or substitution for which other Bonds shall have been authenticated and delivered pursuant to this Indenture; and
- (e) Bonds owned by the City and tendered to the Trustee for cancellation.

“Participant,” when used with respect to any Securities Depository, means any participant of such Securities Depository.

"Paying Agent" means the Trustee [and any additional Paying Agent designated by the Trustee pursuant to Section 8.04 hereof,] and any successor thereto.

"Permitted Investments" means any of the following obligations or securities permitted under the laws of the State and the Municipal Code:

(a) interest-bearing general obligations of the United States of America, the State or the City;

(b) United States treasury bills and other non-interest bearing general obligations of the United States of America when offered for sale in the open market at a price below the face value of same, so as to afford the City a return on such investment in lieu of interest;

(c) short-term discount obligations of the United States Government or United States Government agencies;

(d) certificates of deposit of national banks or banks located within the City which are either (i) fully collateralized at least 110 percent by marketable United States Government securities marked to market at least monthly or (ii) secured by a corporate surety bond issued by an insurance company licensed to do business in the State and having a claims-paying rating in the top rating category as rated by a nationally recognized statistical rating organization and maintaining such rating during the term of such investment;

(e) banker's acceptances of banks and commercial paper of banks whose senior obligations are rated in the top two short-term rating categories by at least two national rating agencies and maintaining such rating during the term of such investment;

(f) tax-exempt securities exempt from federal arbitrage provisions applicable to investments of proceeds of the City's tax-exempt debt obligations;

(g) domestic money market mutual funds regulated by and in good standing with the Securities and Exchange Commission, including any such fund for which the Trustee or any of its affiliates provides any service including any service for which a fee may be paid; and

(h) any other suitable investment instrument permitted by State laws and the Municipal Code governing municipal investments generally, subject to the reasonable exercise of prudence in making investments of public funds.

"Principal and Interest Account" means the Account of that name established within the Bond Fund, as described in Section 4.03 hereof.

"Principal and Interest Account Requirement" means an amount, equal to the total principal installment and interest due on such Bonds as of each January 1 and July 1 (including

any mandatory redemption of the Bonds as required by Section 3.01(c) hereof), which amount shall be deposited in the Principal and Interest Account not later than the Business Day prior to such January 1 and July 1.

“Project” has the meaning given to such term in the Bond Ordinance.

“Project Costs” means the cost of acquisition, construction and equipping of the Project, including the cost of acquisition of all land, rights of way, property, rights, easements and interests acquired by the City for such construction, the cost of demolishing or removing any buildings or structures on land so acquired, including the cost of acquiring any lands to which such buildings or structures may be moved, the cost of all machinery and equipment determined to be necessary and desirable by the City, the costs of issuance of the Bonds, financing charges, financial advisory fees, consultant fees, interest prior to and during construction and, as permitted under the Code for such period after completion of construction as the City shall determine, the cost of engineering and legal expenses, plans, specifications, estimates of cost and revenues, other expenses necessary or incident to determining the feasibility or practicability of constructing any portion of the Project, administrative expenses and such other costs, expenses and funding as may be necessary or incident to the construction of the Project, financing of such construction and placing the Project in operation.

“Project Fund” means the fund of that name established and described in Section 4.04 hereof.

“Qualified Collateral” means:

(a) Federal Obligations;

(b) direct and general obligations of any state of the United States of America or any political subdivision of the State which are rated not less than “AA” or “Aa2” or their equivalents by any nationally recognized securities rating agency; and

(c) public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or project notes issued by public housing authorities, or project notes issued by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America.

“Rating Agency” means any of [Fitch, Moody’s, S&P and Kroll], or another rating agency that has a credit rating assigned to the Bonds at the request of the City.

“Record Date” means each June 15 and December 15 (whether or not a Business Day).

“Redemption Price” means with respect to the Bonds, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bonds.

“Registered Owner” or “Owner” means the person or persons in whose name or names a Bond shall be registered in the Bond Register.

“Securities Depository” means DTC and any other securities depository registered as a clearing agency with the Securities and Exchange Commission pursuant to Section 17A of the Securities Exchange Act of 1934, as amended, and appointed as the securities depository for the Bonds.

[“S&P” means Standard & Poor’s Financial Services LLC, a division of McGraw Hill Financial, Inc., its successors and assigns, and, if S&P shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City by notice to the Trustee.]

“State” means the State of Illinois.

“Supplemental Indenture” means any indenture modifying, altering, amending, supplementing or confirming this Indenture duly entered into in accordance with the terms hereof.

“Tax Certificate” means the [General Tax Certificate] of the City dated the Date of Issuance pertaining to the Bonds.

“Trust Estate” means the property conveyed to the Trustee pursuant to the Granting Clauses hereof.

“Trustee” means _____, a _____ banking _____ with trust powers, and its successors and any entity resulting from or surviving any consolidation or merger to which it or its successors may be a party, and any successor Trustee at the time serving as successor trustee hereunder.

ARTICLE II

THE BONDS

Section 2.01. Authority for and Issuance of Bonds. (a) No Bonds may be issued under the provisions of this Indenture except in accordance with this Article. Except as provided in Section 2.07 hereof, the total principal amount of Bonds that may be issued hereunder is expressly limited to \$600,000,000.

The Bonds shall be designated “City of Chicago General Obligation Bonds, Series 2016_” and shall be issued as fully registered bonds, without coupons, in Authorized Denominations substantially in the form attached as *Exhibit A* thereto. Unless the City shall otherwise direct, the Bonds shall be lettered and numbered from R-1 and upwards. Each Bond shall be dated the Date of Issuance and shall mature, subject to prior redemption as provided in Article III hereof, on its Maturity Date.

(b) Each Bond shall bear interest from the later of its date or the most recent Interest Payment Date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid, such interest being payable on January 1 and July 1 of each year, commencing on _____ 1, 201_. Interest on each Bond shall be paid to the person in whose name such Bond is registered at the close of business on the Record Date next preceding the applicable Interest Payment Date, by check or draft of the Trustee, or, at the option of any registered owner of \$1,000,000 or more in aggregate principal amount of Bonds of a series, by wire transfer of immediately available funds to such bank in the continental United States of America as the registered owner of such Bonds shall request in writing to the Trustee.

(c) The principal of the Bonds and any redemption premium shall be payable in lawful money of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts, upon presentation and surrender thereof at the Designated Corporate Trust Office of the Trustee.

Section 2.02. General Terms of Bonds. The Bonds shall mature on January 1 in each year shown in the following table in the respective principal amount set forth opposite each such year. The Bonds shall bear interest from and including the Date of Issuance as shown in the table below until payment of the principal or Redemption Price thereof shall have been made or provided for in accordance with the provisions hereof, whether at the applicable Maturity Date, upon redemption or acceleration, or otherwise. Interest accrued on the Bonds shall be paid in arrears on each Interest Payment Date. Interest on the Bonds shall be computed upon the basis of a 360 day year consisting of twelve 30 day months.

<u>YEAR</u> <u>(JANUARY 1)</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>	<u>YEAR</u> <u>(JANUARY 1)</u>	<u>PRINCIPAL</u> <u>AMOUNT</u>	<u>INTEREST</u> <u>RATE</u>
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Section 2.03. Execution. The seal of the City or a facsimile thereof shall be affixed to or printed on each of the Bonds, and the Bonds shall be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

Section 2.04. Authentication. All Bonds shall have thereon a certificate of authentication substantially in the form attached hereto as part of *Exhibit A* duly executed by the Trustee as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until such certificate of authentication shall have been duly executed by the Trustee by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under the Bond Ordinance and this Indenture. The certificate of authentication on any Bond shall be deemed to have been executed by the Trustee if signed by an authorized officer of such Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 2.05. Form of Bonds; Temporary Bonds. The Bonds issued under this Indenture shall be substantially in the form attached hereto as *Exhibit A*, with such appropriate variations, omissions and insertions as are permitted or required by the Bond Ordinance and this Indenture.

Pending preparation of definitive Bonds, or by agreement with the purchasers of the Bonds, the City may issue and, upon its request, the Trustee shall authenticate, in lieu of definitive Bonds, one or more temporary printed or typewritten Bonds in Authorized Denominations of substantially the tenor recited above. Upon request of the City, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies and security hereunder as definitive Bonds.

Section 2.06. Delivery of Bonds. Upon the execution and delivery of this Indenture, the City shall execute and deliver to the Trustee, and the Trustee shall authenticate, the Bonds and deliver them to the purchasers as may be directed by the City as hereinafter in this Section provided.

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

- (1) copies, duly certified by the City Clerk of the City, of the Bond Ordinance;
- (2) original executed counterparts of this Indenture;
- (3) an Opinion of Bond Counsel to the effect that this Indenture (i) has been duly and lawfully authorized by the City Council of the City and executed by the City in accordance with the provisions of the Bond Ordinance and (ii) will, when executed and delivered by the Trustee, be valid and binding upon the City and enforceable in accordance with its terms; and

(4) a Certificate executed by the City Comptroller stating that all conditions precedent with respect to the execution of all documents by the City relating to the Bonds have been satisfied.

Section 2.07. Mutilated, Lost, Stolen or Destroyed Bonds. If any Bond, whether in temporary or definitive form, is lost (whether by reason of theft or otherwise), destroyed (whether by mutilation, damage, in whole or in part, or otherwise) or improperly cancelled, the Trustee may authenticate a new Bond of like date, maturity date, interest rate, denomination and principal amount and bearing a number not contemporaneously outstanding; *provided* that (i) in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and (ii) in the case of any lost Bond or Bond destroyed in whole, there shall be first furnished to the Trustee evidence of such loss, theft, or destruction satisfactory to the City and the Trustee, together with indemnification of the City and the Trustee, satisfactory to the Trustee. If any lost, destroyed or improperly cancelled Bond shall have matured or is about to mature, or has been called for redemption, instead of issuing a duplicate Bond, the Trustee shall pay the same without surrender thereof if there shall be first furnished to the Trustee evidence of such loss, destruction or cancellation, together with indemnity, satisfactory to it. Upon the issuance of any substitute Bond, the Trustee may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

All Bonds shall be owned upon the express condition that the foregoing provisions, to the extent permitted by law, are exclusive with respect to the replacement or payment of mutilated, destroyed, lost, stolen or purchased Bonds, and shall preclude any and all other rights or remedies.

Section 2.08. Transfer and Exchange of Bonds; Persons Treated as Owners.
(a) Subject to the limitations contained in subsection (c) of this Section, upon surrender for registration of transfer of any Bond at the Designated Corporate Trust Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by the Bondholder or such Bondholder's attorney duly authorized in writing in such form and with guarantee of signature as shall be satisfactory to the Trustee, the City shall execute, and the Trustee shall authenticate and deliver, in the name of the transferee or transferees, one or more fully registered Bonds of the same interest rate and Maturity Date of Authorized Denominations, for a like principal amount bearing numbers not contemporaneously outstanding. Subject to the limitations contained in subsection (c) of this Section, Bonds may be exchanged at the Designated Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of the same interest rate and Maturity Date of other Authorized Denominations bearing numbers not contemporaneously outstanding.

(b) No service charge shall be made for any transfer or exchange of Bonds, but the City or the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except that no such payment may be required in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(c) The Trustee shall not be required to transfer or exchange any Bond during the period commencing on the Record Date next preceding any Interest Payment Date of such Bond and ending on such Interest Payment Date, or to transfer or exchange such Bond after the mailing of notice calling such Bond for redemption has been made as herein provided or during the period of 15 days next preceding the giving of notice of redemption of Bonds of the same Maturity Date and interest rate.

(d) Bonds delivered upon any registration of transfer or exchange as provided herein or as provided in Section 2.07 hereof shall be valid general obligations of the City, evidencing the same debt as the Bonds surrendered, shall be secured by this Indenture and shall be entitled to all of the security and benefits hereof and of the Bond Ordinance to the same extent as the Bond surrendered. The City, the Trustee and any Paying Agent may treat the Registered Owner of any Bond as the absolute owner thereof for all purposes, whether or not such Bond shall be overdue, and shall not be bound by any notice to the contrary. All payments of or on account of the principal of, premium, if any, and interest on any such Bond as herein provided shall be made only to or upon the written order of the Registered Owner thereof or such Registered Owner's legal representative, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Section 2.09. Required Information in Bond Form. On each date on which the Trustee authenticates and delivers a Bond, it shall complete the information required to be inserted by the Bond form and shall keep a record of such information.

Section 2.10. Cancellation. Any Bond surrendered for the purpose of payment or retirement, or for exchange, transfer or replacement, shall be canceled upon surrender thereof to the Trustee or any Paying Agent. If the City shall acquire any of the Bonds, the City shall deliver such Bonds to the Trustee for cancellation and the Trustee shall cancel the same. Any such Bonds canceled by any Paying Agent other than the Trustee shall be promptly transmitted by such Paying Agent to the Trustee. Certification of Bonds canceled by the Trustee and Bonds canceled by a Paying Agent other than the Trustee which are transmitted to the Trustee shall be made to the City. Canceled Bonds may be destroyed by the Trustee unless instructions to the contrary are received from the City.

Section 2.11. Book Entry Provisions. The provisions of this Section shall apply as long as the Bonds are maintained in book entry form with DTC or another Securities Depository, any provisions of this Indenture to the contrary notwithstanding. Notwithstanding anything else to the contrary herein, so long as DTC is the Securities Depository, the Bonds shall be subject to the operational arrangements of DTC in effect from time to time.

(a) The Bonds shall be payable to the Securities Depository, or its nominee, as the Registered Owner of the Bonds, in same day funds on each date on which the principal of, premium, if any, and interest on the Bonds is due as set forth in this Indenture and the Bonds. Such payments shall be made to the offices of the Securities Depository specified by the Securities Depository to the City and the Trustee in writing. Without notice to or the consent of the Beneficial Owners of the Bonds, the City and the

Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set forth herein. If such different manner of payment is agreed upon, the City shall give the Trustee notice thereof, and the Trustee shall make payments with respect to the Bonds in the manner specified in such notice. Neither the City nor the Trustee shall have any obligation with respect to the transfer or crediting of the principal of, premium, if any, and interest on the Bonds to Participants or the Beneficial Owners of the Bonds or their nominees.

(b) If (i) the City determines, or (ii) the City receives notice that the Securities Depository has received notice from its Participants having interests in at least 50 percent in principal amount of the Bonds, that the Securities Depository or its successor is incapable of discharging its responsibilities as a securities depository, or that it is in the best interests of the Beneficial Owners that they obtain certificated Bonds, the City may (or, in the case of clause (ii) above, the City shall) cause the Trustee to authenticate and deliver Bond certificates. The City shall have no obligation to make any investigation to determine the occurrence of any events that would permit the City to make any determination described in this paragraph.

(c) If, following a determination or event specified in paragraph (b) above, the City discontinues the maintenance of the Bonds in book entry form with the then current Securities Depository, the City will issue replacement Bonds to the replacement Securities Depository, if any, or, if no replacement Securities Depository is selected for the Bonds, directly to the Participants as shown on the records of the former Securities Depository or, to the extent requested by any Participant, to the Beneficial Owners of the Bonds shown on the records of such Participant. Any such Bonds so issued in replacement shall be in fully registered form and in Authorized Denominations, be payable as to interest on the Interest Payment Dates of the Bonds by check mailed to each Registered Owner at the address of such Registered Owner as it appears on the Bond Register or, at the option of any Registered Owner of not less than \$1,000,000 principal amount of Bonds, by wire transfer to any address in the United States of America on such Interest Payment Date to such Registered Owner as of such Record Date, if such Registered Owner provides the Trustee with written notice of such wire transfer address not later than the Record Date (which notice may provide that it will remain in effect with respect to subsequent Interest Payment Dates unless and until changed or revoked by subsequent notice). Principal and premium, if any, on the replacement Bonds are payable only upon presentation and surrender of such replacement Bond or Bonds at the Designated Corporate Trust Office of the Trustee.

(d) The Securities Depository and its Participants, and the Beneficial Owners of the Bonds, by their acceptance of the Bonds, agree that the City and the Trustee shall not have liability for the failure of such Securities Depository to perform its obligations to the Participants and the Beneficial Owners of the Bonds, nor shall the City or the Trustee be liable for the failure of any Participant or other nominee of the Beneficial Owners to perform any obligation of the Participant to a Beneficial Owner of the Bonds.

(e) As long as Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Registered Owner of the Bonds, as nominee of DTC, references herein to the Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

(f) As long as Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Registered Owner of the Bonds:

(i) selection of Bonds to be redeemed upon partial redemption or presentation of Bonds to the Trustee upon partial redemption, shall be deemed made when the right to exercise ownership rights in such Bonds through DTC or DTC's Participants is transferred by DTC on its books;

(ii) any notices of the interest rate on the Bonds to be provided by the Trustee shall be provided to anyone identifying itself to the Trustee as a person entitled to exercise ownership rights with respect to such Bonds through DTC or its Participants; and

(iii) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Registered Owners under this Indenture on a fractionalized basis on behalf of some or all of those persons entitled to exercise ownership rights in the Bonds through DTC or its Participants.

ARTICLE III

REDEMPTION OF BONDS

Section 3.01. Redemption Terms, Dates and Prices. The Bonds shall be subject to redemption prior to their Maturity Date in the amounts, at the times and in the manner provided in this Section.

(a) *Optional Redemption.* The Bonds are subject to optional redemption, on any date occurring or after _____ 1, 20__, in such principal amounts and from such maturities and interest rates as the City shall determine and by lot within a single maturity and interest rate, at a Redemption Price of [100]% of the principal amount thereof being redeemed plus accrued interest, if any, to the date of redemption.

[Insert make-whole redemption provisions authorized by Bond Ordinance if applicable]

The City is authorized to sell or waive any right the City may have to call any of the Bonds for optional redemption, in whole or in part; *provided*, that such sale or waiver will not adversely affect the excludability of interest on the Bonds from gross income for federal income tax purposes.

(b) *General Provisions Regarding Redemptions.*

(i) No redemption of less than all of the Bonds Outstanding shall be made pursuant to Section 3.01(a) hereof unless the aggregate principal amount of Bonds to be redeemed is equal to \$5,000 multiples. Any redemption of less than all of the Bonds Outstanding shall be made in such a manner that all Bonds Outstanding after such redemption are in Authorized Denominations. If fewer than all Bonds Outstanding are to be optionally redeemed, the Bonds to be called shall be called from such maturities and interest rates as may be determined by an Authorized Officer.

(ii) Bonds may be called for redemption by the Trustee pursuant to Sections 3.01(a) and 3.01(c) hereof upon receipt by the Trustee at least 45 days prior to the redemption date (unless a shorter time period shall be satisfactory to the Trustee) of, in the case of a redemption pursuant to Section 3.01(a) of a written request of the City requesting such redemption, or in the case of a redemption pursuant to Section 3.01(c) in accordance with the mandatory schedule provided herein.

(iii) In lieu of redeeming Bonds pursuant to Section 3.01(a) hereof, the Trustee may, at the request of the City, use such funds available hereunder for redemption of Bonds to purchase Bonds in the open market at a price not exceeding the Redemption Price then applicable hereunder. Any Bond so purchased in lieu of redemption shall be delivered to the Trustee for cancellation and shall be canceled, all as provided in Section 2.10 hereof.

(c) *Mandatory Redemption of Bonds.*

The Bonds maturing on January 1, 20__ are subject to mandatory redemption prior to maturity on January 1 of the years and in the amounts set forth below, at a Redemption Price of [100]% of the principal amount thereof plus accrued interest to the date fixed for redemption:

YEAR

PRINCIPAL AMOUNT

*Final Maturity

The Bonds maturing on January 1, 20__ are subject to mandatory redemption prior to maturity at a Redemption Price on January 1 of the years and in the amounts set forth below, at a Redemption Price equal to 100 percent of the principal amount thereof plus accrued interest to the date fixed for redemption:

YEAR

PRINCIPAL AMOUNT

*Final Maturity

The principal amount of the Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemption of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the City may determine. In addition, on or prior to the sixtieth (60th) day preceding any mandatory redemption date, the Trustee may, and if directed by the City shall, purchase Bonds required to be retired on such mandatory redemption date at such prices as the City shall determine. Any such Bond so purchased shall be canceled and the principal amount thereof shall be credited against the payment required on such next mandatory redemption date.

Section 3.02. Notice of Redemption. (a) Unless waived by any owner of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Trustee on behalf of the City by mailing the redemption notice by first class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Trustee, but the failure to mail any such notice or any defect therein as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. Any notice of redemption mailed as provided in this Section 3:02 shall be conclusively presumed to have been given whether or not actually received by the addressee.

All notices of redemption shall state:

- (1) the Series designation of the Bonds to be redeemed,
- (2) the redemption date,
- (3) the Redemption Price,
- (4) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts and interest rates) of the Bonds to be redeemed,

(5) that on the redemption date the Redemption Price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue or compound from and after said date,

(6) the place where such Bonds are to be surrendered for payment of the Redemption Price, and

(7) such other information as shall be deemed necessary by the Trustee at the time such notice is given to comply with law, regulation or industry standard.

(b) With respect to an optional redemption of Bonds, such notice may state that said redemption is conditioned upon the receipt by the Trustee on or prior to the date fixed for redemption of moneys sufficient to pay the Redemption Price of the Bonds. If such moneys are not so received, such redemption notice shall be of no force and effect, the City shall not redeem such Bonds and such failure to deposit such funds shall not constitute an Event of Default under this Indenture. 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 Bonds will not be redeemed. Unless the notice of redemption shall be made conditional as provided above, on or prior to any redemption date for the Bonds, the City shall deposit with the Trustee an amount of money sufficient to pay the Redemption Price of all the Bonds or portions thereof which are to be redeemed on that date.

(c) Notice of redemption having been given as aforesaid, the Bonds, or portions thereof, so to be redeemed shall, on the redemption date, become due and payable at the Redemption Price therein specified, and from and after such date (unless the City defaults in the payment of the Redemption Price or unless, in the event of a conditional notice as described above, the necessary moneys were not deposited) such Bonds, or portions thereof, shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the Redemption Price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the Registered Owner a new Bond or Bonds of the same interest rate and maturity in the amount of the unpaid principal.

(d) If any Bond, or portion thereof, called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by such Bond, or portion thereof, so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Trustee and shall not be reissued.

(e) Failure to give notice in the manner prescribed hereunder with respect to any Bond, or any defect in such notice, shall not affect the validity of the proceedings for redemption for any Bond with respect to which notice was properly given. Upon the happening of the above conditions and if sufficient moneys are on deposit with the Trustee on the applicable redemption date to redeem the Bonds to be redeemed and to pay interest due thereon and premium, if any, the Bonds thus called shall not, after the applicable redemption date, bear interest, be protected

by this Indenture or the Bond Ordinance or be deemed to be Outstanding under the provisions of this Indenture.

(f) If any Bond is transferred or exchanged on the Bond Register after notice has been given calling such Bond for redemption, the Trustee will attach a copy of such notice to the Bond issued in connection with such transfer or exchange.

(g) If any Bond is not presented for payment when the principal amount thereof becomes due, either at maturity or at a date fixed for redemption thereof or otherwise, and if moneys sufficient to pay such Bond are held by the Trustee for the benefit of the Registered Owner of such Bond, the Trustee shall hold such moneys for the benefit of the Registered Owner of such Bond without liability to the Registered Owner for interest. The Registered Owner of such Bond thereafter shall be restricted exclusively to such funds for satisfaction of any claims relating to such Bond.

Section 3.03. Selection of Bonds for Redemption. If less than all the Bonds shall be called for redemption under any provision of this Indenture permitting such partial redemption, (i) such redemption shall be by lot in such manner as the Trustee may determine among such Bonds, and (ii) subject to other applicable provisions of this Indenture, the portion of any Bond to be redeemed shall be in a principal amount equal to an Authorized Denomination. In selecting Bonds for redemption, the Trustee shall assign to each Bond of like Maturity Date and interest rate, a distinctive number for each minimum Authorized Denomination of such Bond and shall select by lot from the numbers so assigned as many numbers as, at such minimum Authorized Denomination for each number, shall equal the principal amount of such Bonds to be redeemed. In such case, the Bonds to be redeemed shall be those to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal such minimum Authorized Denomination for each number assigned to it and so selected. If it is determined that one or more, but not all, of the integral multiples of the Authorized Denomination of principal amount represented by any Bond is to be called for redemption, then, upon notice of intention to redeem such integral multiple of an Authorized Denomination, the Registered Owner of such Bond shall forthwith surrender such Bond to the Trustee for (a) payment to such Registered Owner of the Redemption Price of the integral multiple of the Authorized Denomination of principal amount called for redemption, and (b) delivery to such Registered Owner of a new Bond or Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond. New Bonds representing the unredeemed balance of the principal amount of such Bond shall be issued to the Registered Owner thereof without charge therefor.

The Trustee shall promptly notify the City in writing of the Bonds, or portions thereof, selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof, and the interest rate thereof to be redeemed.

Section 3.04. Deposit of Funds. For the redemption of any of the Bonds, the City shall cause to be deposited in the Principal and Interest Account moneys sufficient to pay when due the principal of, and premium, if any, and interest on, the Bonds to be redeemed on the redemption date to be applied in accordance with the provisions hereof.

ARTICLE IV

APPLICATION OF BOND PROCEEDS; CREATION OF FUNDS AND SECURITY FOR BONDS

Section 4.01. Source of Payment of Bonds. Pursuant to the Bond Ordinance, the Bonds constitute direct and general obligations of the City for the payment of which the City pledges its full faith and credit.

Section 4.02. Application of Bond Proceeds. The proceeds of the sale of the Bonds, consisting of the principal amount of the Bonds [plus/minus] [net] original issue [premium/discount] of \$ _____ used in the marketing of the Bonds and less an Underwriters' discount of \$ _____, shall be applied simultaneously with their delivery as follows:

(i) [*To come based on use of proceeds of Series*]

(ii)

Section 4.03. Creation of Accounts in Bond Fund. (a) There is established with the Trustee a trust fund designated "City of Chicago General Obligation Bonds, Series 2016_ Bond Fund."

(i) At each such time as is required under this Indenture, the City shall deposit into the Bond Fund, from funds of the City legally available therefor, an amount sufficient to satisfy the Principal and Interest Account Requirement.

(ii) Money on deposit in the Bond Fund shall be applied by the Trustee to pay the principal of (whether due at maturity or by mandatory redemption) and interest on the Bonds as the same become due.

(iii) Pending the use of moneys held in the Bond Fund, the Trustee shall invest such moneys in Permitted Investments upon the direction of the Chief Financial Officer or any person designated by the Chief Financial Officer. Income from such investments shall be credited to the Bond Fund.

(b) *Creation of Principal and Interest Account.* There is established with the Trustee an account within the Bond Fund, designated as the "Series 2016_ Principal and Interest Account" (the "*Principal and Interest Account*").

Section 4.04. Project Fund. (a) There is established with the Trustee a trust fund designated "City of Chicago General Obligation Bonds, Series 2016_ Project Fund" to be held and applied in accordance with the terms and provisions of this Indenture. Moneys on deposit in the Project Fund will be paid out from time to time by the Trustee to or upon the order of the City in order to provide for the payment or to reimburse the City for the payment of Project Costs upon receipt by the Trustee of a certificate of an Authorized Officer describing the Project

Costs to be paid or reimbursed with such moneys (including the identity of and method of payment for each payee) and stating that:

(i) the costs in an aggregate amount set forth in such certificate are necessary and appropriate Project Costs that (a) have been incurred and paid or (b) are expected to be paid within the next 60 days;

(ii) the amount to be paid or reimbursed to the City as set forth in such certificate is reasonable and represents a part of the amount payable for the Project Costs and that such payment is to be made or, in the case of reimbursement to the City, was made, in accordance with the terms of any applicable contracts and in accordance with usual and customary practice under existing conditions;

(iii) that no part of the Project Costs that are the subject of such certificate was included in any certificate previously filed with the Trustee under the provisions of this Indenture; and

(iv) the use of the money so withdrawn from the Project Fund and the use of the facilities provided with such moneys will not result in a violation of any applicable covenant, term or provision of the Tax Certificate.

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

(c) The completion, substantial completion or abandonment of the Project shall be evidenced by a certificate of an Authorized Officer, which shall be filed promptly with the Trustee, stating the date of such completion, anticipated completion or abandonment and the amount, if any, required in the opinion of the signer of such certificate for the payment of any remaining part of the Project Costs. Upon the filing of such certificate, the balance in the Project Fund in excess of the amount, if any, stated in such certificate of the City as necessary to complete the Project shall be deposited into the Principal and Interest Account and applied as directed in such certificate; provided that such direction shall be consistent with Section 4.06 and applicable provisions of the Tax Certificate.

Section 4.05. Deposits into Bond Fund and Account Therein. Not later than the Business Day prior to each Interest Payment Date, commencing _____ 1, 201_ (each such date referred to herein as the "Deposit Date") there shall be on deposit in the Bond Fund an amount equal to the Principal and Interest Account Requirement (such amount with respect to any Deposit Date being referred to herein as the "Series 2016_ Deposit Requirement").

In addition to the Series 2016_ Deposit Requirement, there shall be deposited into the Bond Fund any other moneys received by the Trustee under and pursuant to this Indenture, when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund and to one or more accounts therein.

Upon calculation by the Trustee of each Series 2016_ Deposit Requirement under this Section, the Trustee shall notify the City of the Series 2016_ Deposit Requirement and the Deposit Date to which it relates, and shall provide the City with such supporting documentation and calculations as the City may reasonably request.

Section 4.06. Tax Covenants. (a) The City covenants that it will take no action in the investment of the proceeds of the Bonds which would result in making the interest payable on any of such Bonds subject to federal income taxes by reason of such Bonds being classified as "arbitrage bonds" within the meaning of Section 148 of the Code.

(b) The City further covenants that it will act with respect to the proceeds of the Bonds, the earnings on the proceeds, of such Bonds and any other moneys on deposit in any fund or account maintained in respect of such Bonds, including, if necessary, a rebate of such earnings to the United States of America, in a manner which would cause the interest on such Bonds to continue to be exempt from federal income taxation under Section 103(a) of the Code.

Section 4.07. Non-presentment of Bonds. In the event any Bond shall not be presented for payment when the principal thereof becomes due, whether at maturity, at the date fixed for redemption or otherwise, if moneys sufficient to pay such Bond shall have been made available to the Trustee for the benefit of the Registered Owner thereof, subject to the provisions of the immediately following paragraph, all liability of the City to the Registered Owner thereof for the payment of such Bond shall forthwith cease, determine and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such moneys, without liability for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such moneys, for any claim of whatever nature on his or her part under this Indenture or on, or with respect to, such Bond.

Any moneys so deposited with and held by the Trustee not so applied to the payment of Bonds within two years after the date on which the same shall have become due shall be repaid by the Trustee to the City, and thereafter the Registered Owners of such Bonds shall be entitled to look only to the City for payment, and then only to the extent of the amount so repaid, and all liability of the Trustee with respect to such moneys shall thereupon cease, and the City shall not be liable for any interest thereon and shall not be regarded as a trustee of such moneys. The obligation of the Trustee under this Section to pay any such funds to the City shall be subject, however, to any provisions of law applicable to the Trustee or to such funds providing other requirements for disposition of unclaimed property.

Section 4.08. Moneys Held in Trust. All moneys required to be deposited with or paid to the Trustee for the account of any fund or account referred to in any provision of this Indenture shall be held by the Trustee in trust as provided in Section 8.08 of this 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.

ARTICLE V

INVESTMENT OF MONEYS

Section 5.01. Investment of Moneys. Moneys held in the funds, accounts and subaccounts established hereunder shall be invested and reinvested in accordance with the provisions governing investments contained in this Indenture. All such investments shall be held by or under the control of the Trustee and shall be deemed at all times a part of the fund, account or subaccount for which they were made.

Section 5.02. Investment Income. The interest earned on any investment of moneys held hereunder, any profit realized from such investment and any loss resulting from such investment shall be credited or charged to the fund, account or subaccount for which such investment was made.

ARTICLE VI

DISCHARGE OF LIEN

Section 6.01. Defeasance. (a) If the City shall pay to the Registered Owners of the Bonds, or provide for the payment of, the principal, premium, if any, and interest to become due on the Bonds, then this Indenture and the Bond Ordinance shall be fully discharged and satisfied with respect to the Bonds. Upon the satisfaction and discharge of this Indenture, the Trustee shall, upon the request of the City, execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and all fiduciaries shall pay over or deliver to the City all funds, accounts and other moneys or securities held by them pursuant to this Indenture which are not required for the payment or redemption of the Bonds. If payment or provision for payment is made, to or for the Registered Owners of all or a portion of the Bonds, of the principal of and interest due and to become due on any Bond at the times and in the manner stipulated therein, and there is paid or caused to be paid to the Trustee all sums of money due and to become due according to the provisions of this Indenture, then these presents and the estate and rights hereby and by the Bond Ordinance granted shall cease, terminate and be void as to those Bonds or portions thereof except for purposes of registration, transfer and exchange of Bonds and any such payment from such moneys or obligations. Any Bond shall be deemed to be paid within the meaning of this Section when payment of the principal of any such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this Indenture or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (1) moneys sufficient to make such payment or (2) Defeasance Obligations, or (3) a combination of the investments described in clauses (1) and (2) above, such amounts so deposited being available or maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient moneys to make such payment (all as confirmed by a nationally recognized firm of independent public accountants). If

the City shall pay and discharge a portion of the Bonds as aforesaid, such portion shall cease to be entitled to any lien, benefit or security under this Indenture and the Bond Ordinance. The liability of the City with respect to such Bonds shall continue, but the Registered Owners thereof shall thereafter be entitled to payment (to the exclusion of all other Bondholders) only out of the Defeasance Obligations deposited with the Trustee under Article VIII of this Indenture.

(b) No such deposit under this Section shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any of such Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code or any successor provision thereto.

(c) Nothing in this Indenture shall prohibit a defeasance deposit of escrow securities as provided in this section from being subject to a subsequent sale of such escrow securities and reinvestment of all or a portion of the proceeds of that sale in escrow securities which, together with money to remain so held in trust, shall be sufficient to provide for payment of principal, redemption premium, if any, and interest on any of the defeased Bonds. Amounts held by the Trustee in excess of the amounts needed so to provide for payment of the defeased Bonds may be subject to withdrawal by the City.

ARTICLE VII

DEFAULT PROVISIONS; REMEDIES

Section 7.01. Defaults. Each of the following events is hereby declared to be an "Event of Default:"

(a) payment of the principal or Redemption Price, if any, of any Bonds shall not be made when and as the same shall become due, whether at maturity or upon call for redemption or otherwise;

(b) payment of any installment of interest on any Bonds shall not be made when and as the same shall become due; or

(c) the City shall fail or refuse to comply with the provisions of this Indenture, or shall default in the performance or observance of any of the covenants, agreements or conditions on its part contained herein or in the Bonds, which materially affects the rights of the owners of the Bonds and such failure, refusal or default shall continue for a period of 45 days after written notice thereof by the Trustee or the owners of not less than 25 percent in principal amount of the Outstanding Bonds; *provided, however,* that in the case of any such default which can be cured by due diligence but which cannot be cured within the 45-day period, the time to cure shall be extended for such period as may be necessary to remedy the default with all diligence.

Section 7.02. Remedies. (a) Upon the happening and continuance of any Event of Default specified in paragraph (a) or (b) of Section 7.01 hereof, the Trustee shall proceed, or

upon the happening and continuance of any Event of Default (beyond the time periods specified therein) specified in paragraph (c) of Section 7.01 hereof, the Trustee may proceed, and upon the written request of the owners of not less than 25 percent in principal amount of the Outstanding Bonds, shall proceed, in its own name, subject to the provisions of this Section, to protect and enforce its rights and the rights of the owners of the Bonds by such of the following remedies as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(i) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the owners of the Bonds including the right to require the City to receive and collect taxes adequate to carry out the covenants and agreements as to such taxes and to require the City to carry out any other covenant or agreement with the owners of the Bonds and to perform its duties under this Indenture;

(ii) by bringing suit upon the Bonds;

(iii) by action or suit in equity, require the City to account as if it were the trustee of an express trust for the owners of the Bonds; and/or

(iv) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds.

(b) In the enforcement of any rights and remedies under this Indenture, the Trustee shall be entitled to sue for, enforce payment of and receive any and all amounts then or during any default becoming, and at any time remaining, due from the City but only out of moneys pledged as security for the Bonds for principal, Redemption Price, interest or otherwise, under any provision of this Indenture or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such Bonds without prejudice to any other right or remedy of the Trustee or of the owners of the Bonds, and to recover and enforce a judgment or decree against the City for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys available under this Indenture for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

(c) Under no circumstance may the Trustee declare the principal of or interest on any Bond to be due and payable prior to its Maturity Date following the occurrence of an Event of Default under this Indenture.

ARTICLE VIII

TRUSTEE AND PAYING AGENT

Section 8.01. Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the express terms and conditions set forth herein. Except as otherwise expressly set forth in this Indenture, the Trustee assumes no duties, responsibilities or liabilities by reason of its execution

of this Indenture other than as set forth in this Indenture, and this Indenture is executed and accepted by the Trustee subject to all the terms and conditions of its acceptance of the trust under this Indenture. The Trustee shall make payments to Bondholders and effect optional and mandatory redemptions when required, whether or not its fees and expenses have been fully paid.

Section 8.02. Dealing in Bonds. The Trustee, in its individual capacity, may buy, sell, own, hold and deal in any of the Bonds, and may join in any action which the Registered Owner of any Bond may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other function with the City, and may act as depository, trustee or agent for any committee or body of the Registered Owners of Bonds secured hereby or other obligations of the City as freely as if it did not act in any capacity hereunder.

Section 8.03. Compensation of Trustee. The City shall pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees incurred in and about the performance of their powers and duties under this Indenture and, except as provided in Section 8.01 hereof the Trustee shall have a lien therefor on any and all moneys at any time held by it under this Indenture. The City further agrees to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, which are not due to its negligence or default.

Section 8.04. Paying Agent. [**Consider whether you want this provision in a fixed rate transaction.**] The Trustee may appoint a Paying Agent with power to act on its behalf and subject to its direction (i) in the authentication, registration and delivery of Bonds in connection with transfers and exchanges hereunder, as fully to all intents and purposes as though such Paying Agent had been expressly authorized by this Indenture to authenticate, register and deliver Bonds, and (ii) for effecting purchases and sales of Bonds pursuant hereto and accepting deliveries of Bonds, making deliveries of Bonds and holding Bonds pursuant hereto. The foregoing notwithstanding, the Trustee need not appoint a Paying Agent hereunder as long as the Bonds are held in book-entry form pursuant to Section 2.11 hereof; at any time the Bonds are not held in book-entry form pursuant to Section 2.11 hereof, the Trustee shall either maintain an office in New York, New York capable of handling the duties of Paying Agent hereunder, or shall appoint a Paying Agent with an office in New York, New York hereunder. Any Paying Agent appointed pursuant to this Section shall evidence its acceptance by a certificate filed with the Trustee, the Bank and the City. For all purposes of this Indenture, the authentication, registration and delivery of Bonds by or to any Paying Agent pursuant to this Section 8.04 shall be deemed to be the authentication, registration and delivery of Bonds "by or to the Trustee." Such Paying Agent shall at all times be a commercial bank or trust company having an office in New York, New York, and shall at all times be a corporation organized and doing business under the laws of the United States of America or of any state with combined capital and surplus of at least \$50,000,000 and in each case authorized under such laws to exercise corporate trust powers and subject to supervision or examination by Federal or state authority. If such corporation publishes reports of condition at least annually pursuant to law or the requirements of such

authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

Any corporation into which such Paying Agent may be merged or converted, or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which such Paying Agent shall be a party, or any corporation succeeding to the corporate trust business of such Paying Agent, shall be a successor of such Paying Agent hereunder, if such successor corporation is otherwise eligible under this Section, without the execution or filing or any further act on the part of the parties hereto or such Paying Agent or such successor corporation.

Any Paying Agent may at any time resign by giving written notice of resignation to the Trustee and the City, and such resignation shall take effect at the appointment by the Trustee of a successor Paying Agent pursuant to the succeeding provisions of this Section and the acceptance by the successor Paying Agent of such appointment. The Trustee may at any time terminate the agency of any Paying Agent by giving written notice of termination to such Paying Agent and the City, which termination shall not take effect until the acceptance by the successor Paying Agent of such appointment. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Paying Agent shall cease to be eligible under this Section, the Trustee shall promptly appoint a successor Paying Agent, shall give written notice of such appointment to the City and shall mail notice of such appointment to all Registered Owners of Bonds.

Notwithstanding anything herein to the contrary, any Paying Agent shall be entitled to rely on information furnished to it orally or in writing by the Trustee and shall be protected hereunder in relying thereon. The Trustee agrees to pay to any Paying Agent from time to time its fees and expenses for its services, and the Trustee shall be entitled to be reimbursed for such payments pursuant to Section 8.03 hereof.

Section 8.05. Notice to Rating Agencies. The Trustee hereby agrees that if at any time (a) the City redeems any portion of the Bonds Outstanding hereunder prior to their Maturity Date, (b) the City provides for the payment of any portion of the Bonds pursuant to Section 6.01, (c) a successor Trustee is appointed, (d) any supplement to this Indenture shall become effective, or any party thereto shall waive any provision of this Indenture, or (e) any other information that a Rating Agency may reasonably request in order to maintain the ratings on the Bonds, then, in each case, the Trustee shall give notice thereof to each Rating Agency then maintaining a rating on the Bonds.

Any notice given to a Rating Agency hereunder shall be mailed by first class mail as follows:

[Insert addresses of Rating Agencies rating the Bonds]

Section 8.06. Qualification of Trustee. The Trustee hereunder shall be a bank, trust company or national banking association having the powers of a trust company doing business and having a corporate trust office in the City of Chicago, Illinois.

Section 8.07. Responsibilities of Trustee. (a) The recitals of fact herein and in the Bonds shall be taken as the statements of the City and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or any Supplemental Indenture or of any Bonds issued hereunder or thereunder or in respect of the security afforded by this Indenture or any Supplemental Indenture and the Trustee shall not incur any responsibility in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the Bonds. The Trustee shall not be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof except to the extent such proceeds are paid to the Trustee in its capacity as Trustee, or the application of any moneys paid to the City or others in accordance with this Indenture or any Supplemental Indenture. The Trustee shall not be under any obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any action or suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of paragraph (b) of this Section, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct or that of its agents.

(b) The Trustee, prior to the occurrence of an Event of Default and after the remedy of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and each Supplemental Indenture. In case an Event of Default has occurred and has not been remedied, the Trustee shall exercise such of the rights and powers vested in it by law, this Indenture and each Supplemental 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 and any Supplemental Indenture and any Supplemental Indenture relating to action taken or so to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

Section 8.08. Funds Held in Trust and Security Therefor. Any moneys held by the Trustee, as such, at any time pursuant to the terms of this Indenture or any Supplemental Indenture shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and upon the terms and conditions of this Indenture or any Supplemental Indenture. Subject to the terms of this Indenture concerning Permitted Investments, all moneys (not including securities) held by the Trustee, as such, may be deposited by the Trustee in its banking department, or with such other banks, trust companies, or national banking associations, each having a place of business in the City of Chicago, Illinois, as may be designated by the City and approved by the Trustee. No such funds shall be deposited with any bank, trust company or national banking association, other than the Trustee, in an amount exceeding 25 percent of the

amount which an officer of such bank, trust company or national banking association shall certify to the Trustee and the City as the combined capital, surplus and undivided profits of such bank, trust company or national banking association. No such funds shall be deposited or remain on deposit with any bank, trust company or national banking association in excess of the amount insured by the Federal Deposit Insurance Corporation, unless (a) such bank, trust company or national banking association shall have deposited in trust with the trust department of the Trustee or with a Federal Reserve Bank or branch or, with the written approval of the Trustee and the City, pledged to some other bank, trust company or national banking association, for the benefit of the City and the appropriate fund, account, subfund or subaccount, as collateral security for the moneys deposited, Qualified Collateral having a current market value (exclusive of accrued interest) at least equal to 110 percent of the amount of such moneys, or (b) in lieu of such collateral security as to all or any part of such moneys, there shall have been deposited in trust with the trust department of the Trustee, for the benefit of the City and the appropriate fund, account, subfund or subaccount, and remain in full force and effect as security for such moneys or part thereof, the indemnifying bond or bonds of a surety company or companies qualified as surety for deposits of funds of the United States of America and qualified to transact business in the State in a sum at least equal to the amount of such moneys or part thereof. The Trustee shall allow and credit interest on any such moneys held by it at such rate as it customarily allows upon similar moneys of similar size and under similar conditions or as required by law. Interest in respect of moneys or on securities in any fund, account, subfund or subaccount shall be credited in each case to the fund, account, subfund or subaccount in which such moneys or securities are held.

Section 8.09. Evidence on which Trustee May Act. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the City, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, including payment of moneys out of any fund or account, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this Indenture upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Except as otherwise expressly provided herein or therein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof or thereof by the City to the Trustee shall be sufficiently executed if executed in the name of the City by an Authorized Officer.

Section 8.10. Permitted Acts and Functions. The Trustee may become the Owner of any Bonds, with the same rights it would have if it were not the Trustee. To the extent permitted by law, the Trustee 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 the Owners of Bonds 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 principal amount of the Bonds then Outstanding.

Section 8.11. Resignation. The Trustee may at any time resign and be discharged of its duties and obligations created by this Indenture by giving not fewer than 60 days' written notice to the City and mailing notice thereof, to the owners of Bonds at their addresses shown on the registration books kept by the Trustee within 20 days after the giving of such written notice. Such resignation shall take effect upon the appointment and acceptance of appointment of a successor by the City or the Owners of Bonds as herein provided.

Section 8.12. Removal. The Trustee may be removed at any time by the Owners of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the City, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners of Bonds or by their attorneys duly authorized in writing and delivered to the City. Copies of each such instrument shall be delivered by the City to the Trustee and any successor. The City may remove the Trustee at any time, except during the existence of an Event of Default, for such cause (or upon 30 days' notice for any reason) as shall be determined in the sole discretion of the City by filing with the Trustee an instrument signed by an Authorized Officer and by mailing notice thereof to the Bank and to the Owners of Bonds at their addresses shown on the registration books kept by the Trustee. Any removal of the Trustee shall take effect upon the appointment and acceptance of appointment of a successor Trustee.

Section 8.13. Appointment of Successor. 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 shall take charge or control of the Trustee or of its property or affairs, a successor may be appointed by the Owners of a majority in principal amount of the Bonds then Outstanding, excluding any Bonds held by or for the account of the City, by an instrument or concurrent instruments in writing signed by such Owners or their attorneys duly authorized in writing and delivered to such successor Trustee, notification thereof being given to the City and the predecessor Trustee. Pending such appointment, the City shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee (if any) shall be appointed by the Owners of Bonds as herein authorized. The City shall mail notice to Owners of Bonds of any such appointment within 20 days after such appointment. Any successor Trustee appointed by the City shall, immediately and without further act, be superseded by a Trustee appointed by the Owners of Bonds. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the City written notice of resignation as provided in Section 8.11 hereof or after the occurrence of any other event requiring or authorizing such appointment, the Trustee, any Owner of Bonds may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint such successor Trustee. Any Trustee appointed under the provisions of this Section shall be a bank, trust company or national banking association, in any such case having corporate trust powers, doing business and having a corporate trust office in the City.

Section 8.14. Transfer of Rights and Property to Successor. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the City, a written instrument of acceptance respecting 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, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the request of the City, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee 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 in writing from the City be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the City.

Section 8.15. Merger or Consolidation. Any company into which the Trustee 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 the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank, trust company or national banking association which is qualified to be a successor to the Trustee under Section 8.13 hereof and shall be authorized by law to perform all the duties imposed upon it by this Indenture, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

Section 8.16. 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 the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in the Bonds or in this Indenture *provided* that the certificate of the Trustee shall have.

Section 8.17. Evidence of Signatures of Owners and Ownership of Bonds. (a) Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners of Bonds 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 ownership 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, but the Trustee 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 his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(2) The authority of the person or persons executing any such instrument on behalf of a corporate Owner of Bonds may be established without further proof if such instrument is signed by a person purporting to be the president or vice president of such corporation with a corporate seal affixed and attested by a person purporting to be its secretary or an assistant secretary.

(b) The ownership of Bonds and the amount, numbers and other identification, and date of ownership of the same shall be proved by the Bond Register. Any request, consent or vote of 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 City or the Trustee in accordance therewith..

Section 8.18. Preservation and Inspection of Documents. All documents received by the Trustee 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 City and any Owner of Bonds and their agents and their representatives, any of whom may make copies thereof.

ARTICLE IX

SUPPLEMENTAL INDENTURE

Section 9.01. Supplemental Indenture Effective Upon Execution by the Trustee. For any one or more of the following purposes and the purposes enumerated in Section 9.04 hereof, and at any time or from time to time, a Supplemental Indenture may be authorized by an ordinance adopted by the City Council of the City, which, upon the filing with the Trustee of a copy of such ordinance certified by the City Clerk and the execution and delivery of such Supplemental Indenture by the City and the Trustee, shall be fully effective in accordance with its terms and not subject to consent by the Registered Owners of the Bonds:

(a) to add to the covenants and agreements of the City in this Indenture other covenants and agreements to be observed by the City which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(b) to add to the limitations and restrictions in this Indenture other limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) to surrender any right, power or privilege reserved to or conferred upon the City by the terms of this Indenture, but only if the surrender of such right, power or

privilege is not contrary to or inconsistent with the covenants and agreements of the City contained in this Indenture;

(d) to confirm, as further assurance, the pledge herein, and the subjection of, additional properties, taxes or other collateral to any lien, claim or pledge created or to be created by, this Indenture;

(e) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this Indenture;

(f) to insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect; or

(g) to provide additional duties of the Trustee under this Indenture.

Section 9.02. Supplemental Indentures Effective With Consent of Owners of Bonds. At any time or from time to time, a Supplemental Indenture may be authorized by an ordinance adopted by the City Council of the City, subject to consent by the Owners of Bonds in accordance with and subject to the provisions of this Article, which Supplemental Indenture, upon the filing with the Trustee of a copy of such ordinance certified by the City Clerk, upon compliance with the provisions of this Article, and upon execution and delivery of such Supplemental Indenture by the City and the Trustee, shall become fully effective in accordance with its terms.

Section 9.03. General Provisions. (a) This Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article. Nothing in this Article shall affect or limit the right or obligation of the City to adopt, make, do, execute, acknowledge or deliver any ordinance, resolution, act or other instrument pursuant to the provisions of this Article or the right or obligation of the City to execute and deliver to the Trustee any instrument which elsewhere in this Indenture it is provided shall be delivered to the Trustee.

(b) Any ordinance authorizing a Supplemental Indenture referred to and permitted or authorized by Section 9.01 or 9.04 hereof may be adopted by the City Council of the City without the consent of any of the Owners of Bonds, but such Supplemental Indenture shall be executed and delivered by the City and the Trustee and shall become effective only on the conditions, to the extent and at the time provided in this Article. Every Supplemental Indenture delivered to the Trustee for execution shall be accompanied by an opinion of counsel stating that such Supplemental Indenture has been duly and lawfully authorized by the City Council of the City and executed by the City in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, and will, when executed and delivered by the Trustee, be valid and binding upon the City and enforceable in accordance with its terms.

(c) The Trustee is hereby authorized to enter into, execute and deliver any Supplemental Indenture referred to and permitted or authorized by this Article and to make all

further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel that such Supplemental Indenture is authorized or permitted by the provisions of this Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

(e) No Supplemental Indenture shall take effect unless and until there has been delivered to the Trustee an Opinion of Bond Counsel to the effect that such Supplemental Indenture does not adversely affect the exclusion from gross income for federal income tax purposes to which interest on the Bonds would otherwise be entitled.

Section 9.04. Additional Matters. Additionally, this Indenture may, without the consent of, or notice to, any of the Bondholders, be supplemented and amended, in such manner as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) to provide for certificated Bonds; and

(b) to secure or maintain ratings from any Rating Agency in the highest long term debt rating category, of such Rating Agency which are available for the Bonds, which changes will not restrict, limit or reduce the obligation of the City to pay the principal of, premium, if any, and interest on the Bonds as provided in this Indenture or otherwise adversely affect the Registered Owners of the Bonds under this Indenture.

Section 9.05. Mailing of Notice of Amendment. Any provision in this Article for the mailing of a notice or other paper to owners of Bonds shall be fully complied with if it is mailed postage prepaid only (i) to each Registered Owner of then Outstanding Bonds at his address, if any, appearing upon the registration books maintained by the City at the Designated Corporate Trust Office of the Trustee, and (ii) to the Trustee.

Section 9.06. Powers of Amendment. Any modification or amendment of this Indenture or of the rights and obligations of the City and of the Owners of the Bonds, in particular, which requires the consent of the Bondholders, may be made by a Supplemental Indenture, with the written consent given as provided in Section 9.07, (a) of the Owners of a majority in principal amount of the Bonds Outstanding at the time such consent is given, or (b) in case less than all of the then Outstanding Bonds are affected by the modification or amendment, of the Owners of a majority in principal amount of the then Outstanding Bonds so affected. 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, or in terms of purchase or the purchase price thereof, without the consent of the owner of such Bonds, 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 the Trustee without its written assent thereto. For the purposes

of this Section, a Bond 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 such Bond.

Section 9.07. Consent of Owners of Bonds. (a) The City may at any time authorize a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 9.06, to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to the Owners of the Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the City to the Owners of the Bonds (but failure to mail such copy and request shall not affect the validity of the 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, (i) there shall have been filed with the Trustee (1) the written consents of Owners of the percentages of Outstanding Bonds specified in Section 9.06 and (2) an opinion of counsel stating that such Supplemental Indenture has been duly and lawfully executed and delivered by the City and the Trustee in accordance with the provisions of this Indenture, is authorized or permitted hereby and is valid and binding upon the City and enforceable in accordance with its terms upon its becoming effective as in this Section provided, and (ii) a notice shall have been mailed as hereinafter in this Section provided.

(b) The consent of an Owner of Bonds to any modification or amendment shall be effective only if accompanied by proof of the Ownership, at the date of such consent, of the Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 8.17. A certificate or certificates signed by the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 8.17 shall be conclusive that the consents have been given by the Owners of the Bonds described in such certificate or certificates. 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 thereof has notice thereof) unless such consent is revoked in writing by the Owner of such Bonds giving such consent or a subsequent Owner thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee hereinafter provided for in this Section is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with the Trustee.

(c) At any time after the Owners of the required percentages of Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the City a written statement that the Owners of such required percentages of Bonds have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture entered into by the City and the Trustee as of a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentages of Bonds and will be effective as provided in this Section, shall be given to Owners by the Trustee by mailing such notice to the Owners of the Bonds and the Bank (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as provided in this Section). The Trustee shall file with the City proof of the mailing of such notice. A record, consisting of the papers required or permitted by this

Section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Trustee and the Owners of all Bonds at the expiration of 40 days after the filing with the Trustee of proof of the mailing of such last mentioned notice, except in the event of a final decree of a court of competent jurisdiction setting aside such Supplemental Indenture in a legal action or equitable proceeding for such purpose commenced within such 40-day period; except that the Trustee and the City, during such 40-day period and any such further period during which any such action or proceeding may be pending, shall be entitled in their absolute discretion to take such action, or to refrain from taking such action, with respect to such Supplemental Indenture as they may deem expedient.

Section 9.08. Modifications by Unanimous Consent. The terms and provisions of this Indenture and the rights and obligations of the City and of the Owners of the Bonds hereunder may be modified or amended in any respect upon the consent of the Owners of all the then Outstanding Bonds to the execution and delivery of such Supplemental Indenture, such consent to be given as provided in Section 9.07 except that no notice to the Owners of the Bonds shall be required; but no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

Section 9.09. Exclusion of Bonds. Bonds owned by or for the account of the City shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, and the City shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the City shall furnish the Trustee with a Certificate upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 9.10. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this Article provided may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the City and the Trustee as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Designated Corporate Trust Office of the Trustee or upon any exchange or registration of transfer of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such exchange or registration of transfer by the Trustee as to any such action. If the City or the Trustee shall so determine, new Bonds so modified as in the opinion of the Trustee and the City to conform to such action shall 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 Bonds of the same maturity upon surrender of such Bond.

ARTICLE X

MISCELLANEOUS

Section 10.01. Severability. If any provision of this Indenture shall be held or deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

Section 10.02. Payments Due on Saturdays, Sundays and Holidays. If the date for making any payment, or the last date for the performance of any act or the exercise of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made, act performed or right exercised on the next Business Day with the same force and effect as if done on the nominal date provided in this Indenture, and no interest shall accrue for the period after such nominal date.

Section 10.03. Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 10.04. Rules of Interpretation. Unless expressly indicated otherwise, references to Sections or Articles are to be construed as references to Sections or Articles of this instrument as originally executed. Use of the words “herein,” “hereby,” “hereunder,” “hereof,” “hereinbefore,” “hereinafter” and other equivalent words refer to this Indenture and not solely to the particular portion in which any such word is used. In the event of any conflict between the provisions of this Indenture and the Bond Ordinance (including in the form of Bond attached hereto as *Exhibit A*), the terms of this Indenture shall be deemed to control.

Section 10.05. Captions. The captions and headings in this Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Indenture.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the City has caused these presents to be executed in its name and with its official seal hereunto affixed and attested by its duly authorized officials; and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be executed in its corporate name and with its corporate seal hereunto affixed and attested by its duly authorized officers, on the date first above written.

CITY OF CHICAGO

By: _____

[SEAL]

Attest:

By: _____
Susana A. Mendoza
City Clerk

as Trustee

By: _____
Name: _____
Authorized Signatory

EXHIBIT A

FORM OF BOND

REGISTERED
No. _____

\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

CITY OF CHICAGO

GENERAL OBLIGATION BOND

SERIES _____

See Reverse Side for
Additional Provisions

Interest
Rate: _____%

Maturity Date:
January 1, 20__

Dated Date:
_____, 20__

CUSIP: _____

Registered Owner:

Principal Amount:

The City of Chicago (the "City") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the date of this Bond or the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on January 1 and July 1 of each year commencing _____ 1, 20__, until said Principal Amount is paid. Principal of this Bond and redemption premium, if any, shall be payable in lawful money of the United States of America upon presentation and surrender at the designated corporate trust office of _____, Chicago, Illinois, as [bond trustee,] bond registrar and paying agent (the "*Bond Registrar*"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar or, at the option of any Registered Owner of \$1,000,000 or more in aggregate principal amount of the Bonds, by wire transfer of immediately available funds to such bank in the continental United States of America as the Registered Owner hereof shall request in writing to the Bond Registrar.

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

It is certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, and have been done and performed in regular and due form and time as required by law; that the indebtedness of the City, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, the City of Chicago by the City Council has caused its corporate seal to be imprinted by facsimile hereon and this Bond to be signed by the duly authorized facsimile signature of the Mayor and attested by the facsimile signature of the City Clerk, all as of the Dated Date identified above.

(Facsimile Signature)

Mayor
City of Chicago

Attest:

(Facsimile Signature)

City Clerk
City of Chicago

[SEAL]

Date of Authentication: _____, _____

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Bond Ordinance and is one of the General Obligation Bonds, Series _____, of the City of Chicago.

By: _____
(Manual Signature)
Authorized Officer

[Form of Current Interest Bond — Reverse Side]

**CITY OF CHICAGO
GENERAL OBLIGATION BOND
SERIES _____**

For the prompt payment of this Bond, both principal and interest, as aforesaid, as the same become due, and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City irrevocably pledged.

This Bond is one of a series of Bonds aggregating the principal amount of \$ _____ issued pursuant to the constitutional home rule powers of the City for the purposes of (i) paying costs of the Project described in the Bond Ordinance and (ii) paying expenses incidental to the issuance of the Bonds, and was authorized by an Ordinance adopted by the City Council of the City on _____, 20__ (the "*Bond Ordinance*").

The Bonds maturing on or after January 1, _____, are redeemable prior to maturity at the option of the City, in whole or in part on any date on or after _____ 1, _____, and if less than all of the outstanding Bonds are to be redeemed, the Bonds to be called shall be called from such maturities and interest rates as shall be determined by the City and if less than all of the Bonds of a single maturity and the same interest rate are to be redeemed then [by lot] [pro-rata] within such maturity and interest rate in the manner hereinafter provided, the Bonds to be redeemed at the redemption prices (being expressed as a percentage of the principal amount) set forth below, plus accrued interest to the date of redemption:

DATES OF REDEMPTION

REDEMPTION PRICE

The Bonds maturing on January 1, _____, are subject to mandatory redemption prior to maturity on January 1 of the years _____ to _____, inclusive, and the Bonds maturing on January 1, _____, are subject to mandatory redemption prior to maturity on January 1 of the years _____ to _____, inclusive, in each case at par and accrued interest to the date fixed for redemption.

[Redemption by lot] In the event of the redemption of less than all the Bonds of like maturity and interest rate, the aggregate principal amount thereof to be redeemed shall be \$ _____,000 or an integral multiple thereof, and the Bond Registrar shall assign to each Bond of such maturity and interest rate a distinctive number for each \$ _____,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$ _____,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; *provided* that only so much of the principal amount of each Bond shall be redeemed as shall equal \$ _____,000 for each number assigned to it and so selected.

[*Redemption pro-rata*] In the event of the redemption of less than all of the Bonds of like maturity and interest rate, the Bonds to be redeemed will be selected pro-rata in the manner determined pursuant to the Bond Ordinance.

Notice of any such redemption shall be sent by first class mail not less than 30 days nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar; *provided* that the failure to mail any such notice or any defect therein as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. When so called for redemption, this Bond shall cease to bear interest on the specified redemption date, *provided* that funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

This Bond is transferable by the Registered Owner hereof in person or by its attorney duly authorized in writing at the designated corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations, of the same interest rate, series and maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Bond Registrar shall not be required to transfer or exchange this Bond (A) after notice calling this Bond for redemption has been mailed, or (B) during a period of 15 days next preceding mailing of a notice of redemption of this Bond.

The Bonds are issued in fully registered form in the denomination of \$____,000 each or authorized integral multiples thereof. This Bond may be exchanged at the designated corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same interest rate, series and maturity of other authorized denominations, upon the terms set forth in the Bond Ordinance.

The City and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and redemption premium, if any, and for all other purposes and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

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

(Name and Address of Assignee)

the within Bond and irrevocably constitutes and appoints _____

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 of the Registered Owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

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OFFICE OF THE MAYOR
CITY OF CHICAGO

RAHM EMANUEL
MAYOR

April 13, 2016

TO THE HONORABLE, THE CITY COUNCIL
OF THE CITY OF CHICAGO

Ladies and Gentlemen:

At the request of the Chief Financial Officer, I transmit herewith an ordinance authorizing an issuance of General Obligation bonds.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,

Mayor

CHICAGO May 18, 2016

To the President and Members of the City Council:

Your Committee on Finance having had under consideration

An amended substitute ordinance concerning the authority to issue City of Chicago General Obligation Bonds.

O2016-2616

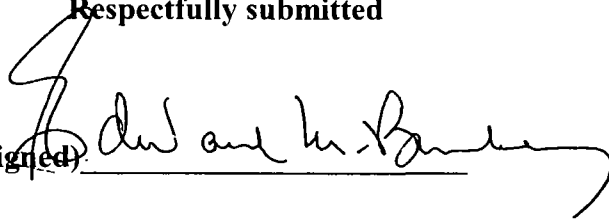
Amount of Bonds
not to exceed: \$600,000,000

Having had the same under advisement, begs leave to report and recommend that your Honorable Body pass the Substitute Ordinance Transmitted Herewith

This recommendation was concurred in by _____ (a viva voce vote of members of the committee with _____ dissenting vote(s)).

Aldermen Sawyer (6) and Thompson (11) abstained from voting pursuant to Rule 14.

Respectfully submitted

(signed) 

Chairman

APPROVED

Stephen R. Pether
CORPORATION COUNSEL

APPROVED

Robert Emmet SRP
5/31/16 Mayor