



# Office of the City Clerk

City Hall  
121 N. LaSalle St.  
Room 107  
Chicago, IL 60602  
www.chicityclerk.com

## Legislation Text

File #: F2014-99, Version: 1

RECEIVED

20 (Ii NOV -6

**NOTIFICATION OF SALE OF  
\$17,345,000 CITY OF CHICAGO TAX INCREMENT ALLOCATION REVENUE  
REFUNDING BONDS, (PILSEN REDEVELOPMENT PROJECT) SERIES 2014A (TAX-EXEMPT)  
(THE "SERIES 2014A BONDS")  
| AND \$16,065,000 CITY OF CHICAGO TAX INCREMENT ALLOCATION REVENUE  
REFUNDING BONDS (PILSEN REDEVELOPMENT PROJECT) SERIES 2014B (TAXABLE)  
(THE "SERIES 2014B BONDS" AND TOGETHER WITH THE SERIES 2014A BONDS, THE  
"BONDS")**

To: The City Council of the City of Chicago

Please be advised that responsive to authority contained in an Ordinance adopted by the City Council (the "City Council") of the City of Chicago (the "City") on March 13, 2013 (the "Bond Ordinance"), providing for the issuance of not to exceed \$75,000,000 aggregate principal amount of Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project), a Trust Indenture dated as of November 1, 2014 (the "Trust Indenture"), as supplemented by a First Supplemental Indenture dated as of November 1, 2014 (the "First Supplement" and together with the Trust Indenture, the "Indenture"), providing for the issuance of the Bonds, was entered into by me, as the Chief Financial Officer on behalf of the City with Amalgamated Bank of Chicago, as Trustee (the "Trustee"). Capitalized terms defined in the Trust Indenture or the Ordinance are used with the same meanings herein. The Ordinance provides that the Bonds may be issued in one or more series, in an aggregate principal amount not to exceed \$75,000,000, the interest on which may or may not be exempt from federal income taxes, all as shall be determined by the Authorized Officer (as defined in the Ordinance) at the time of the sale of the Bonds. The Ordinance further provides the Bonds shall mature no later than June 1, 2022, and shall bear interest at a rate per year not to exceed 18.0%, payable on the interest payment date(s) as set forth in the First Supplement and in the related Notification of Sale; shall be dated, shall be subject to redemption prior to maturity, shall be in such denominations, shall be payable in such places and in such manner, shall be numbered and in such form, and shall have such other details and provisions as may be prescribed by the Indenture, the First Supplement, the form of the Bonds in the First Supplement, and the related Notification of Sale. The Ordinance further provided that the aggregate purchase price for the Bonds shall not be less than 97% of their original principal amount.

The Bonds shall be issued in the aggregate principal amount of \$33,410,000, in two series, one series designated as "Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project) Series 2014A (Tax-Exempt)" (the "Series 2014A Bonds") and which shall be issued in the aggregate principal amount of \$17,345,000 and the other series to be designated "Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project) Series 2014B (Taxable)" (the "Series 2014B Bonds") and which shall be issued

in the

faff)|fffl£,2014

Susana A. Mendoza ,  
City Clerk  
City of Chicago  
121 North LaSalle Street  
Room 107  
Chicago, Illinois 60602

RE: City of Chicago Tax Increment Allocation Revenue Refunding Bonds  
(Pilsen Redevelopment Project), Series 2014

Dear Ms. Mendoza:

Attached is the Notification of Sale which is required to be filed with your office pursuant to the ordinance authorizing the issuance of City of Chicago Tax Increment Allocation Revenue Bonds (Pilsen Redevelopment Project) which was passed by the City Council on March 13, 2013.

Please direct this filing to the City Council.

S:\SHARED\Finance\Pilsen <file:///S:/SHARED/Finance/Pilsen> TIF Bond Re'undin&Bond Docs\cfor Ittr to clerk re notification ofste.doc

Very Truly Yours,

aggregate principal amount of \$16,065JfJOO. The Bonds shall not be insured by any financial guaranty insurance policy or Credit Facility. Each of the Series 2014A Bonds and the Series 2014B Bonds shall be dated

the date hereof, shall bear interest initially at the rates per annum, and shall mature on the dates set forth on Schedule I hereto. The Bonds shall not be subject to redemption prior to maturity. The Bonds were sold pursuant to a Bond Purchase Agreement dated October 30, 2014 (the "Purchase Agreement") among the City, Cabrera Capital Markets, LLC (the "Representative") on behalf of itself and Cabrera Capital Markets, LLC, Duncan-Williams, Inc., Estrada Hinojosa & Co., Una, Mischler Financial Group, Inc., Podesta & Co., and Toussaint Capital Partners, LLC (collectively, the "Underwriters"), at the purchase price of \$19,498,101.88 with respect to the Series 2014A Bonds (which represents the aggregate principal amount of the Series 2014A Bonds, plus original issue premium of \$2,262,129.85 less an Underwriters' discount of \$109,027.97), and at the purchase price of \$15,982,767.74 with respect to the Series 2014B Bonds (which represents the aggregate principal amount of the Series 2014B Bonds, less an Underwriters Discount of \$82,232.26). The Bonds were delivered to, or upon the order of, the Underwriters, as the original purchasers, in accordance with the Indenture and the Ordinance.

Amalgamated Bank of Chicago, Chicago, Illinois, has been selected as the Trustee under the Indenture.

The amount of the proceeds of the Bonds shall be applied as set forth in Sections 2.9 and 3.7 of the First Supplement.

Attached hereto as Exhibits A and B, respectively, are executed copies of the Trust Indenture and the First Supplement.

**2**

Respectfully submitted as of this                      day of November 2014.

[SIGNATURE PAGE TO NOTIFICATION OF SALE]

# EXHIBIT A

Execution Version

**CITY OF CHICAGO**

**TO**

**AMALGAMATED BANK OF CHICAGO, AS TRUSTEE,**

**TRUST INDENTURE DATED AS OF NOVEMBER 1, 2014**

**SECURING**

**CITY OF CHICAGO TAX INCREMENT ALLOCATION REVENUE REFUNDING BONDS  
(PILSEN REDEVELOPMENT PROJECT)**

**TABLE OF CONTENTS**

	<u>Page</u>
ARTICLE I DEFINITIONS AND INTERPRETATION	4
Section 1.1 Definitions	4
Section 1.2 Interpretation	15
ARTICLE II AUTHORIZATION AND ISSUANCE OF BONDS	15

Section 2.1	Authorization of Bonds	15
Section 2.2	Indenture to Constitute Contract	15
Section 2.3	General Provisions for Issuance and Delivery of Bonds	16
Section 2.4	Conditions Precedent to the Delivery of any Series	17
Section 2.5	Refunding Bonds	18
Section 2.6	Junior Lien Bonds	19
Section 2.7	Hedging Transactions	20
ARTICLE III GENERAL TERMS AND PROVISIONS OF BONDS		21
Section 3.1	Medium of Payment; Form and Date; Letters and Numbers	21
Section 3.2	Legends	21
Section 3.3	Execution and Authentication	21
Section 3.4	Interchangeability of Bonds	22
Section 3.5	Negotiability, Transfer and Registration	22
Section 3.6	Provisions with Respect to Exchanges and Transfers	22
Section 3.7	Bonds Mutilated, Destroyed, Stolen or Lost	23
Section 3.8	Temporary Bonds	23
ARTICLE IV REDEMPTION OF BONDS		24
Section 4.1	Privilege of Redemption and Redemption Price	24
Section 4.2	Redemption at the Election or Direction of the City	24
Section 4.3	Redemption Otherwise Than at City's Election or Direction	24
Section 4.4	Selection of Bonds to Be Redeemed	24
Section 4.5	Notice of Redemption	24
Section 4.6	Payment of Redeemed Bonds	25
Section 4.7	Adjustment of Sinking Fund Installments	25
Section 4.8	Purchase in lieu of Redemption	26
ARTICLE V PLEDGE OF PLEDGED REVENUES; ESTABLISHMENT OF FUNDS AND THEIR APPLICATION		26
Section 5.1	The Pledge Effected by this Indenture	26
Section 5.2	Continuation of Incremental Taxes Fund; Establishment of Accounts and Sub-Accounts	27
Section 5.3	Creation of Additional Accounts and Sub-Accounts for Bonds or Junior Lien Bonds	30
ARTICLE VI DEPOSITARIES, SECURITY FOR DEPOSITS AND INVESTMENTS OF FUNDS		31
Section 6.1	Depositaries; Moneys to be Held in Trust	31
Section 6.2	Deposits	31
Section 6.3	Investment of Certain Moneys	32
Section 6.4	Valuation and Sale of Investments	32
ARTICLE VII PARTICULAR COVENANTS AND REPRESENTATIONS OF THE		

4836-4131-1762.12

	CITY	33
Section 7.1	Payment of Bonds	33
Section 7.2	Extension of Payment of Bonds	33
Section 7.3	Offices for Servicing Bonds	33
Section 7.4	Further Assurances	33
Section 7.5	Power to Issue Bonds and to Pledge Pledged Revenues and Other Funds	34
Section 7.6	Indebtedness and Liens	34
Section 7.7	Covenants Regarding Pledged Revenues	34
	ARTICLE VIII REMEDIES OF OWNERS	35
Section 8.1	Events of Default	35
Section 8.2	Accounting and Examination of Records after Default; No Acceleration after Default	37
Section 8.3	Application of Revenues and Other Moneys after Default	37
Section 8.4	Proceedings Brought by Trustee	38
Section 8.5	Restriction on Owners' Action	39
Section 8.6	Remedies Not Exclusive	40
Section 8.7	Effect of Waiver and Other Circumstances	40
Section 8.8	Notices of Default	40
Section 8.9	Rights of Credit Bank or Bond Insurer	40
	ARTICLE IX CONCERNING THE FIDUCIARIES	41
Section 9.1	Trustee; Appointment and Acceptance of Duties	41
Section 9.2	Paying Agents; Appointment and Acceptance of Duties	41
Section 9.3	Registrar; Appointment and Acceptance of Duties	41
Section 9.4	Responsibilities of Fiduciaries	41
Section 9.5	Evidence on Which Fiduciaries May Act	42
Section 9.6	Compensation	42
Section 9.7	Certain Permitted Acts	42
Section 9.8	Trustee Required; Eligibility	42
Section 9.9	Resignation of Trustee	43
Section 9.10	Removal of Trustee	43
Section 9.11	Appointment of Successor Trustee	43
Section 9.12	Transfer of Rights and Property to Successor Trustee	43
Section 9.13	Merger or Consolidation	44
Section 9.14	Adoption of Authentication	44
Section 9.15	Resignation or Removal of Paying Agent and Appointment of Successor	44
	ii	
	4836-4131-1762.12	
Section 9.16	Resignation or Removal of Registrar and Appointment of Successor	45
Section 9.17	Trustee Not Deemed to Have Notice of Default	45
Section 9.18	Monthly Report by Trustee and Depositories	45
	ARTICLE X SUPPLEMENTAL INDENTURES	46

Section 10.1	Supplemental Indentures Not Requiring Consent of Owners	46
Section 10.2	Supplemental Indentures Effective upon Consent of Owners	46
Section 10.3	Filing of Counsel's Opinion	46
ARTICLE XI AMENDMENTS		47
Section 11.1	Notices	47
Section 11.2	Powers of Amendment	47
Section 11.3	Consent of Owners	47
Section 11.4	Modifications by Unanimous Action	48
Section 11.5	Exclusion of Bonds	48
Section 11.6	Notation on Bonds	49
ARTICLE XII MISCELLANEOUS		49
Section 12.1	Defeasance	49
Section 12.2	Evidence of Signatures of Owners and Ownership of Bonds	51
Section 12.3	Moneys Held for Particular Bonds	52
Section 12.4	Preservation and Inspection of Documents	52
Section 12.5	Cancellation and Destruction of Bonds	52
Section 12.6	Parties Interested In This Indenture	52
Section 12.7	No Recourse on the Bonds	52
Section 12.8	Successors and Assigns	53
Section 12.9	Severability of Invalid Provisions	53
Section 12.10	Notices	53
Section 12.11	Governing Law	54
Section 12.12	Headings Not a Part of This Indenture	54
Section 12.13	Counterparts	54

THIS TRUST INDENTURE, dated as of November 1, 2014 (the "Indenture"), from the CITY OF CHICAGO, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois and located in Cook and DuPage Counties, Illinois (the "City"), to AMALGAMATED BANK OF CHICAGO, a banking corporation duly organized, existing and



authorized to accept and execute trusts of the character set out in this Indenture under and by virtue of the laws of the State of Illinois with its principal corporate trust office located in Chicago, Illinois, as trustee (said banking corporation, and any successor or successors as trustee under this Indenture, are referred to as the "Trustee"),

WITNESSETH:

WHEREAS, the City is a municipal corporation and, by virtue of Section 6(a) of Article VII of the Illinois Constitution of 1970, a home rule unit of local government organized and existing under the laws of the State of Illinois and located in Cook and DuPage Counties, Illinois; and

WHEREAS, by virtue of Section 6(a) of Article VII of the Illinois Constitution of 1970 and pursuant to an ordinance duly adopted by the City Council of the City (the "City Council") on November 12, 2003 (the "Series 2004 Bond Ordinance"), the City issued and delivered on July 26, 2004, its \$49,520,000 City of Chicago Tax Increment Allocation Revenue Bonds (Pilsen Redevelopment Project), Series 2004, consisting of \$22,925,000 Series 2004A Tax Increment Allocation Revenue Bonds (Taxable) (the "Series 2004A Bonds") and \$26,595,000 Series 2004B Junior Lien Tax Increment Allocation Revenue Bonds (Tax-Exempt) (the "Series 2004B Bonds" and together with the Series 2004A Bonds, the "Series 2004 Bonds"), as a means of financing certain Pilsen Redevelopment Project Area redevelopment project costs (as defined in the Act) incurred pursuant to the Pilsen Redevelopment Plan (as such terms are defined below); and

WHEREAS, \$25,010,000 of the Series 2004B Bonds are currently outstanding and the Series 2004A Bonds have been paid in full and are no longer outstanding as of the date hereof; and

WHEREAS, pursuant to that certain agreement entitled "Intergovernmental Agreement between the City of Chicago, by and through its Department of Planning and Development, and the Board of Education of the City of Chicago regarding Benito Juarez Community Academy" dated as of November 24, 2004 (the "Intergovernmental Agreement"), the City issued to the Board of Education of the City of Chicago (the "Board") its Tax Increment Allocation Revenue Note (Pilsen Redevelopment Project) Series 2004G in the maximum principal amount of \$12,500,000 (the "City Note"), to pay for or reimburse the Board for the costs of certain redevelopment project costs within the Pilsen Redevelopment Project Area (as such term is defined below); and

WHEREAS, \$9,136,753.48 of principal and accrued and unpaid interest owed on the City Note remains outstanding; and

WHEREAS, by virtue of Section 6(a) of Article VII of the Illinois Constitution of 1970 and pursuant to an ordinance duly adopted by the City Council on March 13, 2013 (the "Bond

Ordinance"), the City is authorized to enter into this Indenture and to do or cause to be done all the acts and things provided or required in this Indenture to be done; and

WHEREAS, pursuant to the Bond Ordinance, the City has duly authorized the issuance of not to exceed \$75,000,000 aggregate principal amount of its Tax Increment Allocation Revenue Bonds (Pilsen Redevelopment Project) (the "Bonds"); for the purpose of (i) refunding all of the outstanding Series 2004B Bonds; (ii) paying and retiring the outstanding City Note and/or a related principal amount of alternate revenue bonds issued by the Board of Education of the City of Chicago (collectively the "Prior Obligations"); (iii) paying certain redevelopment project costs within the Pilsen Redevelopment Project Area, (iv) funding the Reserve Account for such Bonds, (v) paying certain expenses incurred in connection with the issuance of the Bonds and refunding the Prior Obligations, and (vi) paying a portion of the interest accruing on such Bonds; and

WHEREAS, the City has now determined to issue \$17,345,000 aggregate principal amount of its Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project) Series 2014A (Tax-Exempt) (the "Series 2014A Bonds") and \$16,065,000 aggregate principal amount of its Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project) Series 2014B (Taxable) (the "Series 2014B Bonds" and together with the Series 2014A Bonds, the "Series 2014 Bonds") which shall be as described in a First Supplemental Indenture dated as of the date hereof; and

. WHEREAS, pursuant to an ordinance adopted by the City Council on October 6, 2005, the City has entered into a Target Corporation Pilsen Redevelopment Agreement dated as of December 9, 2005 between the City and Target Corporation (the "Target Redevelopment Agreement") and issued its Tax Increment Allocation Revenue Note (Pilsen Redevelopment Project) Taxable Series 2006A (the "Target Note"); and

WHEREAS, all things necessary to make the Bonds, when executed by the City, authenticated by the Trustee and issued as in this Indenture provided, the valid, binding and legal obligations of the City according to the import of the Bonds, and to constitute this Indenture a valid pledge of and grant of a lien on the Pledged Revenues (as defined below) to secure the payment of the principal of, premium, if any, and interest on the Bonds including the Series 2014 Bonds, have been done and performed, in due form and time, as required by law; and

WHEREAS, the execution and delivery of the Series 2014 Bonds and this Indenture have in all respects been duly authorized;

#### GRANTING CLAUSES

NOW, THEREFORE, THIS TRUST INDENTURE WITNESSETH:

That in order to secure the payment of the principal of, premium, if any, and interest on all Bonds issued and to be issued under this Indenture, according to the import of this Indenture, and the performance and observance of each and every covenant and condition in this Indenture and in the Bonds, and for and in consideration of the premises and of the acceptance by the Trustee of the trusts created by this Indenture, and of the purchase and acceptance of the Bonds

by the respective Owners (as defined below), and for other good and valuable consideration, the sufficiency of which is acknowledged, and for the purpose of fixing and declaring the terms and conditions upon which the Bonds shall be issued, authenticated, delivered, secured and accepted by all persons who shall from time to time be or become their Owners, the City pledges and grants a lien upon the following Trust Estate to the Trustee and its successors in trust and assigns, to the extent provided in this Indenture:

a) The Pledged Revenues.

b) All moneys and securities and earnings on them in all Funds, Accounts and Sub-Accounts (except the Program Expenses Account, the Rebate Account and the General Account) established pursuant to this Indenture; provided, that any Sub-Account established within the Reserve Account for any Series of Bonds pursuant to a Supplemental Indenture may provide that it shall only secure and be pledged to the payment of such Series of Bonds as set forth in that Supplemental Indenture.

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

BUT IN TRUST NEVERTHELESS, for the equal and proportionate benefit and security of the Bonds issued and to be issued under and secured by this Indenture in priority of payment without preference, priority or distinction as to participation in the lien, benefit and protection of this Indenture of any one Bond over any other Bond by reason of priority in their issue or negotiation or by reason of the date or dates of their maturity, or for any other reason whatsoever (except as expressly provided in this Indenture), so that each and all of such Bonds shall have the same right, lien and privilege under and shall be equally secured by this Indenture, with the same effect as if the same had all been made, issued and negotiated upon the delivery of this Indenture (all except as expressly provided in this Indenture).

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

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

## ARTICLE I

### DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. The terms defined in the preambles shall, for all purposes of this Indenture and of any amendment or supplement to it, have the meanings there ascribed to them, unless a different meaning clearly appears from the context. The following terms shall, for all purposes of this Indenture and of any amendment or supplement to this Indenture, have the following meanings unless a different meaning clearly appears from the context:

"Account" or "Sub-Account" means any of the accounts or sub-accounts, as the case may be, created pursuant to this Indenture.

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

"Act" means the Tax Increment Allocation Redevelopment Act of the State of Illinois, Division 74.4 of Article 11 of the Illinois Municipal Code, 65 ILCS 5/11-74.4-1 et seq., as amended and supplemented from time to time.

"Annual Debt Service Requirement" means, with respect to any calendar year the aggregate of the Interest Requirement and the Principal Requirement for such calendar year.

"Authorized Denominations" means, for any Series of Bonds, such denominations as may be specified in the Supplemental Indenture authorizing their issuance.

"Authorized Officer" means the Mayor, the City Comptroller or, if so designated and determined by the City Comptroller, the Chief Financial Officer of the City appointed by the Mayor, or any other officer or employee of the City authorized to perform specific acts or duties under this Indenture by ordinance or resolution duly adopted by the City Council.

"Bond" or "Bonds" means any bond or bonds, including any Refunding Bonds, authenticated and delivered under and pursuant to Article II of this Indenture.

"Bond Insurance Policy" means any municipal bond insurance policy insuring and guaranteeing the payment of the principal of and interest on a Series of Bonds or certain maturities of a Series of Bonds as may be provided in the Supplemental Indenture authorizing such Series.

"Bond Insurer" means any Person authorized by law to issue a Bond Insurance Policy.

"Bond Ordinance" has the meaning set forth in the Preambles to this Indenture.

"Bond Year" means the initial period beginning on the date of issuance of a Series of Bonds and ending on the next succeeding June 1, and thereafter each 12-month period commencing on June 2 of each calendar year and ending on June 1 of the next succeeding calendar year.

"Business Day" means any day which is not a Saturday, a Sunday, a legal holiday, or a day on which banks and trust companies in the city where the principal corporate trust office of any Fiduciary is located are authorized or required by law, regulation or executive order to remain closed (and such Fiduciary is in fact closed).

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

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

"Certified Initial Equalized Assessed Value" means, with respect to the Pilsen Redevelopment Project Area, the sum of \$111,203,219 (One Hundred Eleven Million Two Hundred Three Thousand and Two Hundred Nineteen Dollars and 00/100 Cents), representing the "total initial equalized assessed value" (as defined in the Act) of the taxable real property within the Pilsen Redevelopment Project Area that was designated as a "redevelopment project area" under the Act by an ordinance adopted by the City Council on June 10, 1998, as certified by the Clerk of The County of Cook, Illinois, in accordance with Section 11-74.4-9 of the Act.

"City" means the City of Chicago, a home rule unit of local government.

"City Council" means the governing body of the City as from time to time constituted.

"Code" means the Internal Revenue Code of 1986, as amended.

"Code and Regulations" means the Code and the Income Tax Regulations.

"Counsel's Opinion" means an opinion signed by an attorney or firm of attorneys of recognized standing in the area of law to which the opinion relates, who may be counsel to the City (including the Corporation Counsel of the City).

4836-4131-1762.12

"Credit Bank" means, as to any particular Series of Bonds, the Person (other than a Bond Insurer) providing a Credit Facility, as may be provided in the Supplemental Indenture authorizing such Series.

"Credit Facility" means, as to any particular Series of Bonds, a letter of credit, a line of credit, a guaranty, a standby bond purchase agreement or other credit or liquidity enhancement facility, other than a Bond Insurance Policy, as may be provided in the Supplemental Indenture authorizing such Series.

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

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

"Debt Reserve Credit Instrument" means, as to any particular Series of Bonds, an insurance policy or surety bond that guarantees or assures the timely payment of principal or interest, or both, on Outstanding Bonds in a stated amount subject only to notification that there are insufficient funds for such purpose. This definition shall also include any related covenants or agreements contained in any agreement with the insurer or surety required by the insurer or surety in order to obtain the policy or bond.

"Debt Service Reserve Requirement" means, with respect to the Bonds of any Series Outstanding at any time, that amount, if any, as shall be required to be maintained in the applicable Sub-Account of the Reserve Account established by the terms of the Supplemental Indenture authorizing such Series of Bonds.

"Defeasance Obligations" means (i) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in paragraph (ii) of this definition), or (ii) direct obligations (including obligations issued in book-entry form on the books of the Department of the Treasury) of the United States of America.

"Depository" means any bank, national banking association or trust company having capital stock, surplus and retained earnings aggregating at least \$1,000,000, selected by an Authorized Officer as a depository of moneys and securities held under the provisions of this Indenture, and may include the Trustee.

"Determination Date" has the meaning set forth in Section 5.2(b) of this Indenture.

"District Balance Area" means the remaining parcel area of the Pilsen Redevelopment Project Area after excluding the Target Project Area.

"Escrow Agent" means, with respect to any Bonds refunded after the date of execution and delivery of this Indenture, any trust company, bank or national banking association duly appointed to act in that capacity.

4836-4131-1762.12

"Event of Default" means any event so designated and specified in Section 8.1.

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

"First Supplemental Indenture" means the First Supplemental Indenture dated as of November 1, 2014 between the City and the Trustee pursuant to which the Series 2014 Bonds are issued.

"Fiscal Year" means the period January 1 through December 31 of the same year.

"Fund" means any of the Funds created pursuant to this Indenture.

"Government Obligations" means securities that are obligations described in clauses (a) and (b) of the definition of "Investment Securities".

"Income Tax Regulations" means the regulations proposed or promulgated under the Internal Revenue Code of 1986, as amended, as such regulations may be in effect from time to time.

"Incremental Taxes" means the ad valorem taxes, if any, arising from the tax levies upon taxable real property in the Pilsen Redevelopment Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Pilsen Redevelopment Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Pilsen Redevelopment Project Area over and above the Certified Initial Equalized Assessed Value of each such piece of property.

"Incremental Taxes Fund" means the Pilsen Redevelopment Project Area Special Tax Allocation Fund of the City, a special tax allocation fund for the Pilsen Redevelopment Project Area established pursuant to Section 11-74.4-8 of the Act and originally created by an ordinance of the City adopted on June 10, 1998, as continued and further described in this Indenture.

"Indenture" means this Trust Indenture, dated as of November 1, 2014, from the City to the Trustee, as from time to time amended and supplemented by Supplemental Indentures executed and delivered by the City and the Trustee in accordance with Article X.

"Independent" when used with respect to any specified Person means a Person who is in fact independent and is not connected with the City as an officer, employee, underwriter, or Person performing a similar function. Whenever it is provided in this Indenture or any Supplemental Indenture that the opinion or report of any Independent Person shall be furnished, such Person shall be appointed by the City, and such opinion or report shall be signed by such Person and shall state that the signer has read this definition and that the signer is Independent within its meaning.

"Interest Commencement Date" means, with respect to any Capital Appreciation and Income Bond, the date specified in the Supplemental Indenture authorizing the issuance of such Bond (which date must be prior to the maturity date for such Capital Appreciation and Income

4836-4131-1762.12

Bond) after which interest accruing on such Capital Appreciation and Income Bond shall be payable

periodically, with the first such payment date being the applicable Interest Payment Date immediately succeeding such Interest Commencement Date.

"Interest Payment Date" means any date on which interest on a Series of Bonds is payable as established in the Supplemental Indenture authorizing such Series.

"Interest Period" means the period from the date of the Bonds of any Series to and including the day immediately preceding the first Interest Payment Date and thereafter shall mean each period from and including an Interest Payment Date to and including the day immediately preceding the next Interest Payment Date.

"Interest Requirement" for any calendar year or any Interest Period, as the context may require, as applied to Bonds of any Series then Outstanding, means the total of the sums that would be deemed to accrue on such Bonds during such calendar year or Interest Period if the interest on the Current Interest Bonds of such Series were deemed to accrue daily during such year or Interest Period in equal amounts; provided, that interest expense shall be excluded from the determination of Interest Requirement to the extent that such interest is to be paid (a) from the proceeds of Bonds allocable to the payment of such interest as provided in the Supplemental Indenture authorizing the issuance of such Bonds or other available moneys or from investment (but not reinvestment) earnings on such proceeds or moneys if such proceeds or moneys shall have been invested in Investment Securities and to the extent such earnings may be determined precisely or (b) from investment earnings on deposit in the Reserve Account to the extent any such earnings may be determined precisely. Unless otherwise provided in a Supplemental Indenture, interest expense on Credit Facilities drawn upon to purchase but not to retire Bonds, except to the extent such interest exceeds the interest otherwise payable on such Bonds, shall not be included in the determination of the Interest Requirement. If interest is not payable at a single numerical rate for the entire term of such Bonds, then the term "Interest Requirement" shall have the appropriate meaning assigned to it by the Supplemental Indenture authorizing such Bonds.

"Investment Securities" means any of the following securities authorized by law as permitted investments of City funds at the time of their purchase:

a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America;

b) trust receipts or other certificates of ownership evidencing an ownership interest in the principal of or interest on, or both principal of and interest on, obligations described in clause (a) of this definition, which obligations are held in trust by a bank described in clause (d) of this definition, provided that such bank holds such obligations separate and segregated from all other funds and accounts of the City and of such bank and that a perfected first security interest under the Illinois Uniform Commercial Code, or under book entry procedures prescribed at 31 C.F.R. 306.0 et seq. or 31 C.F.R. 350.0 et seq. (or other similar book entry procedures similarly prescribed by federal law or regulations adopted after the date of adoption of this Ordinance), has been created in such obligations for the benefit of the applicable account or fund created under this Indenture or, to the extent permitted, in any irrevocable trust or escrow established to make

4836-4131-1762 12

provision for the payment and discharge of the indebtedness on any obligations that are payable



from Pledged Revenues;

c) obligations of Fannie Mae or of any agency or instrumentality of the United States of America now existing or hereafter created, including but not limited to the United States Postal Service, the Government National Mortgage Association, the Federal Financing Bank and the Federal Home Loan Mortgage Corporation;

d) negotiable or non-negotiable time deposits evidenced (i) by certificates of deposit issued by any bank, trust company, national banking association or savings and loan association that has capital of not less than \$100,000,000 or (ii) by certificates of deposit that are continuously and fully insured by (A) any agency of the United States of America or (B) an insurer that at the time of issuance of the policy securing such deposits has been assigned a credit rating on its long-term unsecured debt within one of the two highest rating categories, without regard to any refinement or gradation of rating category by numerical modifier or otherwise, from at least two Rating Agencies;

e) repurchase agreements with banks described in clause (d) of this definition or with government bond dealers reporting to, trading with, and recognized as primary dealers by a Federal Reserve Bank, provided (i) that the underlying securities are obligations described in clauses (a) or (c) of this definition and are required to be continuously maintained at a market value not less than the amount so invested, (ii) the City has received an opinion of counsel to the effect that a custodian for the City has possession of the underlying securities as collateral and has a perfected first security interest in the collateral, and (iii) the collateral is in the opinion of such counsel free and clear of claims by third parties;

f) obligations of any state of the United States of America or any political subdivision of a state or any agency or instrumentality of a state or political subdivision that are, at the time of purchase, rated by at least two Rating Agencies in one of their two highest respective long-term rating categories, without regard to any refinement or gradation of rating category by numerical modifier or otherwise (if not rated by at least two Rating Agencies then a rating by one Rating Agency shall be satisfactory) for comparable types of debt obligations;

g) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation that are, at the time of purchase, rated by at least two Rating Agencies in their highest long-term rating category, without regard to any refinement or gradation of rating category by numerical modifier or otherwise (if not rated by at least two Rating Agencies then a rating by one Rating Agency shall be satisfactory), for comparable types of debt obligations;

h) repurchase agreements and investment agreements (including forward purchase agreements pursuant to which the City agrees to purchase securities of the type described in clauses (a), (b), (c), (f), (g) and (i) of this definition of "Investment Securities"), with any bank, trust company, national banking association (which may include the Bond Registrar, any trustee or a Depository), insurance company or any other

4836-4131-1762.12

financial institution that at the date of the agreement has an outstanding, unsecured, uninsured and unguaranteed debt issue rated by at least two Rating Agencies in one of the three highest long-

term rating agency categories, without regard to any refinement or gradation of rating category by numerical modifier or otherwise, or if such institution is not so rated, that the agreement is secured by such securities as are described in clauses (a) through (d) above, inclusive, having a market value at all times (exclusive of accrued interest, other than accrued interest paid in connection with the purchase of such securities) at least equal to the principal amount invested pursuant to the agreement, provided that (i) a custodian for the City (which custodian is not the entity with which the City has the repurchase or investment agreement) has a perfected first security interest in the collateral and the City has received an opinion of counsel to that effect, (ii) the custodian or an agent of the custodian (which agent is not the entity with which the City has the repurchase or investment agreement) has possession of the collateral, and (iii) such obligations are in the opinion of such counsel free and clear of claims by third parties;

(i) prime commercial paper of a corporation incorporated under the laws of any state of the United States of America, rated by at least one Rating Agency in its highest short-term rating category, without regard to any refinement or gradation of rating category by numerical modifier or otherwise;

(j) certificates of deposit of national banks that are either fully collateralized at least 110 percent by marketable U.S. government securities marked to market at least monthly or secured by a corporate surety bond issued by an insurance company licensed to do business in Illinois and having a claims-paying rating in the top rating category, without regard to any refinement or gradation of rating category by numerical modifier or otherwise, as rated by at least one Rating Agency and maintaining such rating during the term of such investment; and

(k) shares of a money market fund registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933.

"Junior Lien Bonds" means any bonds or other obligations of the City permitted to be issued pursuant to Section 2.6 of this Indenture.

"Maximum Annual Debt Service Requirement" means, as of any date of calculation, the largest Annual Debt Service Requirement occurring in the then current and all succeeding calendar years.

"Outstanding," when used as of any date with reference to Bonds, means all Bonds previously or then being authenticated and delivered under this Indenture except:

- i) Any Bonds canceled by the Trustee at or prior to such date;
- ii) Bonds (or portions of Bonds) for the payment or redemption of which moneys and/or Defeasance Obligations, equal to their principal amount or Redemption Price, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under this Indenture and set aside for such payment or

redemption (whether at or prior to the maturity or redemption date); provided, that if such Bonds

(or portions of Bonds) are to be redeemed, notice of such redemption shall have been given as in Article IV provided or provision satisfactory to the Trustee shall have been made for the giving of such notice;

iii) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to Article III, Section 4.6 or Section 11.6; and

iv) Bonds deemed to have been paid as provided in Section 12.1(b).

"Owner" means any Person who shall be the registered owner of any Bond or Bonds.

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

"Payment Date" means any Interest Payment Date or Principal Payment Date.

"Person" means and includes an association, an unincorporated organization, a corporation, a partnership, a limited liability company, a joint venture, a business trust, a government or one of its agencies or political subdivisions, or any other public or private entity, or a natural person.

"Pilsen Redevelopment Plan" means the Pilsen Tax Increment Financing Redevelopment Project and Plan approved by the City Council on June 10, 1998, as amended by Amendment Number 1 to Pilsen Tax Increment Financing Redevelopment Plan approved by the City Council on November 12, 2003, to extend the estimated date of completion of the Project and the retirement of obligations payable from the Incremental Taxes Fund.

"Pilsen Redevelopment Project Area" means the Pilsen Tax Increment Financing Redevelopment Project Area that was designated as a "redevelopment project area" under the Act by the ordinance adopted by the City Council on June 10, 1998.

"Pledged Revenues" means the Incremental Taxes allocable to the District Balance Area, and any other revenues from any source whatsoever designated to pay principal of, premium, if any, or interest on the Bonds, including, without limitation, amounts on deposit in and pledged to various funds and accounts (other than the Program Expenses Account, the Rebate Account and the General Account) as provided in this Indenture, together with interest earnings on such moneys.

"Principal" or "principal" means (i) with respect to any Capital Appreciation Bond, its Accreted Amount (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest) except as used in this Indenture in connection with the authorization and issuance of Bonds and with the order of priority of payments of Bonds after an event of default, in which case the term "principal" means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest) but when used in connection with determining whether the Owners of the requisite principal amount of Bonds then Outstanding have given any

Price of any Capital Appreciation Bond, the term "principal amount" means the Accreted Amount and (ii) with respect to the principal amount of any Current Interest Bond or Tender Option Bond, the principal amount of such Bond payable in satisfaction of a Sinking Fund Installment, if applicable, or at maturity.

"Principal and Interest Account" means the Principal and Interest Account established in Section 5.2 of this Indenture.

"Principal Payment Date" means the date upon which the principal of any Bond is stated to mature or upon which the principal of any Term Bond is subject to redemption in satisfaction of a Sinking Fund Installment, in each case as established in the Supplemental Indenture authorizing such Bonds.

"Principal Requirement" as to any calendar year and as applied to Bonds of any Series, means an amount of money equal to the aggregate of the principal amount of Outstanding Bonds of such Series which mature or are payable through Sinking Fund Installments during such calendar year.

"Program Expenses" means, in any calendar year, all initial and ongoing administrative expenses related to or incurred in connection with the Bonds and (in the case of (v) below) the Pilsen Redevelopment Project Area, including, but not limited to, (i) the sum necessary to pay all rating agency surveillance fees and costs and expenses of any Trustee, registrar or paying agent, (ii) the expected annual fees or premiums of any issuer or provider of any Credit Facility, Debt Reserve Credit Instrument or Bond Insurance Policy with respect to the Bonds, which expected annual fees may include additional amounts owing to such issuer or provider pursuant to any reimbursement or other agreement, other than reimbursement obligations arising from any draw or payment under such Credit Facility and other than payments on the Bonds, (iii) fees related to the calculation or verification of any required payment to the United States of America pursuant to Section 148(f) of the Code, (iv) auditing fees incurred in connection with the preparation of the financial statements required pursuant to Section 7.7 of this Indenture, and (v) to the extent not included in (iv) above, all fees and expenses incurred in preparing and compiling the information which Section 11-74.4-5(d) of the Act requires the City to submit to the State Comptroller, the joint review board and the taxing districts overlapping the Pilsen Redevelopment Project Area; but (except as provided in (iv) and (v) above and other payments to third parties) excluding expenses of the City relating specifically to the administration of the Project.

"Program Expenses Account" means the Program Expenses Account established in Section 5.2 of this Indenture.

"Project" means the redevelopment project approved by the Pilsen Redevelopment Plan.

"Project Costs" means those costs of the Project included in the definition of "Redevelopment Project Costs" in the Act as in effect on the effective date of this Indenture and shall include any costs added to the definition of "Redevelopment Project Costs" in the Act from time to time after the effective date of this Indenture and shall also include the purpose set forth

4836-4131-1762.12

in 65 ILCS 5/11 -74.4-4(q) and any other purpose authorized under the Act; in no event, however, shall the removal of a cost from the definition of "Redevelopment Project Costs" from and after the effective date of this Indenture cause such cost not to be a "Project Cost" within the meaning of this Indenture.

"Qualified Swap Agreement" means an agreement between the City and a Swap Provider under which the City agrees to pay the Swap Provider an amount calculated at an agreed-upon rate or index based upon a notional amount and the Swap Provider agrees to pay the City for a specified period of time an amount calculated at an agreed-upon rate or index based upon such notional amount, where (i) each Rating Agency (if such Rating Agency also rates the unsecured obligations of the Swap Provider or its guarantor) has assigned to the unsecured obligations of the Swap Provider, or the Person who guarantees the obligations of the Swap Provider to make its payments to the City, as of the date the swap agreement is entered into, a rating that is equal to or higher than the rating then assigned to the Bonds by such Rating Agency (without regard to Bond Insurance or any other Credit Facility), and (ii) the City has notified each Rating Agency (whether or not such rating Agency also rates the unsecured obligations of the Swap Provider or its guarantor) in writing, at least 15 days prior to executing and delivering the swap agreement, of its intention to enter into the swap agreement and has received from such Rating Agency a written indication that the entering into the swap agreement by the City will not, in and of itself, cause a reduction or withdrawal by such Rating Agency of its rating on the Bonds.

"Rating Agencies" means each and every one of the nationally recognized rating services that shall have assigned ratings to any Bonds Outstanding as requested by or on behalf of the City, and which ratings are then currently in effect.

"Rebate Account" means the Rebate Account established in Section 5.2 of this Indenture.

"Record Date" means the date established as the record date with respect to an Interest Payment Date for a Series of Bonds in the Supplemental Indenture creating such Series.

"Redemption Price" means, with respect to any Bond, the Principal of such Bonds plus the applicable redemption premium, if any, payable upon the date fixed for their redemption.

"Redevelopment Ordinance" means an ordinance of the City adopted by the City Council on June 10, 1998 approving the Pilsen Redevelopment Plan, together with any further amendments and supplements to it.

"Refunding Bonds" means all Bonds issued subsequent to the issuance of the Series 2014 Bonds pursuant to Section 2.5.

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

"Reserve Account" means the Reserve Account created pursuant to Section 5.2 of this Indenture.

"Senior Lien Bonds" means all Bonds other than Junior Lien Bonds.

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

"Series" means all of the Bonds designated as a series and authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds subsequently authenticated and delivered in lieu of or in substitution for such Bonds pursuant to Article III or Sections 4.6 or 11.6.

"Series 2004 Bonds" has the meaning set forth in the Preambles to this Indenture.

"Series 2014 Bonds" has the meaning set forth in the Preambles to this Indenture.

"Sinking Fund Installment" means with respect to any Series of Bonds, each principal amount of Bonds scheduled to be redeemed through sinking fund redemption provisions of a Supplemental Indenture creating such Series by the application of amounts on deposit in the Principal and Interest Account.

"SLG's" means United States Treasury Certificates of Indebtedness, Notes and Bonds State and Local Government Series.

"Supplemental Indenture" means any Supplemental Indenture of the City authorized pursuant to Article X.

"Swap Provider" means any counterparty with whom the City enters into a Qualified Swap Agreement.

"Target Note" means the \$5,300,000 original principal amount Tax Increment Allocation Revenue Note (Pilsen Redevelopment Project) Taxable Series 2006A issued by the City on October 17, 2006 pursuant to the Target Redevelopment Agreement.

"Target Project Area" means the redevelopment project located on the following parcels, as of tax year 2013: 17-31-200-040-0000; 17-31-201-020-0000; 17-31-207-029-0000; 17-31-207-034-0000; 17-31-207-038-0000; 17-31-207-039-0000; 17-31-207-040-0000; 17-31-207-041-0000; 17-31-207-043-0000; 17-31-207-045-0000; 17-31-208-008-0000; 17-31-208-009-0000; 17-31-208-012-0000; 17-31-208-013-0000; 17-31-208-015-0000; 17-31-208-016-0000; and 17-31-208-017-0000.

"Target Redevelopment Agreement" has the meaning set forth in the recitals.

"Tender Option Bonds" means any Bonds with respect to which the Owners have the option to tender to the City, to any Fiduciary or to any agent of a Fiduciary, all or a portion of such Bonds for payment or purchase; provided, that no Tender Option Bonds shall be issued unless (i) the City has notified each Rating Agency in writing of its intention to issue such Tender Option Bonds and (ii) each Rating Agency has notified the City that the issuance of such Tender Option Bonds by the City will not, in and of itself, cause a reduction or withdrawal by such Rating Agency of its rating on the Bonds.

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

"Treasurer" means the City Treasurer of the City.

"Trust Estate" means the Pledged Revenues and all other property pledged to the Trustee pursuant to this Indenture.

"Trustee" means Amalgamated Bank of Chicago, Chicago, Illinois, and any successor or successors appointed under this Indenture.

"Variable Rate Bonds" means any Bonds the interest rate on which is not established at the time of their issuance at a single numerical rate for the entire term of the Bonds; provided, that no Variable Rate Bonds shall be issued unless (i) the City has notified each Rating Agency in writing of its intention to issue such Variable Rate Bonds and (ii) each Rating Agency has notified the City that the issuance of such Variable Rate Bonds by the City will not, in and of itself, cause a reduction or withdrawal by such Rating Agency of its rating on the Bonds.

Section 1.2 Interpretation. As used in this Indenture, and unless the context otherwise indicates, the words "Bond," "Owner," and "Person" include the plural as well as the singular number.

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

## **ARTICLE II AUTHORIZATION AND ISSUANCE OF**

### **BONDS**

#### **Section 2.1 Authorization of Bonds.**

a) The City shall not issue any Bonds while this Indenture is in effect except in accordance with the provisions of Article II. Subsequent to issuance of the initial Series of Bonds, no Bonds other than Refunding Bonds issued pursuant to Section 2.5 hereof shall be issued under this Indenture on a parity with the Series 2014 Bonds. All Bonds issued under this Indenture shall be designated "Tax Increment Allocation Revenue Bonds (Pilsen Redevelopment Project)" or "Tax Increment Allocation Refunding Revenue Bonds (Pilsen Redevelopment Project)," and shall include such further appropriate designations as the City may determine.

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

Section 2.2 Indenture to Constitute Contract. In consideration of the purchase and acceptance of the Bonds by the Owners from time to time of the Bonds, the provisions of this

4836-4131-1762.12

Indenture and any Supplemental Indenture shall constitute a contract among the City, the Trustee and the Owners from time to time of the Bonds.

Section 2.3 General Provisions for Issuance and Delivery of Bonds.

(a) Each Series of Bonds shall be created by a Supplemental Indenture which shall prescribe expressly or by reference with respect to such Series (unless otherwise determined in this Indenture):

- i) the authorized principal amount, designation and Series of such Bonds;
- ii) the purposes for which such Series of Bonds are being issued;
- iii) the manner in which the proceeds of the Bonds of such Series are to be applied;
- iv) the date and the maturity date or dates of the Bonds of such Series;
- v) the interest rate or rates of the Bonds of such Series, or the manner of determining such rate or rates, and the Interest Payment Dates and Record Dates;
- vi) the Authorized Denominations and the manner of dating, numbering and lettering of the Bonds of such Series;
- vii) the Registrar and the Paying Agent or Paying Agents for the Bonds of such Series;
- viii) the Redemption Price or Prices, if any, and any redemption dates and redemption terms for the Bonds of such Series;
- ix) the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the Bonds of such Series or the manner of designating the same;
- x) the amount and date of each Sinking Fund Installment, if any, for Bonds of like maturity of such Series; provided, that the aggregate of such Sinking Fund Installments shall equal the aggregate principal amount of all such Bonds less the principal amount scheduled to be retired at maturity;
- (xi) provisions as to registration of the Bonds of such Series;
- xii) the form and text of the Bonds of such Series and provision for the Trustee's authentication of such Bonds by certificate or otherwise;
- xiii) the amount of the Debt Service Reserve Requirement with respect to such Series of Bonds, if any, calculated immediately after their authentication and delivery; and
- xiv) any other provisions deemed advisable by the City and which do not conflict with the provisions of this Indenture.

4836-4131-1762.12



## i

b) Bonds of the same Series and maturity shall be of like tenor except as to denomination and form. After the original issuance of Bonds of a Series, no Bonds of such Series shall be issued except in lieu of or in substitution for other Bonds of such Series pursuant to Article III, Section 4.6 or Section 11.6.

c) Bonds issued pursuant to Article II may be issued as Current Interest Bonds, Capital Appreciation Bonds, Capital Appreciation and Income Bonds, Variable Rate Bonds, Tender Option Bonds, Serial Bonds or Term Bonds or any combination, the interest on which may or may not be exempt from federal income taxes, all as provided in the Supplemental Indenture providing for their issuance; provided, that the City shall not issue Tender Option Bonds unless it shall have delivered to the Trustee upon the authentication of such Bonds a Credit Facility which the Trustee or another Fiduciary may draw upon to pay the purchase price

DOCPROPERTY "CUS\_DocIDChunkO" H 4830-5699-38Conditions Precedent to the Delivery

Section 2.4 Conditions Precedent to the Delivery of any Series. Following the issuance and delivery of the Series 2014 Bonds, Bonds of any Series permitted to be issued under this Indenture pursuant to Sections 2.5 and 2.6 hereof, shall be executed by the City and delivered to the Trustee and shall be authenticated by the Trustee and delivered to the City or upon its order, but only following the receipt by the Trustee of:

a) A copy of an ordinance adopted by the City Council, certified by the City Clerk, authorizing the execution and delivery of the Supplemental Indenture referred to in Section 2.3;

b) A Counsel's Opinion to the effect that (i) the City had the right and power to adopt the ordinance referred to in (a) above; (ii) the ordinance has been duly and lawfully adopted by the City Council, is in full force and effect, is valid and binding upon the City, and is enforceable in accordance with its terms (except as may be limited by any applicable bankruptcy, liquidation, reorganization, insolvency or other similar laws and by general principles of equity in the event that equitable remedies are sought); (iii) this Indenture and such Supplemental Indenture have been duly and lawfully executed by authorized officers of the City and delivered, are in full force and effect, are valid and binding upon the City, and are enforceable in accordance with their terms (except as may be limited by any applicable bankruptcy, liquidation, reorganization, insolvency or other similar laws and by general principles of equity in the event that equitable remedies are sought); (iv) this Indenture and the Supplemental Indenture create the valid pledge of Pledged Revenues, moneys and securities held under them for the benefit and security of the Bonds, subject to their application in the manner provided in this Indenture and such Supplemental Indenture; and (v) upon their execution, authentication and delivery, the Bonds of such Series will have been duly and validly authorized and issued in accordance with the Constitution and laws of the State of Illinois, this Indenture and such Supplemental Indenture;

c) A written order as to the delivery of such Series, executed by an Authorized Officer (i) stating the identity of the purchasers, aggregate purchase price and date and place of delivery of such Series and that no Event of Default has occurred and is continuing under this Indenture and (ii) fixing and determining all terms and provisions of the Bonds of such Series not fixed or determined by this Indenture or the Supplemental Indenture referred to in Section 2.3;

4836-4131-1762.12

I

d) An original executed counterpart of this Indenture (or a copy duly certified by the City Clerk of the City) and the Supplemental Indenture referred to in Section 2.3; and

e) With respect to all Junior Lien Bonds, other than Refunding Bonds to the extent permitted by Section 2.5, issued and delivered subsequent to the initial Series of Bonds, a certificate of an Authorized Officer:

i) establishing that Pledged Revenues collected in the immediately preceding calendar year equaled at least 125% of the Maximum Annual Debt Service Requirement on the Bonds and the Bonds proposed to be issued; provided that the calculation of Maximum Annual Debt Service Requirement shall be exclusive of the final maturing principal amount of any Series to the extent of the applicable Debt Service Reserve Requirement if amounts held in the Reserve Account or any Sub-Account of the Reserve Account with respect to such Series are expected to be available to pay Bonds of such Series on such final maturity date; and

ii) stating that all required deposits to all Funds, Accounts and Sub-Accounts under this Indenture are current.

#### Section 2.5 Refunding Bonds.

a) Following the issuance and delivery of the Series 2014 Bonds, one or more Series of Refunding Bonds may be authenticated and delivered upon original issuance to refund or advance refund any or all Outstanding Bonds of one or more Series, to pay costs and expenses incident to the issuance of such Refunding Bonds, and to make deposits in any Fund, Account or Sub-Account under this Indenture as determined by the City in the Supplemental Indenture authorizing such Bonds.

b) Refunding Bonds of a Series shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the documents, securities and moneys required by Subsections (a), (b), (c) and (d) of Section 2.4) of:

i) Such instructions to the Trustee as are necessary to comply with all requirements set forth in Section 12.1 so that the Bonds to be refunded or advance refunded will be paid or deemed to be paid pursuant to Section 12.1.

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

with the Trustee at the same time, to comply with the provisions of Section 12.1(b).

iii) A certificate of an Authorized Officer evidencing either that (A) (1) the term of the Refunding Bonds does not exceed the term of the Bonds being refunded, and

18

4836-4131-1762.12

(2) the Annual Debt Service Requirements for any calendar year on account of all Bonds Outstanding, after the issuance of such Refunding Bonds and the redemption or provision for payment of the Bonds to be refunded, shall not exceed the Annual Debt Service Requirements for the corresponding calendar years on account of all the Bonds Outstanding, including the Bonds to be refunded, immediately prior to the issuance of such Refunding Bonds, or (B) in the case of a refunding of Outstanding Bonds that does not meet the requirements of the preceding clause (A), satisfaction of the test set forth in Section 2.4(e) as applied to the Refunding Bonds to be issued under the provisions of this Section, giving effect to the redemption or provision for payment of the Bonds being refunded.

(c) In applying the test set forth in subparagraph (b)(iii) above, if any of the Bonds Outstanding immediately prior to or after the issuance of the Refunding Bonds to be issued constitute Tender Option Bonds or Variable Rate Bonds, the following provisions shall be applied in determining the Annual Debt Service Requirements of such Bonds:

(X) Tender Option Bonds. If any of the Outstanding Bonds constitute Tender Option Bonds, then for purposes of the amounts to be shown as set forth in subparagraph (b)(iii) above, the options of the Owners of such Bonds to tender the same for payment prior to their stated maturity or maturities shall be ignored, and (1) if such Bonds also constitute Variable Rate Bonds, the City shall adjust such amounts to be shown as set forth in subparagraph (b)(iii) of this Section as provided in subparagraph (Y) below, (2) if such Bonds are secured by a Credit Facility, the Credit Bank or obligations secured by credit facilities issued by such Credit Bank shall be rated in one of the three highest rating categories (without reference to graduations such as "plus" or "minus") by any of the Rating Agencies, and (3) any obligation the City may have, other than its obligation on such Bonds (which need not be uniform as to all Owners), to reimburse any Credit Bank, including any obligations so to reimburse in excess of the Annual Debt Service Requirements on such Bonds (determined without regard to whether such Credit Bank shall then be holding or shall then have had pledged to it such Bonds) shall be subordinated to the obligation of the City on the Bonds.

(Y) Variable Rate Bonds. If any of the Outstanding Bonds constitute Variable Rate Bonds, then for purposes of the amounts to be shown as set forth in subparagraph (b)(iii) above, the interest rate used in such computation shall be the lesser of (a) the maximum interest rate established in the Supplemental Indenture authorizing such Bonds and (b) if and so long as a Qualified Swap Agreement is in effect, the interest rate determined as if the Variable Rate Bonds had interest payments equal to the interest payable on those Variable Rate Bonds less any payments to the City from the Swap Provider and plus any payments by the City to the Swap Provider as provided by the Qualified Swap Agreement (other than fees for providing the Qualified Swap Agreement). The conversion of Bonds constituting Variable Rate Bonds to bear interest at a different variable rate or a fixed rate or rates, in accordance with their terms, shall not

constitute a new issuance of Bonds under Section 2.3 or Section 2.5 of this Indenture.

Section 2.6 Junior Lien Bonds. The City may authorize and issue Junior Lien Bonds from time to time pursuant to Supplemental Indentures for any of the purposes for which Bonds

19

4836-4131-1762.12

may be issued under this Indenture. The Junior Lien Bonds shall be payable out of the Pledged Revenues and shall be secured by a pledge and assignment of amounts on deposit in certain funds and accounts established under this Indenture pursuant to Section 5.2 of this Indenture and the respective Supplemental Indenture as may from time to time be available for the purpose of payment of such Junior Lien Bonds as provided therein; provided, that any such pledge and assignment shall be, and shall be expressed to be, subordinate to the pledge of the Pledged Revenues as security for the Bonds to the extent provided in this Indenture and no holder of a Junior Lien Bond shall have the right to cause the acceleration of such Junior Lien Bond in the event of a default under such Junior Lien Bond.

#### Section 2.7 Hedging Transactions.

a) If the City enters into a Qualified Swap Agreement with a Swap Provider requiring the City to pay a fixed interest rate on a notional amount, or requiring the City to pay a variable interest rate on a notional amount, and the City makes a determination that such Qualified Swap Agreement is being entered into for the purpose of providing substitute interest payments for Bonds of a particular maturity or maturities in a principal amount equal to the notional amount of the Qualified Swap Agreement, then during the term of the Qualified Swap Agreement and so long as the Swap Provider under such Qualified Swap Agreement is not in default under such Qualified Swap Agreement:

i) for purposes of any calculation of Interest Requirements, the interest rate on the Bonds of such maturity or maturities shall be determined as if such Bonds bore interest at the fixed interest rate or the variable interest rate, as the case may be, payable by the City under such Qualified Swap Agreement;

ii) any net payments required to be made by the City to the Swap Provider pursuant to the Qualified Swap Agreement entered into in connection with the issuance of Senior Lien Bonds shall be made only from amounts on deposit to the credit of the Incremental Taxes Fund and with respect to any Junior Lien Bonds shall only be made from amounts on deposit in the General Account as provided in the Supplemental Indenture pursuant to which such Junior Lien Bonds are issued; and

iii) any net payments received by the City from the Swap Provider pursuant to such Qualified Swap Agreement shall be deposited to the credit of the Incremental Taxes Fund.

b) If the City enters into a swap agreement of the type generally described in subsection (a) of this Section 2.7 that does not satisfy the requirements for qualification as a Qualified Swap Agreement, then:

i) the interest rate adjustments or assumptions referred to in paragraph (i) of subsection (a) shall not be made;

ii) any net payments required to be made by the City to the Swap Provider pursuant to

such swap agreement shall be made only from amounts on deposit in the General Account; and

4836-4131-1762.12

(iii) any net payments received by the City from the Swap Provider pursuant to such swap agreement may be treated as Pledged Revenues at the option of the City, and if so treated, shall be deposited to the credit of the Incremental Taxes Fund.

## **ARTICLE III GENERAL TERMS AND PROVISIONS OF**

### **BONDS**

#### **Section 3.1 Medium of Payment; Form and Date; Letters and Numbers.**

a) The Bonds shall be payable, with respect to interest, principal and Redemption Price, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

b) Any Bonds of a Series shall be issued only in the form of fully registered Bonds without coupons or, pursuant to the provisions of a Supplemental Indenture, in any other form permitted by law at the time of original issuance, including, but not limited to, Bonds which are transferable through a book-entry system.

c) Each Bond shall be lettered and numbered as provided in this Indenture or the Supplemental Indenture authorizing the Series of which such Bond is a part so as to be distinguished from every other Bond.

d) Bonds shall be dated as provided in this Indenture or the Supplemental Indenture authorizing the Bonds of such Series.

Section 3.2 Legends. The Bonds of each Series may contain or have endorsed on them such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, law, the rules of any securities exchange or commission or brokerage board, or otherwise, as may be determined by the City or the Trustee prior to their authentication and delivery.

#### **Section 3.3 Execution and Authentication.**

a) The Bonds shall be executed in the name of the City by the manual or facsimile signatures of its Mayor and City Clerk, and its corporate seal (or a facsimile of it) shall be impressed, imprinted, engraved or otherwise reproduced on them. In case any one or more of the officers who shall have signed or sealed any of the Bonds shall cease to be such officer before the Bonds so signed and sealed shall have been authenticated and delivered by the Trustee, such Bonds may, nevertheless, be authenticated and delivered as provided in this Indenture, and may be issued as if the persons who signed or sealed such Bonds had not ceased to hold such offices. Any Bond may be signed and sealed on behalf of the City by such persons who at the time of the execution of such Bond shall hold the proper office in the City, although at the date of such Bond such persons may not have been so authorized or have held such office.

b) The Bonds shall bear a certificate of authentication, in the form set forth in this Indenture or the Supplemental Indenture authorizing such Bonds, executed manually by the

4836-4131-1762.12

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

Section 3.4 Interchangeability of Bonds. Subject to the provisions of Section 3.6, any Bond, upon surrender at the principal office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney, may, at the option of the Owner and upon payment of any charges which the Trustee may make as provided in Section 3.6, be exchanged for an equal aggregate principal amount of fully registered Bonds of the same Series and maturity and tenor of any other Authorized Denominations.

#### Section 3.5 Negotiability, Transfer and Registration.

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

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

Section 3.6 Provisions with Respect to Exchanges and Transfers. In all cases in which the privilege of transferring or exchanging Bonds is exercised, the City shall execute and the Trustee shall authenticate and deliver Bonds in accordance with the provisions of this Indenture. All Bonds surrendered in any such exchanges shall forthwith be canceled by the Trustee. For any exchange or transfer of Bonds, whether temporary or definitive, the City, the Trustee or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid. The Registrar and the Trustee shall not be required to make any registration, transfer or exchange of any Bond during the period between each Record Date and the next succeeding Interest Payment Date of such Bond, or after such Bond has been called for redemption or, in the case of any proposed redemption of Bonds, during the 15 days next preceding the date of first giving notice of such redemption.

Section 3.7 Bonds Mutilated, Destroyed, Stolen or Lost. If any Bond shall become mutilated or be destroyed, stolen or lost, the City shall execute, and the Trustee shall then authenticate and deliver, a new Bond of like Series, maturity and principal amount as the Bonds so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bond, upon surrender and cancellation of such mutilated Bond or in lieu of and substitution for the Bond destroyed, stolen or lost, upon filing with the Trustee or Registrar evidence satisfactory to the City and the Trustee or Registrar that such Bond has been destroyed, stolen or lost and proof of ownership of it, and upon (i) furnishing the City and the Trustee or Registrar with indemnity satisfactory to them and complying with such other reasonable regulations as the City, the Trustee or the Registrar may prescribe and (ii) paying such expenses as the City and Trustee and Registrar may incur. All Bonds so surrendered to the Trustee or Registrar shall be canceled by the Trustee in accordance with Section 12.5. Any such new Bonds issued pursuant to this Section in substitution for Bonds alleged to be destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the City, whether or not the Bonds so alleged to be destroyed, stolen or lost shall be found at any time or be enforceable by anyone, shall be entitled to equal and proportionate benefits with all other Bonds of the same Series issued under this Indenture and shall be equally secured by the money or securities held by the City or any Fiduciary for the benefit of the Owners.

#### Section 3.8 Temporary Bonds.

a) Until the definitive Bonds of any Series are prepared, the City may execute, in the same manner as is provided in Section 3.3, and, upon the request of the City, the Trustee shall authenticate and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions as the definitive Bonds except as to their denominations and as to exchangeability, one or more temporary Bonds substantially of the tenor of the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, in Authorized Denominations, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The City at its own expense shall prepare and execute and, upon the surrender of such temporary Bonds the Trustee shall authenticate and, without charge to the Owner, deliver in exchange for them, definitive Bonds of the same aggregate principal amount, Series and maturity as the temporary Bonds surrendered in Authorized Denominations. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefits and security as definitive Bonds authenticated and issued pursuant to this Indenture.

b) The Owner of any temporary Bond or Bonds may, at its option, surrender the same to the Trustee in exchange for another temporary Bond or Bonds of like aggregate principal amount, Series and maturity of any Authorized Denominations, and thereupon the City shall execute and the Trustee shall authenticate and, in exchange for the temporary Bond or Bonds so surrendered and upon payment of the taxes, fees and charges provided for in Section 3.6, shall deliver a temporary Bond or Bonds of like aggregate principal amount, Series and maturity in such other Authorized Denominations as shall be requested by such Owner.

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

## ARTICLE IV

### REDEMPTION OF BONDS

Section 4.1 Privilege of Redemption and Redemption Price. Bonds subject to redemption prior to maturity pursuant to this Indenture or a Supplemental Indenture shall be redeemable, upon notice given as provided in Section 4.5, at such times, at such Redemption Prices and upon such terms, in addition to the terms contained in Article IV, as may be specified in this Indenture or in the Supplemental Indenture authorizing such Series.

Section 4.2 Redemption at the Election or Direction of the City. In the case of any redemption of Bonds at the election or direction of the City, the City shall give written notice to the Trustee of its election or direction so to redeem, of the date fixed for redemption, of the Series, and of the principal amounts of the Bonds of each maturity of such Series to be redeemed. Such notice shall be given at least 45 days prior to the specified redemption date (or such shorter period as shall be acceptable to the Trustee). If notice of redemption shall have been given as in Section 4.5 provided, there shall be paid on or prior to the specified redemption date to the Trustee an amount in cash or Government Obligations maturing on or before the specified redemption date which, together with other moneys, if any, available for the purpose and held by the Trustee, will be sufficient to redeem all of the Bonds to be redeemed on the specified redemption date at their Redemption Price plus interest accrued and unpaid to the date fixed for redemption. Such amount and moneys shall be held in a separate, segregated account for the benefit of the Owners of the Bonds so called for redemption.

Section 4.3 Redemption Otherwise Than at City's Election or Direction. Whenever by the terms of this Indenture or a Supplemental Indenture the Trustee is required or authorized to redeem Bonds otherwise than at the election or direction of the City, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay the Redemption Price, plus interest accrued and unpaid to the date fixed for redemption, in accordance with the terms of Articles IV and V to the extent applicable.

Section 4.4 Selection of Bonds to Be Redeemed. Unless otherwise provided by Supplemental Indenture, if less than all of the Bonds of like maturity of any Series shall be called for prior redemption, the particular Bonds or portion of Bonds to be redeemed shall be selected at random by the Trustee in such manner as the Trustee in its discretion may deem fair and appropriate; provided, that the portion of any Bond of a denomination of more than the minimum Authorized Denomination for the Bonds of such Series to be redeemed shall be in the principal amount of an Authorized Denomination for the Bonds of such Series and that, in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of Bonds of said minimum Authorized Denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by said minimum Authorized Denomination. If all Bonds of any Series are held in book-entry only form, the particular Bonds or portions of Bonds of such Series to be redeemed shall be selected by the securities depository for such Series of Bonds in such manner as such securities depository shall determine.

Section 4.5 Notice of Redemption. When the Trustee shall receive notice from the City of its election or direction to redeem Bonds pursuant to Section 4.2, and when redemption



of Bonds is authorized or required pursuant to Section 4.3, the Trustee shall give notice, in the name of the City, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the date fixed for redemption and the place or places where amounts due upon such date fixed for redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount of such Bonds to be redeemed. Such notice shall further state that on such date there shall become due and payable the Redemption Price of each Bond to be redeemed, or the Redemption Price of the specified portions of the principal of such Bonds in the case of Bonds to be redeemed in part only, together with interest accrued to the date fixed for redemption, and that from and after such date interest shall cease to accrue and be payable. The Trustee shall mail copies of such notice by first-class mail, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owners of the Bonds to be redeemed at their addresses as shown on the registration books of the City maintained by the Registrar. If the Trustee mails notices of redemption as provided in this Section, notice shall be conclusively presumed to have been given to all Owners.

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

Section 4.6 Payment of Redeemed Bonds. Notice having been given in the manner provided in Section 4.5, the Bonds or portions of Bonds so called for redemption shall become due and payable on the date fixed for redemption at the Redemption Price, plus interest accrued and unpaid to such date, and, upon presentation and surrender of such Bonds at any place specified in such notice, such Bonds, or portions of Bonds, shall be paid at the Redemption Price, plus interest accrued and unpaid to such date. If there shall be called for redemption less than all of a Bond, the City shall execute and the Trustee shall authenticate and the appropriate Fiduciary shall deliver, upon the surrender of such Bond, without charge to the Owner, for the unredeemed balance of the principal amount of the Bond so surrendered, fully registered Bonds of like Series and maturity in any Authorized Denominations. If, on the date fixed for redemption, moneys for the redemption of all the Bonds or portions of Bonds of any like Series and maturity to be redeemed, together with interest to such date, shall be held by the Trustee so as to be available on said date and if notice of redemption shall have been given as provided in Section 4.5, then, from and after the date fixed for redemption, interest on the Bonds or portions of Bonds of such Series and maturity so called for redemption shall cease to accrue and become payable. If said moneys shall not be so available on the date fixed for redemption, such Bonds or portions of Bonds shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

Section 4.7 Adjustment of Sinking Fund Installments. In the event of the optional redemption by the City of less than all the Bonds of like Series and maturity with respect to

4836-4131-1762.12

which Sinking Fund Installments have been established, the principal amount so redeemed shall be credited against the unsatisfied balance of future Sinking Fund Installments or the final maturity amount established with respect to such Bonds, in such amount and against such Sinking Fund Installments or final maturity amount as shall be determined by the City in a Certificate of an Authorized Officer filed with the Trustee prior to the mailing of the notice of redemption of such Bonds or, in the absence of such determination, shall be credited against the unsatisfied balance of the applicable Sinking Fund Installments in inverse order of their payment dates.

Section 4.8 Purchase in lieu of Redemption. In lieu of redeeming Bonds pursuant to optional or mandatory sinking fund redemption, unless otherwise specified in the Supplemental Indenture pursuant to which a Series of Bonds is issued, the Trustee shall, at the written direction of the City, purchase Bonds in the open market at a price not exceeding the redemption price then applicable to such Bonds. Any Bonds so purchased in lieu of redemption shall be delivered to the Trustee for cancellation.

## **ARTICLE V**

### **PLEDGE OF PLEDGED REVENUES; ESTABLISHMENT OF FUNDS AND THEIR APPLICATION**

#### **Section 5.1 The Pledge Effected by this Indenture.**

a) There are pledged for the payment of the principal and Redemption Price of, and interest on, the Bonds in accordance with their terms and the provisions of this Indenture, and a lien is granted for such purpose, subject to the provisions of this Indenture permitting or requiring their application for the purposes and on the terms and conditions set forth in this Indenture, (i) the Pledged Revenues; (ii) amounts on deposit in all Funds, Accounts and Sub-Accounts (except for the Program Expenses Account, the Rebate Account and the General Account); provided, that any Sub-Account established within the Reserve Account for any Series of Bonds pursuant to a Supplemental Indenture may provide that it shall only secure and be pledged to the payment of such Series of Bonds as set forth in said Supplemental Indenture; and (iii) any and all other moneys, securities and property furnished from time to time to the Trustee by the City or on behalf of the City or by any other Persons to be held by the Trustee under the terms of this Indenture; provided that the application of Pledged Revenues to the payment of any Junior Lien Bonds is subordinated to the payment of the Bonds; and provided further, that the application of Pledged Revenues to payments due to a Swap Provider under a Qualified Swap Agreement is expressly limited to the extent provided in this Indenture. This pledge is irrevocable until the obligations of the City are discharged under this Indenture and each Supplemental Indenture.

b) The Pledged Revenues and the other moneys, securities and properties pledged by this Indenture shall immediately be subject to the lien and pledge of this Indenture without any physical delivery or further act, and the lien and pledge of this Indenture shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the City, irrespective of whether such parties have notice of such lien and pledge.

4836-4131-1762.12

(c) The Bonds do not represent or constitute a debt of the City or the State of Illinois within the

meaning of any constitutional or any statutory limitation or a pledge of the faith and credit of the City or the State of Illinois or grant to the Owners any right to compel the City levy any taxes or appropriate any funds for the payment of the principal of, premium, if any, or interest on the Bonds. The Bonds are payable solely from the Pledged Revenues and other sources pledged for their payment in accordance with this Indenture.

Section 5.2 Continuation of Incremental Taxes Fund; Establishment of Accounts and Sub-Accounts. The Incremental Taxes Fund previously created by the City is expressly continued as a special fund of the City, to be held by the City subject to the provisions of this Indenture, separate and apart from all other funds and accounts of the City, and shall continue to be known as the Pilsen Redevelopment Project Area Special Tax Allocation Fund. The Incremental Taxes Fund is a trust fund established for the purpose of carrying out the covenants, agreements, terms and conditions imposed upon the City by this Indenture and the Ordinance and any indenture or ordinance supplemental to this Indenture authorizing the issuance of Bonds. Moneys on deposit in the various accounts and sub-accounts described below shall be applied by the City and the Trustee (as applicable) solely and only for the purpose of carrying out the terms, conditions, covenants and agreements of this Indenture.

In accordance with the provisions of the Act, the Incremental Taxes are to be paid to the Treasurer by the officers who collect or receive the Incremental Taxes. All of the Incremental Taxes collected on and after the date of issuance of the Series 2014 Bonds shall be set aside as collected and be promptly deposited by the Treasurer in the Incremental Taxes Fund. The Treasurer promptly shall transfer all Pledged Revenues deposited with him in the Incremental Taxes Fund to the Trustee for application in accordance with the provisions of this Section 5.2.

The moneys transferred by the Treasurer to the Trustee shall be deposited by the Trustee as provided in this Indenture to the separate accounts created by this Indenture to be held by the Trustee and known as the "Program Expenses Account," "Principal and Interest Account," "Reserve Account," "Rebate Account," and to be held by the City and known as the "General Account." Within the Principal and Interest Account there is created a "Capitalized Interest Sub-Account." Subject to the provisions of Section 5.3 of this Indenture, the City may, but is not required to, establish separate Sub-Accounts in the Reserve Account and in the Capitalized Interest Sub-Accounts of the Principal and Interest Account by an indenture or indentures supplemental to this Indenture authorizing the issuance of Bonds.

As moneys are deposited by the City into the Incremental Taxes Fund and transferred to the Trustee, they shall be credited by the Trustee and the City to the Principal and Interest Account on December 2nd:

On December 2 of each year, the Trustee shall determine (i) the amount of Pledged Revenues to the credit of the Principal and Interest Account and (ii) the amount of proceeds of the Bonds, together with investment earnings on those proceeds, to the credit of the Capitalized Interest Sub-Account; provided, however, the Trustee shall determine the foregoing within 30 days of the receipt of Incremental Taxes if such Incremental Taxes have not been received by December 1 (such December 2 or later date within thirty (30) days of receipt of the Incremental Taxes is hereinafter referred to as the "Determination Date"). Such determination made on the

on deposit in the applicable Sub-Account of the Reserve Account pledged to such Series of Bonds. Moneys to the credit of the Capitalized Interest Sub-Account shall be deemed the first moneys available to pay interest on the Bonds, and shall be applied by the Trustee to interest first coming due on the Bonds. The Trustee shall determine the amount necessary to pay principal, interest, and redemption premium, if any, on the Bonds, during the next succeeding calendar year after such Determination Date (except that the determination made on the Determination Date, preceding the final maturity date of a Series of Bonds shall relate to the Bond Year ending June 1, of the following calendar year), which amount shall be set aside within the Principal and Interest Account for such purpose.

a) Principal and Interest Account. From Pledged Revenues first received by the Trustee, Trustee shall retain Pledged Revenues in the Principal and Interest Account in an amount sufficient to pay the principal of and interest on all Outstanding Bonds coming due during the next succeeding calendar year, which amount shall be set aside in the Principal and Interest Account for such purpose. Except as provided below, such moneys shall be used solely and only for the purpose of paying principal of, redemption premium, if any, and interest on the Bonds, as the same become due whether at maturity or upon mandatory redemption. Any capitalized interest received upon the sale of the Bonds shall be deposited to and held in the Capitalized Interest Sub-Account and shall be used to pay interest coming due on the Bonds, prior to applying any other moneys for that purpose. Funds to the credit of the Principal and Interest Account in excess of such necessary amount shall first be transferred by the Trustee to the Reserve Account as provided below and shall next be paid by the Trustee to and credited by the Treasurer to the Accounts as described in clauses (c), (d) and (e) below.

b) Reserve Account. The Trustee shall next transfer the Pledged Revenues to the Reserve Account until such account aggregates the Debt Service Reserve Requirement, and thereafter no such payments shall be made into that Account, except that when any money is paid out of that Account payments shall be resumed and continued until that Account has been restored to an aggregate amount equal to the Debt Service Reserve Requirement. The Debt Service Reserve Requirement shall be established in the applicable Supplemental Indenture. The Trustee shall value the investments in the Reserve Account, and each of its Sub-Accounts, if any, on the fifteenth (15th) Business Day preceding each June 1 and December 1, commencing December 1, 2014. In determining the value of the investments in the Reserve Account and in each of its Sub-Accounts, such investments shall be valued at their market price or as otherwise provided in this Indenture. Investment earnings on deposit in each Sub-Account of the Reserve Account shall be automatically transferred to the Principal and Interest Account from time to time to the extent the amounts on deposit therein exceed the applicable Debt Service Reserve Requirement. On the final maturity date of a Series of Bonds, all amounts on deposit in the applicable Sub-Account of the Reserve Account pledged to such Series of Bonds shall be used and applied by the Trustee to pay principal of and interest on such Series of Bonds. To the extent the monies on deposit in the Reserve Account are sufficient to pay principal of and interest on such Series of Bonds, the City shall not be required to provide any other monies to pay said principal of and interest on such Series of Bonds. Whenever a transfer is made from any Sub-Account in the Reserve Account to the Principal and Interest Account, the Trustee shall promptly give written notice of such transfer to the City.

4836-4131-1762.12

c) Rebate Account. The Trustee shall next transfer the Pledged Revenues into the Rebate Account to the extent necessary to ensure that there are on deposit in the Rebate Account sufficient moneys to make, at the required times, all rebate payments to the United States of America required to be

made by Section 148 of the Code and applicable provisions of the Income Tax Regulations owed with respect to the Bonds. The City shall provide to the Trustee information, calculations or estimates of amounts to be deposited in the Rebate Account for the next succeeding calendar year. The Trustee may reasonably rely upon such information, calculations or estimates to determine the proper amount to be deposited into the Rebate Account and shall not be required to make transfers of the Pledged Revenues into the Rebate Account under this subsection if it has not been provided with such information, calculations and estimates. The Trustee shall make any necessary rebate payments to the United States of America that are required by the Code and Regulations from moneys on deposit in the Rebate Account. Amounts on deposit in the Rebate Account are not pledged to payment of the Bonds, to the extent of the moneys on deposit in that Account.

d) Program Expenses Account. The Trustee shall next transfer the Pledged Revenues into the Program Expenses Account in an amount sufficient to pay Program Expenses, if any, for the next succeeding calendar year. The City shall, no later than November 1 of each year, provide to the Trustee information, calculations or estimates of Program Expenses for the next succeeding calendar year, and the Trustee may reasonably rely upon such information, calculations or estimates of such Program Expenses as necessary to determine the proper amount of such deposit into the Program Expenses Account. A portion of the proceeds of the Bonds may also be deposited into the Program Expenses Account and applied by Trustee to pay Costs of Issuance at the direction of the City. Amounts on deposit in the Program Expenses Account are not pledged to payment of the Bonds.

e) The General Account. The Trustee shall next transfer the balance of any Pledged Revenues remaining after crediting the required amounts to the respective accounts provided for in (a), (b), (c) and (d) above, to the Treasurer to be credited to the General Account. Moneys on deposit in the General Account shall be used for any one or more of the following purposes as directed by the Authorized Officer, and (unless, and to the extent, otherwise provided in any Supplemental Indenture) without any priority among them:

i) for the purpose of paying any Project Costs including, without limitation, obligations incurred in accordance with Section 7.6(b) or to pay any additional Program Expenses; or

ii) for the purpose of paying principal of or interest on or redeeming Bonds;  
or

iii) for the purpose of purchasing Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or

iv) for the purpose of paying principal of or interest on any Junior Lien Bonds or any other indebtedness of the City issued pursuant to a separate indenture or agreement which is subordinate to the Senior Lien Bonds; or

4836-4131-1762.12

v) for the purpose of redeeming any Junior Lien Bonds or any other indebtedness of the City issued pursuant to a separate indenture or agreement which is subordinate to the Bonds;  
or

vi) for the purpose of purchasing Junior Lien Bonds or any other indebtedness of the City issued pursuant to a separate indenture or agreement which is subordinate to the Senior Lien Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or

vii) for the purpose of distribution of such funds to the taxing districts or municipal corporations having the power to tax real property in the Pilsen Redevelopment Project Area in accordance with the Act.

Except as may be otherwise provided in a Supplemental Indenture, moneys on deposit in the General Account are not pledged to the payment of the Bonds and are not Pledged Revenues.

### Section 5.3 Creation of Additional Accounts and Sub-Accounts for Bonds or Junior Lien Bonds.

a) The City has reserved the right to issue multiple Series of Bonds pursuant to Sections 2.4 and 2.5, from time to time for the purposes authorized in the Pilsen Redevelopment Plan. Any such Bonds shall share ratably and equally with the Outstanding Bonds in the Pledged Revenues and (except as provided in the following two sentences) the Funds and Accounts established under this Indenture shall have the terms established in the Supplemental Indenture authorizing such Series of Bonds. No Series of Bonds shall have any terms creating a preference or priority over any other Series of Bonds; provided, that the City may, in any Supplemental Indenture, provide for the establishment of separate Sub-Accounts within the Reserve Account relating to one or more Series of Bonds. The creation of such separate Sub-Accounts shall not create a preference of any Series of Bonds over any other Series of Bonds with respect to Pledged Revenues, except to the extent that a Supplemental Indenture authorizing a Series of Bonds provides that amounts on deposit in any such Sub-Accounts shall secure only the one or more series of Bonds with respect to which such Sub-Account is established.

b) The Trustee shall, at the written request of the City, establish such additional Accounts within any of the Funds established under this Indenture, and Sub-Accounts within any of the Accounts established under this Indenture, as shall be specified in such written request, for the purpose of enabling the City to identify or account for more precisely the sources, timing and amounts of transfers or deposits into such Funds, Accounts and Sub-Accounts, the amounts on deposit in or credited to such Funds, Accounts or Sub-Accounts as of any date or dates of calculation, and the sources, timing and amounts of transfers, disbursements or withdrawals from such Funds, Accounts or Sub-Accounts; but the establishment of any such additional Accounts or Sub-Accounts shall not alter or modify in any manner or to any extent any of the requirements of this Indenture with respect to the deposit or use of moneys in any Fund, Account or Sub-Account established under this Indenture.

c) The City in a Supplemental Indenture or the Treasurer may establish such additional Sub-Accounts in the General Account as shall be considered necessary or desirable,

for the purpose of enabling the City to identify or account for more precisely the sources, timing and amounts of transfers or deposits into the General Account, the amounts on deposit in or credited to the General Account as of any date or dates of calculation, and the uses, timing and amounts of transfers,

disbursements or withdrawals from the General Account; but the establishment of any such additional Sub-Accounts shall not alter or modify in any manner or to any extent any of the requirements of this Indenture with respect to the deposit or use of moneys in the General Account.

(d) The City has reserved the right in this Indenture to issue one or more series of Junior Lien Bonds. All Junior Lien Bonds shall be subordinate to the Bonds as provided in this Indenture. Junior Lien Bonds may be issued under this Indenture or may be issued under a separate indenture or agreement. If issued under this Indenture, the Trustee shall create such additional funds, accounts and sub-accounts as shall be specified by the City in the supplemental indenture authorizing such Junior Lien Bonds for the purpose of enabling the Trustee and the City to identify or account for more precisely the sources, timing and amounts of transfers or deposits into such funds, accounts and sub-accounts, the amounts on deposit in or credited to such funds, accounts or sub-accounts as of any date or dates of calculation, and the sources, timing and amounts of transfers, disbursements or withdrawals from such funds, accounts or subaccounts.

## ARTICLE VI

### DEPOSITARIES, SECURITY FOR DEPOSITS AND INVESTMENTS OF FUNDS

Section 6.1 Depositaries; Moneys to be Held in Trust. All moneys held by the Trustee under the provisions of this Indenture may be deposited with one or more Depositaries selected by an Authorized Officer in the name of and in trust for the Trustee. All moneys held by the City under this Indenture may be deposited in one or more Depositaries (selected by an Authorized Officer) in the name of the City. All moneys deposited under the provisions of this Indenture with the Trustee, the City or any Depositary shall be held in trust and applied only in accordance with the provisions of this Indenture, and each of the Funds, Accounts and Sub-Accounts established by this Indenture shall be a trust fund.

#### Section 6.2 Deposits.

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

b) All moneys held for the City under this Indenture shall be continuously and fully secured for the benefit of the City and the Owners of the Bonds in the same manner as provided by the City for similar funds of the City.

c) All moneys deposited with the Trustee and each Depositary shall be credited to the

particular Fund, Account or Sub-Account to which such moneys belong.

#### Section 6.3 Investment of Certain Moneys.

a) Moneys held in any Fund, Account or Sub-Account by the City, the Trustee or a Depositary shall be invested and reinvested by the City at the direction of an Authorized Officer in Investment Securities that mature no later than necessary to provide moneys when needed for payments to be made from such Fund, Account or Sub-Account.

b) Moneys held in two or more Funds, Accounts or Sub-Accounts may be jointly invested in one or more Investment Securities, if such investment complies with all the terms and conditions of this Indenture relating to the investment of moneys in such Funds, Accounts or Sub-Accounts, as the case may be, and the City maintains books and records as to the allocation of such investment as among such Funds, Accounts or Sub-Accounts.

c) Any earnings on investments held in the Reserve Account shall be credited to and held in the applicable Sub-Account of the Reserve Account so long as the balance of any Sub-Account is less than the Debt Service Reserve Requirement for such Sub-Account and next shall be transferred to the Principal and Interest Account. Investment income from investments held in the various Funds, Accounts and Sub-Accounts shall remain in and be a part of the respective Funds, Accounts and Sub-Accounts in which such investments are held, except as otherwise provided in this Indenture.

d) Notwithstanding any other provisions of this Indenture to the contrary, all investments made under this Indenture shall be consistent with the expectations expressed in any arbitrage certificate or tax compliance agreement executed on behalf of the City and filed with the Trustee with respect to any Series of Bonds issued under this Indenture.

#### Section 6.4 Valuation and Sale of Investments.

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

b) Valuations of Investment Securities held in the Funds, Accounts and Sub-Accounts established under this Indenture shall be made by the City as required under this Indenture. In computing the amounts in such Funds, Accounts and Sub-Accounts, Investment Securities shall be valued as provided in paragraph (c) of this Section 6.4.

c) The value of Investment Securities shall be their fair market value; provided, that all SLG's shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable.



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

## ARTICLE VII

### PARTICULAR COVENANTS AND REPRESENTATIONS OF THE CITY

Section 7.1 Payment of Bonds. The City covenants and agrees that it will pay or cause payment to be made, solely from Pledged Revenues, the principal at maturity and Redemption Price, if any, of every Outstanding Bond, whether a Serial Bond or a Term Bond, and the interest on such Bonds, solely from Pledged Revenues, at the places, on the dates and in the manner provided in this Indenture and in the Bonds. The City further covenants and agrees that it will make deposits, solely from Pledged Revenues, to meet all Sinking Fund Installments for the Bonds and for each other Series of Bonds for which Sinking Fund Installments are established, in accordance with and subject to the provisions of this Indenture and each Supplemental Indenture.

Section 7.2 Extension of Payment of Bonds. If the maturity of any Bond or installment of interest shall be extended pursuant to the written consent of the Owner of such Bond, such Bond or installment of interest shall not be entitled, in case of any default under this Indenture, to the benefit of this Indenture or to payment out of Pledged Revenues or the Funds, Accounts and Sub-Accounts established by this Indenture or moneys held by Fiduciaries or Depositaries (except moneys held in trust for the payment of such Bond or installment of interest) until the prior payment of the principal of all Bonds Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such extended claims for interest. The provisions of this Section do not limit the right of the City to issue Refunding Bonds and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 7.3 Offices for Servicing Bonds. The City shall at all times maintain one or more Paying Agents and Registrars with offices in Chicago, Illinois, or in New York, New York, at which Bonds may be presented for payment and where Bonds may be presented for registration of any transfer or exchange.

Section 7.4 Further Assurances. At any and all times the City shall, as far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further indentures, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming, all

and singular, the rights. Pledged Revenues and other moneys, securities and funds pledged or assigned by this Indenture, or which the City may become bound to pledge or assign.

Section 7.5 Power to Issue Bonds and to Pledge Pledged Revenues and Other Funds. The City is duly authorized under all applicable laws to issue the Bonds, to execute and deliver this Indenture, to

pledge the Pledged Revenues and other moneys, securities and funds pledged by this Indenture, and to grant the lien granted by this Indenture thereon in the manner and to the extent provided in this Indenture. Except as provided in the Granting Clauses and Section 5.1, the Pledged Revenues and other moneys, securities and funds so pledged, and subject to such lien, are and will be free and clear of any pledge, lien, charge or encumbrance on them or with respect to them prior to, or of equal rank with, the pledge and lien created by this Indenture, and all action on the part of the City to that end has been and will be duly and validly taken. The Bonds and the provisions of this Indenture are and will be valid and legally enforceable obligations of the City in accordance with their terms and the terms of this Indenture and any Supplemental Indenture, except to the extent enforceability may be limited by bankruptcy, insolvency and other laws affecting conditions, rights or remedies and the availability of equitable remedies generally. The City covenants that upon the date of issuance of any of the Bonds, all conditions, acts and things required by the Constitution and laws of the State of Illinois and this Indenture to exist, to have happened and to have been performed precedent to or in the issuance of such Bonds shall exist, have happened and have been performed. The City shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of and lien on the Pledged Revenues as provided in this Indenture and other moneys, securities and funds pledged under this Indenture and all the rights of the Owners under this Indenture against all claims and demands.

Section 7.6 Indebtedness and Liens. The City shall not issue any bonds or other evidences of indebtedness, other than the Bonds and Junior Lien Bonds which are secured by a pledge of or lien on the Pledged Revenues and shall not, except as expressly authorized in this Indenture, create or cause to be created or suffer to exist any lien or charge on the Pledged Revenues; provided, that nothing contained in this Indenture shall (a) prevent the City from issuing evidences of indebtedness payable from, or secured by the pledge of, Pledged Revenues to be derived on and after such date as this Indenture has been discharged and satisfied as provided in Section 12.1, or (b) prevent the City from issuing evidence of indebtedness payable from or secured by Incremental Taxes or other amounts transferred to the General Account as set forth in Sections 5.2(e) and 5.3(d) of this Indenture, or (c) prevent the City from agreeing to make payments from the General Account in payment of, or reimbursement for the payment of, Project Costs (including the payment of the principal of and interest on notes or other evidences of indebtedness of the City) as long as the City's agreement to make such payments is fully contingent on the availability in the General Account of funds for such purpose.

Section 7.7 Covenants Regarding Pledged Revenues. The City covenants and agrees with the Owners of the Bonds that, so long as any Bonds remain Outstanding and unpaid:

(a) The City will cause to be punctually paid from the Incremental Taxes Fund, but solely to the extent that adequate amounts are on deposit in that Fund for that purpose, the principal of, interest on and premium, if any, to become due in respect of the Bonds in strict conformity with the terms of the Bonds, this Indenture and the applicable Supplemental

Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Bonds, this Indenture and each Supplemental Indenture.

b) The City will cause to be punctually paid and discharged, from the Incremental Taxes Fund, but solely to the extent that adequate amounts are on deposit in that Fund for that purpose, any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Revenues, or any part

of the Pledged Revenues, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing in this Indenture shall require the City to make any such payment so long as the City in good faith shall contest the validity of said claims.

c) The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Bonds and to the Pledged Revenues. Such books of record and accounts, and any other report, shall at all times during regular business hours be subject to the inspection of the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives authorized in writing.

The City will prepare, or cause the preparation of, within 270 days after the close of each Fiscal Year of the City so long as any of the Bonds are Outstanding, audited financial statements with respect to the preceding Fiscal Year showing the Pledged Revenues received and all disbursements from the funds and accounts created by this Indenture, on a consolidated basis, as of the end of such Fiscal Year, which statements shall be accompanied by a certificate or opinion in writing of an Independent certified public accountant.

d) The City will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all Persons. From and after the sale and delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

e) The City will execute and deliver any and all such instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Indenture, and for the better assuring and confirming unto the registered owners of the Bonds of the rights and benefits provided in this Indenture.

## **ARTICLE VIII**

### **REMEDIES OF OWNERS**

Section 8.1 Events of Default. Each of the following events is an "Event of Default:"

a) default shall be made in the payment of the principal of or Redemption Price on any Bond when such payment shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

b) default shall be made in the payment of any installment of interest on any Bond when and as such payment shall become due and payable; or

4836-4131-1762.12

c) default shall be made by the City in the performance of any obligation in respect of the Reserve Account if such default continues for 60 days after such default; or

d) the City shall (1) commence a voluntary case under the federal bankruptcy laws, as now or subsequently constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, (2) make an assignment for the benefit of its creditors, (3) consent to the appointment of a receiver of

itself or of the whole or any substantial part of its property, or (4) be adjudicated a bankrupt or have entered against it any order for relief in respect of an involuntary case under the federal bankruptcy laws, as now or subsequently constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, if such order continues in effect for a period of 60 days without stay or vacation; or

e) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the City, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the City under the federal bankruptcy laws or any other applicable federal or state law or statute if such order, judgment or decree is not vacated or set aside or stayed within 60 days from the date of the entry of such order, judgment or decree; or

f) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property, if such custody or control is not terminated or stayed within 60 days from the date of assumption of such custody or control; or

g) the City shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Indenture on the part of the City to be performed, if such default continues for 60 days after written notice specifying such default and requiring such default to be remedied has been given to the City by the Trustee (which may give such notice whenever it determines that such a default is subsisting and shall give such notice at the written request of the registered owners of not less than a majority of the principal amount of the Bonds then Outstanding with respect to which such default shall have occurred); provided, that if the nature of the default is such that it cannot be cured within the 60-day period following receipt of notice specifying such default, but can be cured within a longer period, no event of default shall occur if the City institutes corrective action within such 60-day period and diligently pursues such action until the default is corrected; then in each and every such case the Trustee may, and upon the written request of the Owners of a majority of the principal amount of the Bonds with respect to which the Event of Default has occurred and then Outstanding under this Indenture, the Trustee shall, proceed to protect and enforce its rights and the rights of the Owners of the Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained in this Indenture or in aid or execution of any power granted by this Indenture or for any enforcement of any other legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effective to protect and enforce those rights.

During the continuance of an Event of Default, all moneys received by the Trustee under this Indenture from the City or from any other source shall be applied by the Trustee in accordance with the terms of Section 8.3.

4836-4131-1762 12

#### Section 8.2 Accounting and Examination of Records after Default; No Acceleration after Default.

a) The City covenants that if an Event of Default shall have happened and shall not have been remedied, the books of record and account of the City and all other records relating to the Pledged Revenues shall at all reasonable times be subject to the inspection of the Trustee and of its authorized

agents and attorneys.

b) The City covenants that if an Event of Default shall have happened and shall not have been remedied, the City, upon demand of the Trustee, will account, as if it were the trustee of an express trust, for all Pledged Revenues and other moneys, securities and funds held by the City pursuant to the terms of this Indenture for such period as shall be stated in such demand.

c) The Bonds shall NOT be subject to acceleration upon the occurrence of an Event of Default.

Section 8.3 Application of Revenues and Other Moneys after Default. If an Event of Default in payment of principal of or interest on any Series of the Bonds shall happen and shall not have been remedied, the Trustee shall apply all moneys, securities and funds received by the Trustee pursuant to any right given or action taken under the provisions of this Article VIII as follows and in the following order:

a) First, to the payment of the reasonable and proper expenses of the Trustee, the Bond Registrar and Paying Agents;

b) Second, to the payment of principal or redemption premium, if any, and interest then due and owing on the Senior Lien Bonds as follows:

i) first, to the payment to the Persons so entitled of all installments of interest then due and owing on the Senior Lien Bonds, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled to such payment, without any discrimination or preference;

ii) second, to the payment to the Persons so entitled of the unpaid principal of any of the Senior Lien Bonds which shall have become due and owing (other than Senior Lien Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates, with interest upon such Senior Lien Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Senior Lien Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the Persons entitled to payment without any discrimination or preference; and

iii) third, to the payment of the Redemption Price of any Senior Lien Bonds called for redemption pursuant to the provisions of this Indenture.

(c) Third, to the payment of principal, redemption premium, if any, and interest due and owing on the Junior Lien Bonds as provided in the Supplemental Indenture pursuant to which such Junior Lien Bonds are issued.

Whenever moneys are to be applied by the Trustee pursuant to the provisions of this paragraph, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The deposit of such moneys with the Paying Agents, or otherwise setting aside such moneys, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the City, to any Owner or to any other Person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and of the endorsement to be entered on each Bond on which payment shall be made, and shall not be required to make payment to the Owner of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

#### Section 8.4 Proceedings Brought by Trustee.

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

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

c) All actions against the City under this Indenture shall be brought in a state or federal court located in the State of Illinois.

d) The Owners of not less than a majority in principal amount of the Bonds at the time Outstanding may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture or for the

4836-4131-1762 12

enforcement of any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee; provided, that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the

Trustee in personal liability or be unjustly prejudicial to the Owners not parties to such direction.

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

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

#### Section 8.5 Restriction on Owners' Action.

a) No Owner of any Bond shall have any right to institute any suit or proceeding at law or in equity for the enforcement or violation of any provision of this Indenture or the execution of any trust under this Indenture or for any remedy under this Indenture, unless such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default, as provided in this Article, the Owners of at least a majority in principal amount of the Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in this Indenture or by the laws of Illinois or to institute such suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities so to be incurred, and the Trustee shall have refused or failed to comply with such request within 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by this Indenture or to enforce any right under this Indenture, except in the manner provided in this Indenture; and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner provided in this Indenture and for the equal benefit of all Owners of the Outstanding Bonds, subject only to the provisions of Section 7.2.

b) Nothing in this Indenture or in the Bonds shall affect or impair the obligation of the City, which is absolute and unconditional, to pay at the respective dates of maturity and places expressed in the Bonds, but solely from Pledged Revenues, the principal of and interest on the Bonds to the respective Owners, or affect or impair the right of action, which is also absolute and unconditional, of any Owner to enforce such payment of its Bond, but solely from Pledged Revenues.

(c) No Owner of any Bond shall have the right to cause the acceleration of the Bonds if any Event of Default shall have occurred.

Section 8.6 Remedies Not Exclusive. No remedy by the terms of this Indenture conferred upon or reserved to the Trustee or the Owners is intended to be exclusive of any other remedy, but shall be cumulative and shall be in addition to every other remedy given under this Indenture or existing at law or

in equity or by statute on or after the date of the execution and delivery of this Indenture.

#### Section 8.7 Effect of Waiver and Other Circumstances.

a) No delay or omission of the Trustee or any Owner to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of or acquiescence in any such default.

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

Section 8.8 Notices of Default. The Trustee shall promptly mail written notice of the occurrence of any Event of Default to the Owners of the Bonds.

Section 8.9 Rights of Credit Bank or Bond Insurer. Notwithstanding anything contained in this Indenture to the contrary, but subject to the provisions of any applicable Supplemental Indenture, any Credit Bank or any Bond Insurer shall be treated as the Owner of Bonds upon which such Credit Bank or Bond Insurer is obligated pursuant to a Credit Facility or Bond Insurance Policy, as applicable, for the purposes of calculating whether or not the Owners of the requisite percentage of Bonds then Outstanding have consented to any request, consent, directive, waiver or other action permitted to be taken by the Owners of the Bonds pursuant to this Article; provided, that such Credit Bank or Bond Insurer shall cease to be so regarded as Owner of such Bonds in the event such Credit Bank or Bond Insurer is in default of its obligations under the applicable Credit Facility or Bond Insurance Policy.

Notwithstanding anything contained in this Indenture to the contrary, but subject to the provisions of any applicable Supplemental Indenture, until the City has reimbursed a Credit Bank for amounts paid under a Credit Facility to pay the interest on or the principal of any Bonds on any Interest or Principal Payment Date or to the extent any Bond Insurer has exercised its rights as subrogee for the particular Bonds of which it has insured payment, (i) such Bonds shall be deemed to be Outstanding and such Credit Bank or Bond Insurer shall succeed to the rights and interests of the Owners to the extent of the amounts paid under the Credit Facility or as specified in respect of the applicable Bond Insurance Policy until such amount has been reimbursed and (ii) upon presentation to the Registrar, such Bonds shall be registered in the name of the Credit Bank or its nominee or such Bond Insurer or its nominee, as appropriate.

## ARTICLE IX

### CONCERNING THE FIDUCIARIES

Section 9.1 Trustee; Appointment and Acceptance of Duties. The Trustee accepts and agrees to the trusts created by this Indenture, but only upon the additional terms set forth in this Article, to all of which the City agrees and the respective Owners of the Bonds, by their purchase and acceptance of their



Bonds, agree. Except during the continuance of an Event of Default, the Trustee undertakes such duties and only such duties as are specifically set forth in this Indenture.

#### Section 9.2 Paying Agents; Appointment and Acceptance of Duties.

a) The Trustee is appointed Paying Agent for the Series 2014 Bonds. The City shall appoint one or more Paying Agents for the Bonds of each other Series, and may at any time or from time to time appoint one or more other Paying Agents having the qualifications set forth in Section 9.15 for a successor Paying Agent. The Trustee may be appointed a Paying Agent for the Bonds of other Series.

b) The Trustee accepts the duties and obligations imposed upon it as Paying Agent for the Series 2014 Bonds by this Indenture. Each other Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the City and to the Trustee a written acceptance.

c) Unless otherwise provided, the principal or corporate trust offices of the Paying Agents are designated as the respective offices or agencies of the City for the payment of the principal or Redemption Price of the Bonds.

#### Section 9.3 Registrar; Appointment and Acceptance of Duties.

a) The Trustee is appointed Registrar for the Series 2014 Bonds. The City shall appoint a Registrar for each other Series of Bonds. Each Registrar shall have the qualifications set forth in Section 9.16 for a successor Registrar. The Trustee or any Paying Agent may be appointed a Registrar for the Bonds of other Series.

b) The Trustee accepts the duties and obligations imposed upon it as Registrar under this Indenture for the Series 2014 Bonds. Each other Registrar shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by executing and delivering to the City and to the Trustee a written acceptance.

#### Section 9.4 Responsibilities of Fiduciaries.

(a) The recitals of fact contained in this Indenture and in the Bonds shall be taken as the statements of the City and no Fiduciary assumes any responsibility for the correctness of the same. No Fiduciary makes any representations as to the validity or sufficiency of this Indenture or of any Bonds issued under this Indenture or as to the security afforded by this Indenture, and no Fiduciary shall incur any liability in respect of such matters. The Trustee shall, however, be responsible for any representation contained in its certificate on the Bonds. No Fiduciary shall be under any responsibility or duty with respect to the application of any moneys paid to the City

or to any other Fiduciary. No Fiduciary shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of paragraph (b) of this Section, no Fiduciary shall be liable in connection with the performance of its duties under this Indenture except for its own negligence or misconduct.

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

#### Section 9.5 Evidence on Which Fiduciaries May Act.

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

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

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

Section 9.6 Compensation. Unless otherwise determined by contract between the City and each Fiduciary, the City shall pay to each Fiduciary from time to time reasonable compensation determined by the City for all services rendered under this Indenture.

Section 9.7 Certain Permitted Acts. Any Fiduciary may become the Owner of any Bonds, with the same rights it would have if it were not a Fiduciary. To the extent permitted by law, any Fiduciary may act as Depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

Section 9.8 Trustee Required; Eligibility. There shall at all times be a Trustee under this Indenture which shall be a bank or trust company within Illinois organized under the laws of the United States of America or the State of Illinois, authorized to exercise corporate trust powers, subject to supervision or examination by federal or state authorities, and having a

reported combined capital and surplus of not less than \$1,000,000. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner provided in Section 9.9. No resignation of the Trustee under Section 9.9 or removal of the Trustee under Section 9.10 and no appointment of a successor Trustee shall become effective until a successor Trustee has accepted its appointment under Section 9.11. If a successor Trustee shall not have accepted its

appointment under Section 9.11 within 90 days of a notice of resignation or removal of the current Trustee, the Trustee may apply to a court of competent jurisdiction to appoint a temporary successor Trustee under Section 9.11 to act until such time, if any, as a successor shall have so accepted its appointment. All costs, fees and expenses related to such application to any court shall be paid by the City. The Trustee shall provide each Credit Bank and Bond Insurer with notice of the resignation or removal of the Trustee and of the appointment of any successor Trustee.

Section 9.9 Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving not less than 60 days' written notice to the City, all Owners of the Bonds, the Depositaries and the other Fiduciaries, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the City or the Owners as provided in Section 9.11, in which event such resignation shall take effect immediately on the appointment of such successor whether or not the date specified for such resignation to take effect has arrived.

Section 9.10 Removal of Trustee. The Trustee may be removed at any time by an instrument in writing delivered to the Trustee and signed by the City; provided, that if an Event of Default shall have occurred and be continuing, the Trustee may be so removed by the City only with the written concurrence of the Owners of a majority in principal amount of Bonds then Outstanding. 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 or their attorneys-in-fact duly authorized, and delivered to the City. Copies of each such instrument shall be delivered by the City to each Fiduciary.

#### Section 9.11 Appointment of Successor Trustee.

a) In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, the City shall, within 90 days, appoint a successor Trustee. The City shall cause notice of any such appointment made by it to be mailed to all Owners of the Bonds.

b) If no appointment of a Trustee shall be made by the City pursuant to the foregoing provisions of this Section 9.11, the Owner of any Bond Outstanding may apply to any court of competent jurisdiction to appoint a successor Trustee. Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Section 9.12 Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture shall execute, acknowledge and deliver to its predecessor

Trustee, and also to the City, an instrument accepting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee; but the predecessor Trustee shall nevertheless, on the written request of the City or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurances and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor

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

Section 9.13 Merger or Consolidation. Any company into which any Fiduciary may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which all or substantially all of the corporate trust business of any Fiduciary may be sold or transferred, shall be the successor to such Fiduciary and be bound to the obligations and duties of such Fiduciary without the execution or filing of any paper or the performance of any further act, unless such successor delivers written notice of its resignation pursuant to the provisions of this Article; provided, that such company shall be a bank or trust company organized under the laws of any state of the United States or a national banking association and shall be authorized by law to perform all the duties imposed upon it by this Indenture.

Section 9.14 Adoption of Authentication. In case any of the Bonds contemplated to be issued under this Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such Bonds and deliver such Bonds so authenticated; and in case any of the said Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of the predecessor Trustee or in its own name.

#### Section 9.15 Resignation or Removal of Paying Agent and Appointment of Successor.

a) Any Paying Agent may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least 60 days' written notice to the City and the other Fiduciaries. Any Paying Agent may be removed at any time by an instrument signed by an Authorized Officer and filed with such Paying Agent and the Trustee. Any successor Paying Agent shall be appointed by the City and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having capital stock and surplus aggregating at least \$1,000,000, willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

b) In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any moneys held by it as Paying Agent to its successor,

## 44

4836-4131-1762 12

or if there be no successor, to the Trustee and shall be subject to audit of all of its books, records and accounts with respect to the Bonds. In the event that for any reason there shall be a vacancy in the office of any Paying Agent, the Trustee shall act as such Paying Agent.

#### Section 9.16 Resignation or Removal of Registrar and Appointment of Successor.

a) Any Registrar may at any time resign and be discharged of the duties and obligations imposed upon it by this Indenture by giving at least 60 days' written notice to the City and the other

Fiduciaries. Any Registrar may be removed at any time by an instrument signed by an Authorized Officer and filed with such Registrar and the Trustee. Any successor Registrar shall be appointed by the City and shall be a bank, trust company or national banking association doing business and having an office in the State of Illinois or in the Borough of Manhattan, in the City and State of New York, if there be such a bank, trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Indenture.

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

Section 9.17 Trustee Not Deemed to Have Notice of Default. The Trustee shall not be deemed to have notice of any default under this Indenture except a default under Section 8.1(a) or (b) or the failure of the City to file with the Trustee any document required by this Indenture unless any officer in its corporate trust department shall have actual knowledge of such default or the Trustee shall be specifically notified in writing of such default by the City or by the Owners of not less than a majority in principal amount of the Bonds Outstanding; and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered at the principal corporate trust office of the Trustee.

Section 9.18 Monthly Report by Trustee and Depositaries. Within seven days after the end of each month, the Trustee, any Paying Agent and each Depositary shall prepare a written report for each Fund, Account and Sub-Account held by it pursuant to the provisions of this Indenture. Such report shall set out the receipts and disbursements, both principal and income, and shall list the Investment Securities held by the Trustee and each Depositary at the end of the month. A copy of each such report shall be furnished to the City and any Persons designated by the City.

In addition, the Trustee, any Paying Agent and each Depositary shall, at any time when requested, including, without limitation, any request at the time of the resignation of the Trustee, any Paying Agent or any Depositary, furnish to the City and any Persons designated by the City a report of the amount of moneys, including Investment Securities, held in each Fund, Account or Sub-Account by the Trustee and each Depositary. For purposes of this certification, the Investment Securities in each such Fund, Account and Sub-Account shall be treated as having a value equal to their aggregate market value as of the date of this request.

## ARTICLE X

### SUPPLEMENTAL INDENTURES

Section 10.1 Supplemental Indentures Not Requiring Consent of Owners. The City and the Trustee may without the consent of, or notice to, any of the Owners, enter into a Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions of this Indenture for any one or more of the following purposes:

a) to authorize a Series of Bonds and to specify, determine or authorize any matters and things concerning any such Bonds which are not contrary to or inconsistent with this Indenture;

b) to close this Indenture against, or impose additional limitations or restrictions on, the issuance of Bonds, or of other notes, bonds, obligations or evidences of indebtedness;

c) to impose additional covenants or agreements to be observed by the City;

d) to impose other limitations or restrictions upon the City;

e) to surrender any right, power or privilege reserved to or conferred upon the City by this Indenture;

f) to confirm, as further assurance, any pledge of or lien upon the Pledged Revenues or any other moneys, securities or funds;

g) to cure any ambiguity, omission, inconsistency, or defect in this Indenture;

h) to provide for the appointment of a successor securities depository in the event any Series of Bonds is held in book-entry only form;

(i) to provide for the appointment of any successor Fiduciary;

(j) to authorize the issuance of Junior Lien Bonds and in connection therewith, specify and determine any matters and things relative thereto which are not contrary to or inconsistent with this Indenture as then in effect; and

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

Section 10.2 Supplemental Indentures Effective upon Consent of Owners. Any Supplemental Indenture not effective in accordance with Section 10.1 shall take effect only if permitted and approved in the manner prescribed by Article XI.

Section 10.3 Filing of Counsel's Opinion. Each Supplemental Indenture described in Section 10.1 shall be accompanied, when filed with the Trustee, by a Counsel's Opinion to the effect that such Supplemental Indenture has been duly authorized by the City in accordance with

4836-4131-1762.12

the provisions of this Indenture, is authorized or permitted by this Indenture and, when executed and delivered, will be valid and binding upon the City, the Owners and the Trustee.

## ARTICLE XI

### AMENDMENTS

Section 11.1 Notices. Any provision in this Article for the mailing of a notice or other information to Owners shall be fully complied with if it is mailed by first class mail, postage prepaid, or delivered only to each Owner of Bonds then Outstanding at its address, if any, appearing upon the registration books of the City kept by the Registrar and to each Bond Insurer.

Section 11.2 Powers of Amendment. Except for Supplemental Indentures described in Section 10.1, any modification or amendment of this Indenture and of the rights and obligations of the City and of the Owners of the Bonds under this Indenture, in any particular, may be made by a Supplemental Indenture with the written consent given as provided in Section 11.3 (a) of the Owners of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, and (b) in case less than all of the several Series of Bonds then Outstanding are affected by the modification or amendment, of the Owners of at least a majority in principal amount of the Bonds of each Series so affected and Outstanding at the time such consent is given; provided, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series and maturity remain Outstanding, the consent of the Owners of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this Section. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bonds, or of any installment of interest or a reduction in the principal amount or the Redemption Price or in the rate of interest without the consent of the Owner of such Bond, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of any Fiduciary without its written assent. For the purposes of this Section, a Series shall be deemed to be affected by a modification or amendment of this Indenture if the same adversely affects or diminishes the rights of the Owners of Bonds of such Series. The Trustee may in its discretion determine whether or not the rights of the Owners of Bonds of any particular Series or maturity would be adversely affected or diminished by any such modification or amendment, and its determination shall be binding and conclusive on the City and all Owners of the Bonds.

Section 11.3 Consent of Owners. The City may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 11.2, to take effect when and as provided in this Section. Upon the authorization of such Supplemental Indenture, a copy of it shall be delivered to and held by the Trustee for the inspection of the Owners. A copy of such Supplemental Indenture (or summary of it or reference to it in form approved by the Trustee), together with a request to Owners for their consent in form satisfactory to the Trustee, shall be mailed to the Owners, but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as in this Section provided. Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when (a) there shall have been

filed with the Trustee (i) the written consents of the Owners of the required principal amount of Outstanding Bonds, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the City in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture and, when effective, will be valid and binding upon the City, the Owners and the Trustee, and (b) a notice shall have been mailed as provided below. A certificate or certificates by the Trustee delivered to the City that consents have been given by the Owners of the Bonds described in such certificate or certificates of the Trustee shall be conclusive. Any such

consent shall be binding upon the Owner of the Bonds giving such consent and upon any subsequent Owner of such Bonds and of any Bonds issued in exchange for them whether or not such subsequent Owner has notice of such consent; provided, that any consent may be revoked by any Owner of such Bonds by filing with the Trustee, prior to the time when the Trustee's written statement referred to below is filed, a written revocation, with proof that such Bonds are held by the signer of such revocation. The fact that a consent has not been revoked may be proved by a certificate of the Trustee to the effect that no revocation is on file with it. Any consent, or revocation of consent, may be delivered or filed prior to any mailing or publication required by this Article and shall not be deemed ineffective by reason of such prior delivery or filing. Within 30 days of any date on which the consents on file with the Trustee and not previously revoked shall be sufficient under this Section, the Trustee shall make and deliver to the City a written statement that the consents of the Owners of the required principal amount of Outstanding Bonds have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time thereafter notice, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required principal amount of Outstanding Bonds and will be effective as provided in this Section, shall be given by mailing to the Owners (but failure to mail such notice or any defect in it shall not prevent such Supplemental Indenture from becoming effective and binding). The Trustee shall deliver to the City proof of the mailing of such notice. A record, consisting of the information required or permitted by this Section to be delivered by or to the Trustee, shall be proof of the matters stated in such record.

Section 11.4 Modifications by Unanimous Action. The Indenture and the rights and obligations of the City and of the Owners of the Bonds under it may be modified or amended in any respect by a Supplemental Indenture effecting such modification or amendment and with the consents of the Owners of all the Bonds then Outstanding, each such consent to be accompanied by proof of the holding at the date of such consent of the Bonds with respect to which such consent is given. Such Supplemental Indenture shall take effect upon the filing (a) with the Trustee of (i) a copy of such Supplemental Indenture, (ii) such consents and accompanying proofs, and (iii) the Counsel's Opinion referred to in Section 11.3 and (b) with the City of the Trustee's written statement that the consents of the Owners of all Outstanding Bonds have been filed with it. No mailing or publication of any Supplemental Indenture (or reference to it or summary of it) or of any request or notice shall be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its written assent.

Section 11.5 Exclusion of Bonds. Bonds owned or held by or for the account of the City shall not be deemed Outstanding and shall be excluded for the purpose of any calculation required by this Article. At the time of any consent or other action taken under this Article, the

4836-4131-1762.12

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

Section 11.6 Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as provided in Article X or this Article 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 upon demand of the Owner of any Bond Outstanding at such effective date and presentation of its Bond to the Trustee, suitable notation shall be made on such Bond by the Trustee as to any such action. If the



City or the Trustee shall so determine, new Bonds so modified which, in the opinion of the Trustee and the City, conform to such action may be prepared, authenticated and delivered, and upon demand of the Owner of any Bond then Outstanding shall be exchanged, without cost to such Owner, for such Bond then Outstanding.

## ARTICLE XII

### MISCELLANEOUS

#### Section 12.1 Defeasance.

a) If the City shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due on such Bonds, at the times and in the manner stipulated in such Bonds and in this Indenture, then the pledge of the Pledged Revenues and other moneys and securities pledged under this Indenture and all covenants, agreements and other obligations of the City to the Owners shall thereupon be discharged and satisfied. In such event, the Trustee, upon request of the City, shall provide an accounting of the assets managed by the Trustee to be prepared and filed with the City for any year or part of a year requested, and shall execute and deliver to the City all such instruments as may be desirable to evidence such discharge and satisfaction, and the Fiduciaries shall pay over or deliver to the City all moneys and securities held by them pursuant to this Indenture which are not required for the payment of Bonds not previously surrendered for such payment or redemption. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all Outstanding Bonds of a particular Series, maturity within a Series or portion of any maturity within a Series (which portion shall be selected by lot by the Trustee in the manner provided in Section 4.4 for the selection of Bonds to be redeemed in part), the principal or Redemption Price, if applicable, of such Bonds and interest due or to become due on such Bonds, at the times and in the manner stipulated in such Bonds and in this Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under this Indenture, and all covenants, agreements and obligations of the City to the Owners of such Bonds and to the Trustee shall thereupon be discharged and satisfied.

b) Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the Escrow Agent at or prior to their maturity or redemption date shall be deemed to have been paid within the meaning of and with the effect expressed in this Section 12.1 if the City shall have delivered to or deposited with the Escrow Agent (i) irrevocable instructions to pay or redeem all of said Bonds in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their principal, (ii) irrevocable instructions to publish or mail the required notice of redemption

of any Bonds so to be redeemed, (iii) either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to each specified redemption date or maturity date of said Bonds, as the case may be, and (iv) if any of said Bonds are not to be redeemed within the next succeeding 60 days, irrevocable instructions to mail to all Owners of said Bonds a notice that such deposit has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Section and stating the maturity or

redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of said Bonds. The Defeasance Obligations and moneys deposited with the Trustee pursuant to this Section shall be held in trust for the payment of the principal or Redemption Price, if applicable, and interest on said Bonds. No payments of principal of any such Defeasance Obligations or interest on them shall be withdrawn or used for any purpose other than the payment of such principal or Redemption Price of, or interest on, said Bonds unless after such withdrawal the amount held by the Trustee and interest to accrue on Defeasance Obligations so held shall be sufficient to provide fully for the payment of the principal of or Redemption Price and interest on such Bonds, at maturity or upon redemption, as the case may be.

c) Amounts deposited with the Trustee for the payment of the principal of and interest on any Bonds deemed to be paid pursuant to this Section 12.1, if so directed by the City, shall be applied by the Trustee to the purchase of such Bonds in accordance with this subsection. Bonds for which a redemption date has been established may be purchased on or prior to the 45th day preceding the redemption date. The principal amount of Bonds to be redeemed shall be reduced by the principal amount of Bonds so purchased. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. All such purchases shall be made at prices not exceeding the applicable principal amount or Redemption Price established pursuant to paragraph (b) of this Section 12.1, plus accrued interest, and such purchases shall be made in such manner as the Trustee shall determine. No purchase shall be made by the Trustee pursuant to this subsection if such purchase would result in the Trustee holding less than the moneys and Defeasance Obligations required to be held for the payment of all other Bonds deemed to be paid pursuant to this Section 12.1.

d) The City may purchase with any available funds any Bonds deemed to be paid pursuant to this Section 12.1 in accordance with this subsection. Bonds for which a redemption date has been established may be purchased by the City on or prior to the 45th day preceding the redemption date. On or prior to the 45th day preceding the redemption date the City shall give notice to the Trustee of its intention to surrender such Bonds on the redemption date. The Trustee shall proceed to call for redemption the remainder of the Bonds due on the redemption date and shall pay to the City on the redemption date the Redemption Price of and interest on such Bonds upon surrender of such Bonds to the Trustee. Bonds which mature on a single future date may be purchased at any time prior to the maturity date. The Trustee shall pay to the City the principal amount of and interest on such Bonds upon surrender of such Bonds on the maturity date.

e) Any time after any Bonds are deemed to be paid pursuant to this Section 12.1, the City shall not at any time permit any of the proceeds of the Bonds or any other funds of the City

50

4836-4131-1762.12

to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in the Code and Regulations.

f) Each Fiduciary shall continue to be entitled to reasonable compensation for all services rendered under this Indenture, notwithstanding that any Bonds are deemed to be paid pursuant to this Section 12.1, until such Bonds are paid and discharged at maturity or upon their prior redemption.

g) Anything in this Indenture to the contrary notwithstanding, any moneys held by a Fiduciary in trust for the payment and discharge of any of the Bonds which remain unclaimed for two years after the date when such Bonds have become due and payable, either at their stated maturity dates

or by call for earlier redemption, if such moneys were held by the Fiduciary at such date, or for two years after the date of deposit of such moneys if deposited with the Fiduciary after the said date when such Bonds become due and payable, shall, at the written request of the City, be repaid by the Fiduciary to the City, as its absolute property and free from trust, and the Fiduciary shall thereupon be released and discharged with respect to such moneys and the Owners of such Bonds shall look only to the City for the payment of such Bonds.

#### Section 12.2 Evidence of Signatures of Owners and Ownership of Bonds.

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

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

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

b) Any request or consent by the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the City or any Fiduciary in accordance with such request or consent.

4836-4131-1762.12

Section 12.3 Moneys Held for Particular Bonds. The amounts held by any Fiduciary for the payment of interest, principal or Redemption Price due on any date with respect to particular Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled to such payment.

Section 12.4 Preservation and Inspection of Documents. All documents received by any Fiduciary under the provisions of this Indenture, shall be retained in its possession and shall be subject at all reasonable times to the inspection of the City, any other Fiduciary, and any Owner and their agents and their representatives, any of whom may make copies.

Section 12.5 Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or

before maturity, and all mutilated Bonds surrendered pursuant to Section 3.7, shall be delivered to the Trustee when such payment or redemption is made or upon surrender, as the case may be, and such Bonds, together with all Bonds purchased by the Trustee, shall thereupon be promptly canceled. Bonds so canceled may at any time be destroyed by the Trustee, which shall execute a certificate of destruction in duplicate by the signature of one of its authorized officers describing the Bonds so destroyed, and one executed certificate shall be delivered to the City and the other retained by the Trustee.

Section 12.6 Parties Interested In This Indenture. Nothing expressed or implied in this Indenture is intended or shall be construed to confer upon, or to give to, any Person, other than the City, the Fiduciaries and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation in this Indenture; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the City shall be for the sole and exclusive benefit of the City, the Fiduciaries and the Owners of the Bonds.

#### Section 12.7 No Recourse on the Bonds.

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

b) No officer, member, agent or employee of the City shall be individually or personally liable for the payment of the principal or Redemption Price of or interest on the Bonds; but nothing in this Indenture shall relieve any such officer, member, agent or employee from the performance of any official duty provided by law.

c) All covenants, stipulations, obligations and agreements of the City in this Indenture shall be deemed to be covenants, stipulations, obligations and agreements of the City to the full extent authorized and permitted by the Constitution and laws of the State of Illinois, and no covenants, stipulations, obligations or agreements in this Indenture shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future member, officer, agent

## 52

4836-4131-1762.12

or employee of the City in his or her individual capacity, and no officer executing the Bonds shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issue of such Bonds. No member, officer, agent or employee of the City shall incur any personal, liability in acting or proceeding or in not acting or not proceeding in accordance with the terms of this Indenture.

Section 12.8 Successors and Assigns. Whenever in this Indenture the City is named or referred to, the reference shall be deemed to include its successors and assigns and all the covenants and agreements in this Indenture by or on behalf of the City shall bind and inure to the benefit of its successors and assigns whether so expressed or not.

Section 12.9 Severability of Invalid Provisions. If any one or more of the covenants or

agreements provided in this Indenture on the part of the City or any Fiduciary to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Indenture.

Section 12.10 Notices. Any notice, demand, direction, request or other instruments authorized or required by this Indenture to be given to, delivered to or filed with the City or the Trustee shall be deemed to have been sufficiently given, delivered or filed for all purposes of the Indenture if and when sent by registered mail, return receipt requested:

To the City, if addressed to:

City of Chicago Department of  
Finance 121 North LaSalle Street  
Suite 700  
Chicago, Illinois 60602 Attn: Chief  
Financial Officer

With a copies to:

City of Chicago Department of  
Finance 121 North LaSalle Street  
Suite 700  
Chicago, Illinois 60602 Attn:  
City Comptroller

and

Office of Corporation Counsel City  
Hall - Room 600 121 North LaSalle  
Street Chicago, Illinois 60602  
Attn: Finance and Economic Development Division

53

4836-4131-1762.12

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

To the Trustee, if addressed to:

Amalgamated Bank of Chicago One West  
Monroe Street Chicago, Illinois 60603  
Attn: Corporate Trust Department

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

Section 12.11 Governing Law. The Indenture and all Supplemental Indentures shall be construed in accordance with the provisions of the internal laws of the State of Illinois, without giving effect to any contrary provisions of the laws of the State of Illinois or any other state.

Section 12.12 Headings Not a Part of This Indenture. Any headings preceding the texts of the several Articles and Sections of this Indenture, and any Table of Contents appended to copies of this Indenture, are solely for convenience of reference and do not constitute a part of this Indenture, nor do they affect its meaning, construction or effect.

Section 12.13 Counterparts. The Indenture may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original; and such counterparts shall constitute but one and the same instrument.

[Signature Page Follows]

4836-4131-1762.12

IN WITNESS WHEREOF, the City of Chicago has caused this Indenture to be executed in its name and on its behalf by its Chief Financial Officer and Amalgamated Bank of Chicago has caused this Indenture to be executed in its behalf by its Vice President and its corporate seal to be impressed hereon and attested by its Trust Officer, all as of the day and year first above written.

CITY OF CHICAGO

(Seal)

Attest:

AMALGAMATED BANK OF CHICAGO, as Trustee

By:  
Authorized Signatory

(Seal)

Attest:

Authorized Signatory

Signature Page to Trust Indenture Pilsen  
Redevelopment Project

IN WITNESS WHEREOF, the City of Chicago has caused this Indenture to be executed in its name and on its behalf by its Chief Financial Officer and Amalgamated Bank of Chicago has caused this Indenture to be executed in its behalf by its Vice President and its corporate seal to be impressed hereon and attested by its Trust Officer, all as of the day and year first above written.

CITY OF CHICAGO

By:  
Chief Financial Officer

Attest:

City Clerk

AMALGAMATED BANK OF CHICAGO, as Trustee

(Seal)

Authorized Signatory

Signature Page to Trust Indenture Pilsen  
Redevelopment Project

# **EXHIBIT B**

Execution Version

**CITY OF CHICAGO TO  
AMALGAMATED BANK OF CHICAGO, AS  
TRUSTEE**

**FIRST SUPPLEMENTAL INDENTURE**

**DATED AS OF NOVEMBER 1, 2014**



**SECURING**

**CITY OF CHICAGO TAX INCREMENT ALLOCATION REVENUE  
REFUNDING BONDS (PILSEN REDEVELOPMENT PROJECT), SERIES  
2014A (TAX-EXEMPT)**

**and**

**CITY OF CHICAGO TAX INCREMENT ALLOCATION  
REVENUE BONDS (PILSEN REDEVELOPMENT PROJECT),  
SERIES 2014B (TAXABLE)**

Supplementing a Trust Indenture securing City of Chicago Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project), dated as of November 1, 2014, from the City of Chicago to Amalgamated Bank of Chicago, as Trustee.

4830-5699-3810.11

**FIRST SUPPLEMENTAL INDENTURE**

**TABLE OF CONTENTS**

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

	<u>PAGE</u>
ARTICLE I DEFINITIONS	2
Section 1.1    Definitions	2
ARTICLE II PROVISIONS RELATING TO SERIES 2014A BONDS	3
Section 2.1    Authorized Amount of Series 2014A Bonds	3
Section 2.2    Issuance of Series 2014A Bonds; Terms of Series 2014A Bonds; Payment	4
Section 2.3    Form of Series 2014A Bonds; Temporary Bonds	5
Section 2.4    Delivery of Series 2014A Bonds	5

Section 2.5	Book-Entry Provisions	6
Section 2.6	Deposit to Junior Lien Principal and Interest Account	7
Section 2.7	Costs of Issuance Account	7
Section 2.8	Creation of the 2014A Reserve Sub-Account	7
Section 2.9	Application of Proceeds	8
Section 2.10	Tax Covenant	8
Section 2.11	Registrar; Paying Agent	8
ARTICLE III PROVISIONS RELATING TO THE SERIES 2014B BONDS		9
Section 3.1	Authorized Amount of Series 2014B Bonds	9
Section 3.2	Issuance of Series 2014B Bonds; Terms of Series 2014B Bonds; Payment	9
Section 3.3	Form of Series 2014B Bonds; Temporary Bonds	10
Section 3.4	Delivery of Series 2014B Bonds	10
Section 3.5	Book-Entry Provisions	11
Section 3.6	Creation of the 2014B Reserve Sub-Account	11
Section 3.7	Application of Proceeds	11
Section 3.8	Registrar; Paying Agent	11
ARTICLE IV SUPPLEMENTAL INDENTURES		12
Section 4.1	Supplements or Amendments to First Supplemental Indenture	12
ARTICLE V MISCELLANEOUS		12
Section 5.1	First Supplemental Indenture as Part of the Indenture	12
Section 5.2	Severability	12
Section 5.3	Payments Due on Saturdays, Sundays and Holidays	12
Section 5.4	Counterparts	12
Section 5.5	Governing Law	12
Section 5.6	Rules of Interpretation	12
Section 5.7	Captions	12

4830-5699-3810.11

### **FIRST SUPPLEMENTAL INDENTURE**

THIS FIRST SUPPLEMENTAL INDENTURE, made and entered into as of November 1, 2014, 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 Amalgamated Bank of Chicago (the "Trustee"), a banking corporation duly organized, existing and authorized to accept and execute trusts of the character set out in this First Supplemental Indenture under and by virtue of the laws of the State of Illinois, with its principal corporate trust office in Chicago, Illinois, as Trustee;

#### **WITNESSETH:**

WHEREAS, by virtue of Section 6(a) of Article VII of the Illinois Constitution of 1970 and pursuant to an ordinance duly adopted by the City Council of the City (the "City Council") on March 13, 2013 (the "Bond Ordinance"), the City is authorized to enter into this First Supplemental Indenture and to do or cause to be done all the acts and things provided or required in this First Supplemental Indenture to

be done; and

WHEREAS, the City has entered into a Trust Indenture securing City of Chicago Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project), dated as of November 1, 2014, with the Trustee (the "Indenture") which authorizes the issuance of such bonds in one or more Series pursuant to one or more Supplemental Indentures; and

WHEREAS, by virtue of Section 6(a) of Article VII of the Illinois Constitution of 1970 and pursuant to an ordinance duly adopted by the City Council of the City (the "City Council") on November 12, 2003 (the "Series 2004 Bond Ordinance"), the City issued and delivered on July 26, 2004, its \$49,520,000 City of Chicago Tax Increment Allocation Revenue Bonds (Pilsen Redevelopment Project), Series 2004, consisting of \$22,925,000 Series 2004A Tax Increment Allocation Revenue Bonds (Taxable) (the "Series 2004A Bonds") and \$26,595,000 Series 2004B Junior Lien Tax Increment Allocation Revenue Bonds (Tax-Exempt) (the "Series 2004B Bonds" and together with the Series 2004A Bonds, the "Series 2004 Bonds"), as a means of financing certain Pilsen Redevelopment Project Area redevelopment project costs (as defined in the Act) incurred pursuant to the Pilsen Redevelopment Plan (as such terms are defined below); and

WHEREAS, \$25,010,000 of the Series 2004B Bonds are currently outstanding and the Series 2004A Bonds have been paid in full and are no longer outstanding as of the date hereof; and

WHEREAS, pursuant to that certain agreement entitled "Intergovernmental Agreement between the City of Chicago, by and through its Department of Planning and Development, and the Board of Education of the City of Chicago regarding Benito Juarez Community Academy" dated as of November 24, 2004 (the "Intergovernmental Agreement"), the City issued to the Board of Education of the City of Chicago (the "Board") its Tax Increment Allocation Revenue Note (Pilsen Redevelopment Project) Series 2004G in the maximum principal amount of \$12,500,000 (the "City Note"), to pay for or reimburse the Board for the costs of certain redevelopment project costs within the Pilsen Redevelopment Project Area (as such term is defined below); and

4830-5699-3810.11

WHEREAS, \$9,136,753.48 principal amount and accrued and unpaid interest on the City Note remains outstanding which is to be refunded with proceeds of the Series 2014A Bonds (as defined below); and

WHEREAS, pursuant to the Bond Ordinance, the City has duly authorized the issuance of \$17,345,000 aggregate principal amount of its Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project), Series 2014A (Tax-Exempt) (the "Series 2014A Bonds") and \$16,065,000 aggregate principal amount of its Tax Increment Allocation Revenue Bonds (Pilsen Redevelopment Project), Series 2014B (Taxable) (the "Series 2014B Bonds" and together with the Series 2014A Bonds, the "Series 2014 Bonds"). The Series 2014 Bonds are issued for the purpose of refunding in advance of its maturity all of the outstanding Series 2004B Bonds, paying and retiring the City Note and/or a related principal amount of alternate revenue bonds issued by the Board of Education of the City of Chicago, (the "Series 2004G Board of Education Bonds," and collectively, the "Prior Obligations") funding the Reserve Account for the Series 2014 Bonds, and paying costs related to the issuance of the Series 2014 Bonds and the refunding of the Prior Obligations; and

WHEREAS, the Series 2014A Bonds and the Trustee's Certificate of Authentication to be endorsed

on the Series 2014A Bonds are to be in substantially the form set forth in Exhibit A-1 hereto and the form of the Series 2014B Bonds and the Trustee's Certificate of Authentication shall be as set forth in Exhibit A-2 hereto, in each case with necessary and appropriate variations, omissions and insertions as permitted or required by the Indenture, this First Supplemental Indenture or the Notification of Sale filed in the Office of the City Clerk pursuant to the Bond Ordinance.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

## ARTICLE I

### DEFINITIONS

Section 1.1 Definitions. All capitalized terms used in this First Supplemental Indenture unless otherwise defined in this First Supplemental Indenture shall have the same meaning as used in Article I of the Indenture. The following words and phrases shall have the following meanings for purposes of this First Supplemental Indenture:

"Authorized Denomination" means \$5,000 or any integral multiple of \$5,000 in excess of that amount.

"Bondholder" means the registered owner of any Bond.

"Bond Ordinance" means the ordinance duly adopted and approved by the City Council of the City on March 13, 2013, which authorizes the issuance and sale of the Series 2014 Bonds and the execution of the Indenture and this First Supplemental Indenture.

"Bond Documents" means the Indenture, this First Supplemental Indenture and the Bonds.

## 2

4830-5699-3810.11

"Bonds" means the Series 2014 Bonds and any additional bonds issued pursuant to Section 2.4 or Section 2.5 of the Indenture.

"Date of Issuance" means November 5, 2014, the date of original issuance and delivery of the Series 2014 Bonds.

"Distribution Report" means the Office of the County Clerk Tax Increment Agency Distribution Summary which is issued annually and sets forth the Incremental Taxes expected to be collected in the calendar year in which the Distribution Report is issued.

"First Supplemental Indenture" means this First Supplemental Indenture and any amendments and supplements to it.

"Indenture" means the Trust Indenture securing City of Chicago Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project), dated as of November 1, 2014, from the City to the Trustee, pursuant to which City of Chicago Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project) of various Series are authorized to be issued, and any amendments and

supplements to it, including this First Supplemental Indenture. References to Articles and Sections of the Indenture shall be deemed to refer to Articles and Sections of the Indenture as amended from time to time.

"Interest Payment Date" means June 1 and December 1 of each year, commencing June 1, 2015.

"Record Date" means May 15 and November 15 of each year.

"Series 2004 Trust Indenture" means the Trust Indenture dated as of June 1, 2004, from the City to Cole Taylor Bank, as trustee as amended from time to time pursuant to which the Series 2004B Bonds were issued.

"Series 2014 Debt Service Reserve Requirement" means \$3,567,212.99.

"State" means the State of Illinois.

"Trust Estate" means the property conveyed to the Trustee pursuant to the Granting Clauses of the Indenture.

"Trustee" means Amalgamated Bank of Chicago, a banking corporation duly organized and existing under the laws of the State of Illinois, 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 under the Indenture.

## **ARTICLE II**

### **PROVISIONS RELATING TO SERIES 2014A BONDS**

Section 2.1 Authorized Amount of Series 2014A Bonds. No Series 2014A Bonds may be issued under the provisions of this First Supplemental Indenture except in accordance with

4830-5699-3810.11

this Article. The Series 2014A Bonds are being issued to provide funds to refund in advance of their maturity a portion of the outstanding Series 2004B Bonds, refund in advance of its maturity the outstanding principal amount of the City Note and/or a related principal amount of alternate revenue bonds issued by the Board of Education of the City of Chicago, to fund a portion of the Reserve Account allocable to the Series 2014A Bonds, and to pay costs of issuance of the Series 2014A Bonds and the refunding of a portion of the Prior Obligations. Except as provided in Section 3.7 of the Indenture, the total principal amount of Series 2014A Bonds that may be issued is expressly limited to \$17,345,000.

Section 2.2 Issuance of Series 2014A Bonds; Terms of Series 2014A Bonds; Payment. The Series 2014A Bonds shall be designated "City of Chicago Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project), Series 2014A (Tax-Exempt)."

The Series 2014A Bonds shall be dated their Date of Issuance and shall be issued as registered bonds without coupons. The Series 2014A Bonds shall be issued only in Authorized Denominations. The Series 2014A Bonds shall be numbered consecutively from R-1 upwards bearing numbers not then contemporaneously outstanding (in order of issuance) according to the records of the Trustee and may be otherwise distinguished by letter or number as the Trustee deems necessary or appropriate.

The Series 2014A Bonds shall be issued in the aggregate principal amount of \$17,345,000 and shall mature on June 1 of each of the following years and bear interest at the following interest rates per annum:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$1,150,000	5.000%
2020	4,135,000	5.000%
2021	4,375,000	5.000%
2022	7,685,000	5.000%

Interest shall be payable on June 1 and December 1 of each year, commencing June 1, 2015. The Series 2014A Bonds shall bear interest from their date or from and including the most recent Interest Payment Date with respect to which interest has been paid or duly provided for. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30 day months.

The Series 2014A Bonds are not subject to redemption prior to their maturity.

The principal of and interest on the Series 2014A Bonds shall be payable at the principal corporate trust office of the Trustee in the City of Chicago, Illinois, as Paying Agent, and at such offices of any co-Paying Agent or successor Paying Agent or Paying Agents appointed pursuant to the Indenture for the Bonds. Interest on the Series 2014A Bonds shall be payable by check or bank draft mailed or delivered by the Trustee to the Owners as the same appear on the registration books of the City maintained by the Registrar as of the Record Date or, at the option of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2014A Bonds, by wire transfer of immediately available funds to such bank in the continental United States as said Owner shall request in writing to the Registrar.

4

4830-5699-3810.11

Section 2.3 Form of Series 2014A Bonds; Temporary Bonds. The Series 2014A Bonds issued under this First Supplemental Indenture shall be substantially in the form set forth in Exhibit A-1 hereto, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and this First Supplemental Indenture.

Pending preparation of definitive Series 2014A Bonds, or by agreement with the purchasers of the Series 2014A Bonds, the City may issue and, upon its request, the Trustee shall authenticate, in lieu of definitive Series 2014A Bonds, one or more temporary printed or typewritten Series 2014A Bonds in Authorized Denominations of substantially the tenor recited above. Upon the request of the City, the Trustee shall authenticate definitive Series 2014A Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Series 2014A Bonds shall have the same rights, remedies and security as definitive Series 2014A Bonds.

Section 2.4 Delivery of Series 2014A Bonds. Upon the execution and delivery of this First Supplemental Indenture, the City shall execute and deliver the Series 2014A Bonds to the Trustee, and the Trustee shall authenticate the Series 2014A Bonds and deliver them to the purchasers as may be directed by the City as provided in this Section 2.4 and in Section 2.4 of the Indenture.

Prior to the delivery by the Trustee of any of the Series 2014A Bonds, there shall be filed with the

Trustee:

1) A copy of the Bond Ordinance, certified by the City Clerk, authorizing the execution and delivery of this First Supplemental Indenture;

2) A Counsel's Opinion to the effect that (i) the City had the right and power to adopt the Bond Ordinance; (ii) the Bond Ordinance has been duly and lawfully adopted by the City Council, is in full force and effect, is valid and binding upon the City and is enforceable in accordance with its terms (except as may be limited by any applicable bankruptcy, liquidation, reorganization, insolvency or other similar laws and by general principles of equity in the event that equitable remedies are sought); (iii) the Indenture and this First Supplemental Indenture have been duly executed and delivered by the City, are valid and binding upon the City and are enforceable in accordance with their terms (except as may be limited by any applicable bankruptcy, liquidation, reorganization, insolvency or other similar laws and by general principles of equity in the event that equitable remedies are sought); (iv) the Indenture and this First Supplemental Indenture create the valid pledge of Pledged Revenues, moneys and securities held under them for the benefit and security of the Series 2014A Bonds, subject to application in the manner provided in the Indenture and this First Supplemental Indenture; and (v) upon the execution, authentication and delivery of the Series 2014A Bonds, the Bonds of such Series will have been duly and validly authorized and issued in accordance with the Constitution and laws of the State of Illinois, the Indenture and this First Supplemental Indenture;

3) A written order as to the delivery of the Series 2014A Bonds, executed by an Authorized Officer and stating (i) the identity of the purchasers, aggregate purchase

4830-5699-3810.11

price and date and place of delivery of such Series, and (ii) that no Event of Default has occurred and is continuing under the Indenture, and (iii) fixing and determining all terms and provisions of the Bonds of such Series not fixed or determined by the Indenture or this First Supplemental Indenture;

(4) Original executed counterparts (or copies duly certified by the City Clerk of the City) of the Indenture and this First Supplemental Indenture.

Section 2.5 Book-Entry Provisions. The Series 2014A Bonds shall be initially issued in the form of a separate single fully registered Series 2014A Bond for each maturity of that Series. Upon initial issuance, the ownership of each such Series 2014A Bond shall be registered in the registration books kept by the Trustee in the name of Cede & Co., as nominee of DTC, and except as provided in this Section, the ownership of all of the outstanding Series 2014A Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Series 2014A Bonds registered in the name of Cede & Co., as nominee of DTC, the City and the Trustee shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Series 2014A Bonds. Without limiting the immediately preceding sentence, the City and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in any Series 2014A Bond, (ii) the delivery to any DTC Participant or any other Person,

other than the Owner of any Series 2014A Bond, of any notice with respect to such Series 2014A Bond, including (without limitation) any notice of redemption, or (iii) the payment to any DTC Participant or any other Person, other than the Owner of any Series 2014A Bond, of any amount with respect to Principal or Redemption Price of or interest on such Series 2014A Bond. Notwithstanding any other provisions of the Indenture to the contrary, the City, the Trustee and each other Paying Agent, if any, shall be entitled to treat and consider the Person in whose name each Series 2014A Bond is registered as the absolute owner of such Series 2014A Bond for the purpose of payment of Principal or Redemption Price and interest with respect to such Series 2014A Bond, for the purpose of giving notices of redemption, for the purpose of registering transfers with respect to such Series 2014A Bond, and for all other purposes whatsoever. The Trustee and each other Paying Agent, if any, shall pay all Principal or Redemption Price of and interest on the Series 2014A Bonds only to or upon the order of the respective Owners of the Series 2014A Bonds, or their respective attorneys duly authorized in writing, and all of such payments shall be valid and effective to satisfy and discharge fully the City's obligations with respect to payment of Principal or Redemption Price of and interest on the Series 2014A Bonds to the extent of the sum or sums so paid. No person other than an Owner of a Series 2014A Bond shall receive a Bond certificate evidencing the obligation of the City to make payments of Principal or Redemption Price of and interest on the Series 2014A Bonds pursuant to the Indenture.

The owners of the Series 2014A Bonds have no right to the appointment or retention of a depository for the Series 2014A Bonds. DTC may resign or be removed as securities depository under the conditions provided in the Letter of Representations. In the event of any such resignation or removal, the City shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC

6

4830-5699-3810.11

of the appointment of such successor securities depository, and transfer or cause the transfer of one or more separate Bond certificates to such successor securities depository or (ii) notify DTC of the availability through DTC of Bond certificates and transfer or cause the transfer of one or more separate Bond certificates to DTC Participants having Bonds credited to their DTC accounts. In such event, the Series 2014A Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the DTC Participants receiving Series 2014A Bonds shall designate, in accordance with the provisions of the Indenture.

The City has executed and delivered the Letter of Representations to DTC. Notwithstanding any other provision of the Indenture, so long as DTC, or its designee, is the Owner of all of the Series 2014A Bonds, the provisions set forth in the Letter of Representations shall apply to the redemption of any Series 2014A Bonds and to the payment of Principal or Redemption Price of and interest on the Series 2014A Bonds, including without limitation, that: (a) presentation of Series 2014A Bonds to the Trustee upon redemption or at maturity shall be deemed made to the Trustee when the right to exercise ownership rights in the Series 2014A Bonds through DTC or DTC's Participants is transferred by DTC on its books; and (b) DTC may present notices, approvals, waivers or other communications required or permitted to be made by Owners of Series 2014A Bonds under the Indenture on a fractionalized basis on behalf of some or all of those Persons entitled to exercise ownership rights in the Series 2014A Bonds through DTC or DTC's Participants.

So long as the Series 2014A Bonds are registered in the name of Cede & Co., as nominee of DTC,



the Trustee agrees to comply with the terms and provisions of the Letter of Representations.

Section 2.6 Deposit to Junior Lien Principal and Interest Account. The City shall deposit the amounts set forth in Sections 2.9(b) and 3.7(a) to the Junior Lien Principal and Interest Account established pursuant to the Series 2004 Trust Indenture and apply such amounts, together with amounts on deposit in the Series 2004B Reserve Sub-Account established pursuant to the Series 2004 Trust Indenture, to redeem the Series 2004B Bonds as provided in the Series 2004 Trust Indenture and in accordance with the written direction of an Authorized Officer.

Section 2.7 Costs of Issuance Account. The City establishes with the Trustee a separate account to be known as the Series 2014 Costs of Issuance Account (the "Costs of Issuance Account"). An initial deposit to the credit of the Costs of Issuance Account is to be made in accordance with Section 2.9(d) and 3.7(c). Amounts on deposit in the Costs of Issuance Account shall be disbursed for the payment of fees and expenses incurred by or on behalf of the City in connection with or incident to the issuance and sale of the Series 2014 Bonds. At such time as the Trustee is furnished with a certificate of the City stating that all such fees and expenses have been paid, and in no event later than June 1, 2015, the Trustee shall transfer any moneys remaining in the Costs of Issuance Account to the Principal and Interest Account.

Section 2.8 Creation of the 2014A Reserve Sub-Account. The City establishes a separate, segregated Sub-Account within the Reserve Account to be known as the "2014A

7

4830-5699-3810.11

Reserve Sub-Account." Proceeds of the Series 2014A Bonds in an amount equal to \$1,851,939.82 (which amount is not greater than the lesser of: (a) ten percent (10.0%) of the issue price of the Series 2014A Bonds, (b) Maximum Annual Debt Service of the Series 2014A Bonds, or (c) one hundred twenty-five percent (125.0%) of Average Annual Debt Service of the Series 2014A Bonds) shall be deposited into the 2014A Reserve Sub-Account as provided in Section 2.9. Amounts on deposit in the 2014A Reserve Sub-Account shall be applied as provided in the Indenture.

Section 2.9 Application of Proceeds. The proceeds derived from the sale of the Series 2014A Bonds in the amount of \$19,498,101.88 (which is net of Underwriter's Discount in the amount of \$109,027.97, plus original issue premium in the amount of \$2,262,129.85) shall be applied on the Date of Issuance as follows:

a) \$8,222,456.25 shall be transferred by Cabrera Capital Markets, LLC, on behalf of the City to U.S. Bank National Association, the trustee for the Series 2004G Board of Education Bonds which shall apply such amounts, together with other available amounts, as directed by the Board and the City to redeem the City Note and the outstanding principal amount of Series 2004G Board of Education Bonds;

b) \$9,175,112.05 shall be transferred by the trustee for the Series 2004B Bonds to be deposited in the 2004B Junior Lien Principal and Interest Account and applied, together with amounts transferred from the Series 2004B Reserve Sub-Account held pursuant to the Series 2004 Trust Indenture in accordance with the Series 2004 Trust Indenture to redeem the Series 2004B Bonds on December 5, 2014;

c) \$1,851,939.82 shall be deposited by the Trustee into the 2014A Reserve Sub-

Account; and

d) \$248,593.76 shall be deposited by the Trustee into the Costs of Issuance Account to pay costs of issuance at the direction of the City.

Section 2.10 Tax Covenant. The City covenants to take any action required by the provisions of the Code and Regulations and within its power to take in order to preserve the exemption from Federal income taxation of interest on the Series 2014A Bonds, including, but not limited to, the provisions of Section 148 of the Code relating to "arbitrage bonds." Pursuant to such covenant, the City shall take no action to cause the Series 2014A Bonds to constitute "private activity bonds" including, but not limited to, no action that will cause taxes collected in respect to property within the Pilsen Redevelopment Project Area to be other than "generally applicable taxes" within the meaning of Section 1.141-4(e) of the Regulations.

Section 2.11 Registrar; Paving Agent. The Registrar and Paying Agent for the Series 2014A Bonds shall be Amalgamated Bank of Chicago and any successor Registrar and Paying Agent appointed by the City.

4830-5699-3810.11

### **ARTICLE III**

#### **PROVISIONS RELATING TO THE SERIES 2014B BONDS**

Section 3.1 Authorized Amount of Series 2014B Bonds. No Series 2014B Bonds may be issued under the provisions of this First Supplemental Indenture except in accordance with this Article. The Series 2014B Bonds are being issued to provide funds to refund in advance of their maturity a portion of the outstanding Series 2004B Bonds, to fund a portion of the Reserve Account for the Series 2014 Bonds, and to pay costs of issuance of the Series 2014B Bonds. Except as provided in Section 3.7 of the Indenture, the total principal amount of Series 2014B Bonds that may be issued is expressly limited to \$16,065,000.

Section 3.2 Issuance of Series 2014B Bonds; Terms of Series 2014B Bonds; Payment. The Series 2014B Bonds shall be designated "City of Chicago Tax Increment Allocation Revenue Bonds (Pilsen Redevelopment Project), Series 2014B (Taxable)."

The Series 2014B Bonds shall be dated their Date of Issuance and shall be issued as registered bonds without coupons. The Series 2014B Bonds shall be issued only in Authorized Denominations. The Series 2014B Bonds shall be numbered consecutively from R-1 upwards bearing numbers not then contemporaneously outstanding (in order of issuance) according to the records of the Trustee and may be otherwise distinguished by letter or number as the Trustee deems necessary or appropriate.

The Series 2014B Bonds shall be issued in the aggregate principal amount of \$16,065,000 and shall mature on June 1 of each of the following years and bear interest at the following interest rates per annum:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2015	\$3,125,000	0.950%
2016	3,220,000	1.388%
2017	3,525,000	1.938%
2018	3,595,000	2.471%
2019	2,600,000	2.821%

Interest shall be payable on June 1 and December 1 of each year, commencing June 1, 2015. The Series 2014B Bonds shall bear interest from their date or from and including the most recent Interest Payment Date with respect to which interest has been paid or duly provided for. Interest shall be calculated on the basis of a 360-day year consisting of twelve 30 day months.

The Series 2014B Bonds are not subject to redemption prior to their maturity.

The principal of and interest on the Series 2014B Bonds shall be payable at the principal corporate trust office of the Trustee in the City of Chicago, Illinois, as Paying Agent, and at such offices of any co-Paying Agent or successor Paying Agent or Paying Agents appointed pursuant

4830-5699-3810.11

to the Indenture for the Bonds. Interest on the Series 2014B Bonds shall be payable by check or bank draft mailed or delivered by the Trustee to the Owners as the same appear on the registration books of the City maintained by the Registrar as of the Record Date or, at the option of any Owner of \$1,000,000 or more in aggregate principal amount of Series 2014B Bonds, by wire transfer of Current Funds to such bank in the continental United States as said Owner shall request in writing to the Registrar.

Section 3.3 Form of Series 2014B Bonds; Temporary Bonds. The Series 2014B Bonds issued under this First Supplemental Indenture shall be substantially in the form set forth in Exhibit A-2 hereto, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture and this First Supplemental Indenture.

Pending preparation of definitive Series 2014B Bonds, or by agreement with the purchasers of the Series 2014B Bonds, the City may issue and, upon its request, the Trustee shall authenticate, in lieu of definitive Series 2014B Bonds, one or more temporary printed or typewritten Series 2014B Bonds in Authorized Denominations of substantially the tenor recited above. Upon the request of the City, the Trustee shall authenticate definitive Series 2014B Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Series 2014B Bonds shall have the same rights, remedies and security as definitive Series 2014B Bonds.

Section 3.4 Delivery of Series 2014B Bonds. Upon the execution and delivery of this First Supplemental Indenture, the City shall execute and deliver the Series 2014B Bonds to the Trustee, and the Trustee shall authenticate the Series 2014B Bonds and deliver them to the purchasers as may be directed by the City as provided in this Section 3.4 and in Section 2.4 of the Indenture.

Prior to the delivery by the Trustee of any of the Series 2014B Bonds, there shall be filed with the

Trustee:

1) A copy of the Bond Ordinance, certified by the City Clerk, authorizing the execution and delivery of this First Supplemental Indenture;

2) A Counsel's Opinion to the effect that (i) the City had the right and power to adopt the Bond Ordinance; (ii) the Bond Ordinance has been duly and lawfully adopted by the City Council, is in full force and effect, is valid and binding upon the City and is enforceable in accordance with its terms (except as may be limited by any applicable bankruptcy, liquidation, reorganization, insolvency or other similar laws and by general principles of equity in the event that equitable remedies are sought); (iii) the Indenture and this First Supplemental Indenture have been duly executed and delivered by the City, are valid and binding upon the City and are enforceable in accordance with their terms (except as may be limited by any applicable bankruptcy, liquidation, reorganization, insolvency or other similar laws and by general principles of equity in the event that equitable remedies are sought); (iv) the Indenture and this First Supplemental Indenture create the valid pledge of Pledged Revenues, moneys and securities held under them for the benefit and security of the Series 2014B Bonds, subject to application in the manner provided in the Indenture and this First Supplemental Indenture; and (v) upon the

4830-5699-3810.11

execution, authentication and delivery of the Series 2014B Bonds, the Bonds of such Series will have been duly and validly authorized and issued in accordance with the Constitution and laws of the State of Illinois, the Indenture and this First Supplemental Indenture;

3) A written order as to the delivery of the Series 2014B Bonds, executed by an Authorized Officer and stating (i) the identity of the purchasers, aggregate purchase price and date and place of delivery of such Series, and (ii) that no Event of Default has occurred and is continuing under the Indenture and fixing and determining all terms and provisions of the Bonds of such Series not fixed or determined by the Indenture or this First Supplemental Indenture; and

4) Original executed counterparts (or copies duly certified by the City Clerk of the City) of the Indenture and this First Supplemental Indenture.

Section 3.5 Book-Entry Provisions. The provisions of Section 2.5 of this First Supplemental Indenture shall apply to the Series 2014B Bonds.

Section 3.6 Creation of the 2014B Reserve Sub-Account. The City establishes a separate, segregated Sub-Account within the Reserve Account to be known as the "2014B Reserve Sub-Account." Proceeds of the Series 2014B Bonds in an amount equal to \$1,715,273.17 shall be deposited into the 2014B Reserve Sub-Account as provided in Section 3.7. Amounts on deposit in the 2014B Reserve Sub-Account shall be applied as provided in the Indenture.

Section 3.7 Application of Proceeds. The proceeds derived from the sale of the Series 2014B Bonds in the amount of \$15,982,767.74 (which is net of Underwriter's Discount in the amount of \$82,232.26), shall be applied by the Trustee on the Date of Issuance as follows:

a) \$14,038,165 shall be transferred to the trustee for the Series 2004 Bonds and applied in accordance with the Series 2004 Trust Indenture to redeem a portion of the Series 2004B Bonds

on the Date of Issuance as directed by the City;

b) \$1,715,273.17 shall be deposited into the 2014B Reserve Sub-Account;  
and

c) \$229,329.57 shall be deposited by the Trustee into the Costs of Issuance Account and applied by the Trustee to pay costs of issuance of the Series 2014B Bonds at the direction of the City.

Section 3.8 Registrar; Paving Agent. The Registrar and Paying Agent for the Series 2014B Bonds shall be Amalgamated Bank of Chicago and any successor Registrar and Paying Agent appointed by the City.

11

4830-5699-3810.11

## ARTICLE IV

### SUPPLEMENTAL INDENTURES

Section 4.1 Supplements or Amendments to First Supplemental Indenture. This First Supplemental Indenture may be supplemented or amended in the manner set forth in Articles X and XI, respectively, of the Indenture.

## ARTICLE V

### MISCELLANEOUS

Section 5.1 First Supplemental Indenture as Part of the Indenture. This First Supplemental Indenture shall be construed in connection with and as a part of the Indenture and all terms, conditions and covenants contained in the Indenture shall apply to and be deemed to be for the equal benefit, security and protection of the Bonds.

Section 5.2 Severability. If any provision of this First Supplemental 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 contained in this First Supplemental Indenture or render the same invalid, inoperative or unenforceable to any extent.

Section 5.3 Payments Due on Saturdays, Sundays and Holidays. If any payment of interest of or principal or redemption premium on the Bonds is due on a date that is not a Business Day, payment shall be made on the next succeeding Business Day with the same force and effect as if made on the date which is fixed for such payment, and no interest shall accrue on such amount for the period after such due date.

Section 5.4 Counterparts. This First Supplemental 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 5.5 Governing Law. This First Supplemental Indenture shall be construed in accordance with the provisions of the internal laws of the State of Illinois, without giving effect to any contrary provisions of the laws of the State of Illinois or any other state.

Section 5.6 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 First Supplemental Indenture and not solely to the particular portion in which any such word is used.

Section 5.7 Captions. The captions and headings in this First Supplemental Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this First Supplemental Indenture.

[Signature Page Follows]

12

4830-5699-3810.11

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

CITY OF CHICAGO

(SEAL)

Attest:

AMALGAMATED BANK OF CHICAGO, as Trustee

Authorized Signatory

Attest:

Authorized Signatory

[Signature Page to First Supplemental Indenture]

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

CITY OF CHICAGO

Chief Financial Officer

Attest:

City Clerk

AMALGAMATED BANK OF CHICAGO, as Trustee

Authorized Signatory

[Signature Page to First Supplemental Indenture]

**Exhibit A-1**

REGISTERED REGISTERED NO.

CITY OF CHICAGO TAX INCREMENT ALLOCATION REVENUE  
REFUNDING BOND (PILSEN REDEVELOPMENT PROJECT), SERIES  
2014A (TAX-EXEMPT)

Interest Rate

Maturity Date

Dated Date CUSIP

Registered Owner:

Principal Amount:

The City of Chicago, Illinois, a municipal corporation and home rule unit of government duly organized and existing under the laws of the State of Illinois (the "City"), for value received, promises to pay (but only out of the sources provided in this bond) to the Registered Owner identified above or registered assigns, upon presentation and surrender of this bond, the Principal Amount identified above on the Maturity Date specified above, and to pay (but only out of the sources provided in this bond) interest on said Principal Amount from the interest payment date next preceding the date of authentication and delivery of this bond, unless this bond is authenticated and delivered on an interest payment date to which interest has been paid or provided for, in which event this bond shall bear interest from such interest payment date, or unless this bond is authenticated and delivered prior to June 1, 2015, in which event this bond shall bear interest from its Dated Date, or unless, as shown by the records of the Trustee (defined below), interest on this bond shall be in default, in which event this bond shall bear interest from the last date to which interest has been paid. Interest on this bond (computed on the basis of a 360-day year consisting of twelve 30-day months) is payable on June 1 and December 1 of each year, commencing June 1, 2015, until the payment in full of such Principal Amount.

Principal of and premium, if any, on this bond are payable in lawful money of the United States of America at the principal corporate trust office of Amalgamated Bank of Chicago, in Chicago, Illinois, or its successor in trust (the "Trustee"), and payment of interest shall be made to the person in whose name this Bond is registered at the close of business on the fifteenth (15th) day of the calendar month preceding each interest payment date occurs (the "Record Date") by check or bank draft mailed or delivered by the Trustee to such Registered Owner at such Registered Owner's address as it appears on the registration books of the City maintained by the Trustee, as Registrar (the "Registrar"), or, at the option of any Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2014A Bonds (defined below), by



4830-5699-3810.11

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

This bond is one of a duly authorized issue of \$17,345,000 aggregate principal amount Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project), Series 2014A (the "Series 2014A Bonds"), issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, particularly Article VII, Section 6(a) of the Illinois Constitution of 1970, and a Trust Indenture, dated as of November 1, 2014, from the City to the Trustee, as supplemented by a First Supplemental Indenture dated as of November 1, 2014, from the City to the Trustee securing the Series 2014A Bonds, the Series 2014B Bonds described below and any other Bonds issued pursuant thereto (collectively, the "Indenture").

The Series 2014A Bonds were authorized by an ordinance duly adopted by the City Council of the City on March 13, 2013 (the "Bond Ordinance"), and are issued under the authority of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "Act"), and all laws amendatory of and supplemental to the Act, the City's powers as a home rule unit of local government and the Bond Ordinance. Contemporaneously with the issuance of the Series 2014A Bonds the City is issuing \$16,065,000 aggregate principal amount of Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project) Series 2014B (Taxable) (the "Series 2014B Bonds" and, together with the Series 2014A Bonds, the "Series 2014 Bonds") on a parity with the Series 2014A Bonds. The principal of and interest on the Series 2014 Bonds are payable solely from and secured by a pledge of and lien on the Pledged Revenues and certain amounts on deposit in certain funds and accounts created pursuant to the Indenture.

The Indenture provides that additional Series of Refunding Bonds may be issued from time to time in the future on a parity with the Series 2014A Bonds to share ratably and equally in the Pledged Revenues upon compliance with certain requirements contained in the Indenture (the Series 2014 Bonds and such additional Refunding Bonds from time to time outstanding are referred to collectively as the "Bonds"). The Indenture also provides that the City may issue Junior Lien Bonds (as defined in the Indenture) which have a claim for payment from Pledged Revenues subordinate to the claim of the Bonds, as provided in the Indenture, upon compliance with certain requirements contained in the Indenture.

The Series 2014A Bonds are being issued for the purpose of refunding in advance of their maturity all or any part of certain outstanding tax increment allocation revenue obligations of the City, funding a portion of the debt service reserve account for the Series 2014 Bonds, and paying costs of issuance of the Series 2014A Bonds, all as more fully described in the Indenture, to all the provisions of which the Registered Owner by the acceptance of this Bond assents. The Series 2014A Bonds, together with the interest on the Series 2014A Bonds, are limited obligations of the City, payable solely from Pledged Revenues and the amounts on deposit in and pledged to certain Funds and Accounts as provided in the Indenture. For the prompt payment of this bond, both principal and interest, as stated above, at maturity, the Pledged Revenues have been irrevocably pledged. The Series 2014A Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation. No Registered Owner of this bond shall have the right to compel the exercise of any taxing power of the City,

4830-5699-3810.11

the State or any political subdivision of the State for payment of principal of this bond or interest or premium, if any, on the Series 2014A Bonds.

An executed copy of the Indenture is on file at the principal corporate trust office of the Trustee in Chicago, Illinois, and reference is made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Series 2014A Bonds, the rights, duties and obligations of the City, the Trustee and the Registered Owners of the Series 2014A Bonds and the terms upon which the Series 2014A Bonds are issued and secured and the terms and conditions upon which additional Series of Bonds and Refunding Bonds may be issued.

This bond is transferable, as provided in the Indenture, only upon the registration books of the City maintained by the Registrar by the Registered Owner in person, or by its duly authorized attorney, upon surrender of this Bond with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney, and thereupon a new registered Series 2014A Bond or Series 2014A Bonds, in the same aggregate principal amount and maturity, shall be issued to the transferee. The City, the Trustee, the Registrar and any Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner of this Bond for the purpose of receiving payment of, or on account of, the principal of this Bond and interest due on this Bond and for all other purposes.

The Series 2014A Bonds are issuable in the form of fully registered bonds in the denomination of \$5,000 or any integral multiple of that amount. Subject to the conditions and upon the payment of the charges provided in the Indenture, the Series 2014A Bonds may be surrendered (accompanied by a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney) in exchange for an equal aggregate principal amount of the Series 2014A Bonds of the same maturity of any other authorized denominations.

The Registrar shall not be required to make any registration, transfer or exchange of any Series 2014A Bond during the period between each Record Date and the next succeeding interest payment date of such Series 2014 Bond.

The Series 2014A Bonds are not subject to redemption prior to their maturity.

The Indenture provides that if the City shall pay the principal and interest due or to become due on all Bonds, at the times and in the manner stipulated in the Bonds and in the Indenture, then the pledge and lien created by the Indenture for all Bonds shall be discharged and satisfied. If the City shall pay the principal and interest due and to become due on all Bonds of a particular series, maturity within a series or portions of a maturity within a series at the times and in the manner stipulated in the Bonds and in the Indenture, then the pledge and lien created by the Indenture for such Bonds shall thereupon be discharged and satisfied. Bonds or interest installments for the payment of which moneys shall have been set aside and held in trust at or prior to their maturity date shall be deemed to have been paid if, among other things, the City shall have delivered to the Trustee either moneys in an amount which shall be sufficient or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the "Government Obligations"), the principal of

and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest due and to become due on said Bonds on and prior to each specified maturity date. Government Obligations and moneys so deposited with the Trustee shall be held in trust for the payment of the principal of and interest on said Bonds.

The Series 2014A Bonds are payable solely from the Pledged Revenues and sources pledged for their payment on a parity with any additional Senior Lien Bonds which may be issued in the future, all in accordance with the Indenture. No recourse shall be had for the payment of the principal of or interest on the Series 2014A Bonds or for any claim based on the Series 2014 Bonds or on the Indenture against any past, present or future member of the City Council, officer, employee or agent of the City, or any successor public body or person executing the Bonds, either directly or through the City, under any rule of law or equity, statute or constitution or otherwise, and all of such liability of any such members, officers, employees or agents as such is expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of the Series 2014A Bonds.

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

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

It is certified, recited and declared that all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond have been performed in due time, form and manner as required by law; and that the issuance of this Bond and the series of which it is a part does not exceed or violate any constitutional or statutory limitation.

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

IN WITNESS WHEREOF, the City of Chicago has caused this Bond to be signed in its name and on its behalf by the manual or duly authorized facsimile signature of its Mayor and its corporate seal (or a facsimile of it) to be impressed, imprinted, engraved or otherwise reproduced on this bond and attested by the manual or duly authorized facsimile signature of its City Clerk, all as of the Dated Date identified above.

CITY OF CHICAGO

Mayor

[Seal]

A-1-4

4830-5699-3810.11

Attest:

City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2014A Bonds described in the within-mentioned Indenture.

Date of Authentication and Delivery:

AMALGAMATED BANK OF CHICAGO, as Trustee

By:

Authorized Signatory

Date of Authentication:

[FORM OF ASSIGNMENT]

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

Unif Gift Min Act - Custodian  
(Cust) (Minor)

under Uniform Gifts to Minors Act  
(State)

Ten Com - as tenants in common Ten Ent - as  
tenants by the entireties

Jt Ten - as joint tenants with right of survivorship and not as tenants in common

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

A-1-5

ASSIGNMENT

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

(Name and Address of Assignee)

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

the within bond and irrevocably constitutes and appoints \_\_\_\_\_,  
Attorney, to transfer the said bond on the books kept for registration of the said bond with full power of  
substitution in the premises.

Dated:

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

Notice: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers,  
savings and loan associations and credit unions with membership in approved Signature  
Guarantee Medallion Program).

REGISTERED REGISTERED NO.

CITY OF CHICAGO TAX INCREMENT ALLOCATION  
REVENUE BOND (PILSEN REDEVELOPMENT PROJECT),  
SERIES 2014B (TAXABLE)

Interest Rate

Maturity Date

Dated Date CUSIP

Registered Owner:

Principal Amount:

The City of Chicago, Illinois, a municipal corporation and home rule unit of government duly organized and existing under the laws of the State of Illinois (the "City"), for value received, promises to pay (but only out of the sources provided in this bond) to the Registered Owner identified above or registered assigns, upon presentation and surrender of this bond, the Principal Amount identified above on the Maturity Date specified above, and to pay (but only out of the sources provided in this bond) interest on said Principal Amount from the interest payment date next preceding the date of authentication and delivery of this bond, unless this bond is authenticated and delivered on an interest payment date to which interest has been paid or provided for, in which event this bond shall bear interest from such interest payment date, or unless this bond is authenticated and delivered prior to June 1, 2015, in which event this bond shall bear interest from its Dated Date, or unless, as shown by the records of the Trustee (defined below), interest on this bond shall be in default, in which event this bond shall bear interest from the last date to which interest has been paid. Interest on this bond (computed on the basis of a 360-day year consisting of twelve 30-day months) is payable on June 1 and December 1 of each year, commencing June 1, 2015, until the payment in full of such Principal Amount.

Principal of and premium, if any, on this bond are payable in lawful money of the United States of America at the principal corporate trust office of Amalgamated Bank of Chicago, in Chicago, Illinois, or its successor in trust (the "Trustee"), and payment of interest shall be made to the person in whose name this Bond is registered at the close of business on the fifteenth (15th) day of the calendar month preceding each interest payment date occurs (the "Record Date") by check or bank draft mailed or delivered by the Trustee to such Registered Owner at such Registered Owner's address as it appears on the registration books of the City maintained by the Trustee, as Registrar (the "Registrar"), or, at the option of any Registered Owner of \$1,000,000 or more in aggregate principal amount of Series 2014B Bonds (defined below), by

4830-5699-3810.11

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

This bond is one of a duly authorized issue of \$16,065,000 aggregate principal amount Tax

Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project), Series 2014B (Taxable) (the "Series 2014B Bonds"), issued pursuant to, under authority of and in full compliance with the Constitution and laws of the State of Illinois, particularly Article VII, Section 6(a) of the Illinois Constitution of 1970, and a Trust Indenture, dated as of November 1, 2014, from the City to the Trustee, as supplemented by a First Supplemental Indenture dated as of November 1, 2014, from the City to the Trustee (collectively, the "Indenture"), securing the Series 2014A Bonds, described below, the Series 2014B Bonds and any other Bonds issued pursuant thereto.

The Series 2014B Bonds were authorized by an ordinance duly adopted by the City Council of the City on March 13, 2013 (the "Bond Ordinance"), and are issued under the authority of the Illinois Tax Increment Allocation Redevelopment Act (65 ILCS 5/11-74.4-1 et seq.) (the "Act"), and all laws amendatory of and supplemental to the Act, the City's powers as a home rule unit of local government and the Bond Ordinance. Contemporaneously with the issuance of the Series 2014B Bonds, the City is issuing \$17,345,000 aggregate principal amount of Tax Increment Allocation Revenue Refunding Bonds (Pilsen Redevelopment Project), Series 2014A (Tax-Exempt) (the "Series 2014A Bonds" and, together with the Series 2014B Bonds, the "Series 2014 Bonds") which are secured under the Indenture on a parity with the Series 2014B Bonds. The principal of and interest on the Series 2014 Bonds are payable solely from and secured by a pledge of and lien on the Pledged Revenues and certain amounts on deposit in certain funds and accounts created pursuant to the Indenture.

The Indenture provides that additional Series of Refunding Bonds may be issued from time to time in the future on a parity with the Series 2014 Bonds to share ratably and equally in the Pledged Revenues, upon compliance with certain requirements contained in the Indenture. The Indenture also provides that the City may issue Junior Lien Bonds (as defined in the Indenture) with a claim for payment from Pledged Revenues subordinate to the claim of the Series 2014 Bonds as provided in the Indenture upon compliance with certain requirements of the Indenture.

The Series 2014B Bonds are being issued for the purpose of refunding in advance of their maturity a portion of the City's Tax Increment Allocation Revenue Bonds (Pilsen Redevelopment Project), Series 2004B of the City, funding a portion of a debt service reserve account, and paying costs of issuance of the Series 2014B Bonds, all as more fully described in the Indenture, to all the provisions of which the Registered Owner by the acceptance of this Bond assents. The Series 2014B Bonds, together with the interest on the Series 2014B Bonds, are limited obligations of the City, payable solely from Pledged Revenues as provided in the Indenture and the amounts on deposit in and pledged to the various funds and accounts as provided in the Indenture. For the prompt payment of this bond, both principal and interest, as stated above, at maturity, the Pledged Revenues have been irrevocably pledged. The Series 2014B Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation. No Registered Owner of this bond shall have the right to compel the exercise of any taxing power of the City, the State or any political

#### A-2-2

4830-5699-3810.11

subdivision of the State for payment of principal of this bond or interest or premium, if any, on the Series 2014B Bonds.

An executed copy of the Indenture is on file at the principal corporate trust office of the Trustee in Chicago, Illinois, and reference is made to the Indenture for a description of the provisions, among others, with respect to the nature and extent of the security for the Series 2014B Bonds, the rights, duties and

obligations of the City, the Trustee and the Registered Owners of the Series 2014B Bonds and the terms upon which the Series 2014B Bonds are issued and secured and the terms and conditions upon which additional Series of Bonds and Refunding Bonds may be issued.

This bond is transferable, as provided in the Indenture, only upon the registration books of the City maintained by the Registrar by the Registered Owner in person, or by its duly authorized attorney, upon surrender of this Bond with a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney, and thereupon a new registered Series 2014B Bond or Series 2014B Bonds, in the same aggregate principal amount and maturity, shall be issued to the transferee. The City, the Trustee, the Registrar and any Paying Agent may deem and treat the person in whose name this Bond is registered as the absolute owner of this Bond for the purpose of receiving payment of, or on account of, the principal of this Bond and interest due on this Bond and for all other purposes.

The Series 2014B Bonds are issuable in the form of fully registered bonds in the denomination of \$5,000 or any integral multiple of \$5,000 in excess of that amount. Subject to the conditions and upon the payment of the charges provided in the Indenture, the Series 2014B Bonds may be surrendered (accompanied by a written instrument of transfer satisfactory to the Registrar duly executed by the Registered Owner or its duly authorized attorney) in exchange for an equal aggregate principal amount of the Series 2014B Bonds of the same maturity of any other authorized denominations.

The Registrar shall not be required to make any registration, transfer or exchange of any Series 2014B Bond during the period between each Record Date and the next succeeding interest payment date of such Series 2014B Bond.

The Series 2014B Bonds are not subject to redemption prior to maturity.

The Indenture provides that if the City shall pay the principal and interest due or to become due on all Bonds, at the times and in the manner stipulated in the Bonds and in the Indenture, then the pledge and lien created by the Indenture for all Bonds shall be discharged and satisfied. If the City shall pay the principal and interest due and to become due on all Bonds of a particular series, maturity within a series or portions of a maturity within a series at the times and in the manner stipulated in the Bonds and in the Indenture, then the pledge and lien created by the Indenture for such Bonds shall thereupon be discharged and satisfied. Bonds or interest installments for the payment of which moneys shall have been set aside and held in trust at or prior to their maturity date shall be deemed to have been paid if, among other things, the City shall have delivered to the Trustee either moneys in an amount which shall be sufficient or direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America (the "Government Obligations"), the principal of

4830-5699-3810.11

and interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time, shall be sufficient to pay when due the principal of and interest due and to become due on said Bonds on and prior to each specified maturity date. Government Obligations and moneys so deposited with the Trustee shall be held in trust for the payment of the principal of and interest on said Bonds.

The Series 2014B Bonds are payable solely from the Pledged Revenues and sources pledged for



their payment on a parity with any additional Senior Lien Bonds which may be issued in the future, all in accordance with the Indenture. No recourse shall be had for the payment of the principal of or interest on the Series 2014B Bonds or for any claim based on the Series 2014B Bonds or on the Indenture against any past, present or future member of the City Council, officer, employee or agent of the City, or any successor public body or person executing the Bonds, either directly or through the City, under any rule of law or equity, statute or constitution or otherwise, and all of such liability of any such members, officers, employees or agents as such is expressly waived and released as a condition of and consideration for the execution of the Indenture and the issuance of the Series 2014B Bonds.

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

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

It is certified, recited and declared that all acts and conditions required to be performed precedent to and in the execution and delivery of the Indenture and the issuance of this Bond have been performed in due time, form and manner as required by law; and that the issuance of this Bond and the series of which it is a part does not exceed or violate any constitutional or statutory limitation.

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

IN WITNESS WHEREOF, the City of Chicago has caused this Bond to be signed in its name and on its behalf by the manual or duly authorized facsimile signature of its Mayor and its corporate seal (or a facsimile of it) to be impressed, imprinted, engraved or otherwise reproduced on this bond and attested by the manual or duly authorized facsimile signature of its City Clerk, all as of the Dated Date identified above.

CITY OF CHICAGO

Mayor

[Seal]

A-2-4

4830-5699-3810.11

Attest:

City Clerk

[FORM OF CERTIFICATE OF AUTHENTICATION]

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Series 2014B Bonds described in the within-mentioned Indenture.

Date of Authentication and Delivery: AMALGAMATED BANK

OF CHICAGO, as Trustee

By:

Authorized Signatory

Date of Authentication:

[FORM OF ASSIGNMENT]

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

Unif Gift Min Act - Custodian  
(Cust) (Minor)

under Uniform Gifts to Minors Act  
(State)

Ten Com - as tenants in common Ten Ent - as  
tenants by the entirety

Jt Ten - as joint tenants with right of survivorship and not as tenants in common

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

4830-5699-3810.11

ASSIGNMENT

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

(Name and Address of Assignee)

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

the within bond and irrevocably constitutes and appoints  
Attorney, to transfer the said bond on the books kept for registration of the said bond with full power of  
substitution in the premises.

Dated:

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

Notice: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers,  
savings and loan associations and credit unions with membership in approved Signature  
Guarantee Medallion Program).

A-2-6

4830-5699-3810 11

**\$33,410,000 CITY OF CHICAGO**

**\$17,345,000 CITY OF CHICAGO TAX INCREMENT ALLOCATION REVENUE REFUNDING  
BONDS (PILSEN REDEVELOPMENT PROJECT), SERIES 2014A (TAX-EXEMPT)**

**\$16,065,000 CITY OF CHICAGO TAX INCREMENT ALLOCATION REVENUE  
REFUNDING BONDS (PILSEN REDEVELOPMENT PROJECT), SERIES 2014B  
(TAXABLE)**

**Acknowledgment of Filing**

The foregoing Notification of Sale of \$33,410,000 Tax Increment Allocation Revenue Refunding Bonds, Series 2014, of the City of Chicago (the "City") has been filed in the office of the City Clerk of the City and is part of the official files and records of my office.

[SIGNATURE PAGE FOLLOWS]

/

[SIGNATURE PAGE - ACKNOWLEDGEMENT OF FILING]