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INDENTURE OF TRUST

by and between

CITY OF PEORIA, PEORIA COUNTY, ILLINOIS

and

U.S. BANK NATIONAL ASSOCIATION,  
Indianapolis, Indiana, as Trustee

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Dated as of March 1, 2016

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Securing

[\$Amount]  
City of Peoria, Peoria County, Illinois  
Variable Rate General Obligation Demand Bonds, Series 2016A

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THIS INDENTURE OF TRUST is made and entered into as of March 1, 2016, from the CITY OF PEORIA, PEORIA COUNTY, ILLINOIS (the “City”), a municipality and home rule unit duly organized and existing under the laws of the State of Illinois and U.S. BANK NATIONAL ASSOCIATION, Indianapolis, Indiana, a national banking association, having a corporate trust office in Indianapolis, Indiana, as trustee (said association, and any successor or successors as trustee hereunder, being herein referred to as the “Trustee”);

**WITNESSETH:**

WHEREAS the City of Peoria, Peoria County, Illinois (the “City”) has a population in excess of 25,000 as determined by the last official census, and pursuant to the provisions of Section 6 of Article VII of the Constitution of the State of Illinois, the City is a home rule unit and may exercise any power or perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt; and

WHEREAS the City Council of the City (the “City Council”) has heretofore, and it hereby expressly is, determined that it is advisable and necessary and in the best interests of the City to (i) refund the City’s Taxable Variable Rate General Obligation Capital Improvement Bonds, Series 2012C, currently outstanding in the aggregate principal amount of \$\_\_\_\_\_ (the “Refunded Bonds”) and (ii) undertake a public capital infrastructure improvement project, including, but not limited to, improvements to the public capital infrastructure systems of the City (the “Project”); and

WHEREAS in order to provide funds to pay the costs of refunding the Refunded Bonds and to pay the costs of the Project, including a portion of the interest coming due on the bonds authorized for the Project, and to pay costs of issuance of the bonds and other related expenses, the City Council has heretofore adopted an ordinance on the 23rd day of February, 2016 (as supplemented by a 2016A Bond Order, the “Bond Ordinance”), pursuant to which the City has duly authorized the issuance and sale of its Variable Rate General Obligation Demand Bonds, Series 2016A (the “Bonds”); and

WHEREAS in furtherance thereof, the City and Mesirow Financial, Inc. (the “Remarketing Agent”) have entered into a Remarketing Agreement, dated as of March 1, 2016 (the “Remarketing Agreement”), pursuant to which the Remarketing Agent will set the interest rates for the Bonds and arrange for the purchase of Bonds tendered or required to be tendered for purchase by Bondholders and use its best efforts to remarket said tendered Bonds on behalf of the City; and

WHEREAS as support for the payment of the portion of the purchase price equal to certain interest on and the aggregate principal amount of Bonds (or beneficial interests therein) tendered or required to be tendered for purchase as described herein, the City will deliver to the Trustee a Standby Bond Purchase Agreement dated as of March 1, 2016 (the “Initial Liquidity Facility”), between the City and BMO Harris Bank N.A. (the “Liquidity Provider”), pursuant to which the Liquidity Provider agrees to provide funds to the Trustee, in accordance with the terms thereof,

of Bonds tendered or required to be tendered for purchase pursuant to Article III of this Indenture; and

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

#### **GRANTING CLAUSES**

NOW THEREFORE THIS INDENTURE WITNESSETH, that to secure all Bonds issued and Outstanding under this Indenture, the payment of the principal or purchase or redemption price thereof and interest thereon, the rights of the Bondholders and the performance and observance of all of the covenants contained in the Bonds and herein, and for and in consideration of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Bondholders, from time to time, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the City does hereby sell, assign, transfer, set over and pledge unto the Trustee, its successors in trust and its assigns forever, and grant to the Trustee, its successors in trust and its assigns all right, title and interest of the City in and to the Pledged Taxes (as defined in the Bond Ordinance and referenced in Section 4.02 hereof), and all moneys and securities from time to time held by the Trustee under the terms of this Indenture and the Bond Ordinance and all other property, if any, pledged to the Trustee as security under this Indenture and the Bond Ordinance.

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

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future holders of Bonds issued and to be issued under this Indenture, without preference, priority or distinction (except as otherwise specifically provided herein) of any one Bond over any other Bond.

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

## ARTICLE I

### DEFINITIONS

*Section 1.01. Definitions.* In addition to the words and terms defined elsewhere in this Indenture, each of the following terms shall have the meaning assigned to it in this Section 1.01 whenever it is used in this Indenture, unless the context in which it is used clearly requires otherwise:

“*Act*” means the Illinois Municipal Code, and also the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution of 1970; and in the event of conflict between the provisions of said code and home rule powers, the home rule powers shall be deemed to supersede the provisions of said code.

“*Adequate Interest Coverage*” shall have the meaning set forth in Section 2.02(e) hereof.

“*Adjustable Rate*” means the interest rate per annum from time to time borne by the Bonds when in the Adjustable Rate Mode, as established in accordance with Section 2.02(c) hereof.

“*Adjustable Rate Conversion Date*” means each Interest Payment Date on which Bonds, upon having been converted to the Adjustable Rate Mode from the Weekly Mode, shall first begin to bear interest at an Adjustable Rate in accordance with the terms hereof, and each subsequent Adjustable Rate Reset Date.

“*Adjustable Rate Interest Payment Date*” means (i) with respect to an Adjustable Rate Period of at least six calendar months’ duration, the first day of the sixth calendar month following the Adjustable Rate Conversion Date and the first day of each successive sixth calendar month, if any, of such Adjustable Rate Period; *provided, however*, the final Adjustable Rate Interest Payment Date with respect to any such Adjustable Rate Period shall be the first Business Day of the calendar month immediately following the expiration of such Adjustable Rate Period, or the Stated Maturity (if such Adjustable Rate Period extends to the Stated Maturity), and (ii) with respect to an Adjustable Rate Period of less than six calendar months’ duration, the first Business Day of the calendar month immediately following the Adjustable Rate Period or Stated Maturity (if such Adjustable Rate Period extends to Stated Maturity).

“*Adjustable Rate Mode*” means the Mode in which the Bonds bear interest at an Adjustable Rate.

“*Adjustable Rate Period*” means any period of not less than one month in duration, commencing on an Adjustable Rate Conversion Date or an Adjustable Rate Reset Date, as appropriate, and ending on the earlier to occur of the maturity or redemption of Bonds or the day preceding the subsequent Conversion Date or Adjustable Rate Reset Date, as appropriate.

“*Adjustable Rate Reset Date*” means an Adjustable Rate Interest Payment Date on which the Bonds begin to bear interest at a new Adjustable Rate in accordance with the terms hereof.



*“Alternate Liquidity Facility”* is defined in Section 2.14 hereof.

*“Authorized Denomination”* means \$100,000 or any integral multiple of \$5,000 in excess thereof or, upon conversion to an Adjustable Rate Period extending to Stated Maturity, \$5,000 or any integral multiple thereof.

*“Authorized Officer”* means any of the Mayor, the City Clerk, the City Treasurer, the Finance Director/Comptroller and the City Manager, or successors or assigns, or any other officer or employee of the City so designated by a written instrument signed by any of the Mayor, the City Clerk, the City Treasurer, the Finance Director/Comptroller and the City Manager, or successors or assign and filed with the Trustee.

*“Automatic Termination Event”* means those events described in the Liquidity Facility which permit the Liquidity Provider to immediately terminate its obligation to provide funds to purchase Bonds without notice or other condition.

*“Bank Bondholder”* means an owner or Beneficial Owner of Bank Bonds, which shall only be the Liquidity Provider (or successors in interest) and any person to whom the Liquidity Provider sells or conveys Bank Bonds under the terms of the Liquidity Facility.

*“Bank Bonds”* means Bonds or beneficial interests in Bonds purchased with moneys provided by the Liquidity Provider pursuant to Section 3.07(b) hereof, but excluding Bonds no longer to be considered Bank Bonds pursuant to the Liquidity Facility.

*“Bank Rate”* means the rate of interest to be borne on Bank Bonds as provided in the Liquidity Facility, not in any event to exceed (A)(i) while the Initial Liquidity Facility is in effect, the Bank Rate (as defined in the Initial Liquidity Facility) and (ii) while any Alternate Liquidity Facility is in effect, the maximum rate permitted in such Alternate Liquidity Facility and (B) the Maximum Rate.

*“Beneficial Owner”* means the person in whose name a Bond is recorded as beneficial owner of such Bond by the Securities Depository or a Participant or an Indirect Participant on the records of such Securities Depository, Participant or Indirect Participant, as the case may be, or such person’s subrogee.

*“Bond Counsel”* means, with respect to the original issuance of the Bonds, Chapman and Cutler LLP, Chicago, Illinois, and thereafter, Chapman and Cutler LLP, or any firm of attorneys of nationally recognized expertise with respect to the obligations of political subdivisions, selected by the City and acceptable to the Remarketing Agent.

*“Bond Fund”* means the fund by that name established by Section 5.02 of this Indenture.

*“Bond Owner,” “Bondowner,” “Owner,” “owner,” “Bondholder,” “bondholder,” “holder”* or *“owner of the Bonds,”* when used with respect to a Bond, means the person or entity in whose name such Bond shall be registered.

“*Bond Ordinance*” means, the ordinance adopted by the City Council on February 23, 2016, as supplemented by a 2016A Bond Order, authorizing the issuance of the Bonds.

“*Bonds*” means the Bonds issued pursuant to this Indenture, as more fully described in Article II hereof.

“*Book-Entry System*” means a book-entry system established and operated for the recordation of Beneficial Owners of the Bonds pursuant to Section 2.12 hereof.

“*Business Day*” or “*business day*” means any day which is not (a) a Saturday, a Sunday or, in the City of New York, New York or the City of Chicago, Illinois (or, if different, in the cities in which the designated corporate trust office or operations office of the Trustee, the designated corporate office of the Tender Agent, the designated corporate office of the Remarketing Agent or the office of the Liquidity Provider at which demands under the Liquidity Facility are to be honored are located), a day on which banking institutions are authorized or required by law or executive order to close, (b) a day on which the New York Stock Exchange is closed, or (c) a day on which the payment system of the Federal Reserve System is not operational.

“*City*” means the City of Peoria, Peoria County, Illinois.

“*Closing Date*” means the date the Bonds are delivered to the purchaser thereof against payment therefor pursuant to the Purchase Contract as authorized and defined in the Bond Ordinance.

“*Conversion Date*” means an Adjustable Rate Conversion Date or a Weekly Rate Conversion Date, as appropriate.

“*Custody Account*” means the Account of that name established pursuant to Section 3.10 of this Indenture.

“*Differential Interest Amount*” is defined in the Liquidity Facility.

“*Event of Default,*” used with respect to this Indenture, means any event specified in Section 7.01 of this Indenture.

“*Expiration Date*” means the date upon which the Liquidity Provider’s obligation to purchase Bonds under the Liquidity Facility is scheduled to expire (taking into account any extensions of the Expiration Date) in accordance with its terms, other than by reason of an Automatic Termination Event, a Notice of Termination, a Suspension Event, a conversion to the Adjustable Rate Mode, or the deposit of an Alternate Liquidity Facility with the Trustee.

“*Favorable Opinion of Bond Counsel*” means, with respect to any action the occurrence of which requires such an opinion, the opinion of Bond Counsel to the effect that such action will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of

federal income taxation (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Bonds).

“*Fiscal Year*” means any 12-month period beginning on January 1 of any calendar year and ending on December 31 of the following calendar year or such other consecutive 12-month period selected by the City as the fiscal year for the City.

“*Government Obligations*” means (a) direct obligations of the United States of America or direct obligations of any agency or instrumentality of the United States of America if such obligations are fully guaranteed by the full faith and credit of the United States of America, (b) obligations on which the timely payment of principal and interest is fully guaranteed by the United States of America or by any agency or instrumentality of the United States of America whose obligations, in turn, are fully guaranteed by the full faith and credit of the United States of America or (c) evidences of a direct ownership interest in amounts payable upon any of the obligations set forth in (a) or (b) of this definition.

“*Indenture*” means this Indenture of Trust, including all amendments hereof and supplements hereto.

“*Indirect Participant*” means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository through a Participant.

“*Initial Liquidity Facility*” means the Standby Bond Purchase Agreement dated as of March 1, 2016, between the Liquidity Provider and the City, including any extensions thereof and any amendments or supplements thereto executed in accordance with Article X of this Indenture, pursuant to which the Liquidity Provider agrees to provide funds to the Trustee, in accordance with the terms thereof, up to the Required Amount of the Liquidity Facility, for the purchase price of Bonds tendered or required to be tendered for purchase pursuant to Article III of this Indenture.

“*Interest Payment Date*” means as follows: (a) if other than a Bank Bond, an Adjustable Rate Interest Payment Date, a Weekly Rate Interest Payment Date and any date upon which the outstanding principal amount of the Bonds becomes due, or (b) if a Bank Bond, the first Business Day of each month.

“*LIBOR*” means the rate per annum determined on the basis of the rate of deposits in U.S. dollars offered for a term of one month, which rate appears on the display designated on the Moneyline Telerate (Page 3750) (or such other page as may replace the Moneyline Telerate (Page 3750) or such other service or services as may be nominated by the British Bankers’ Association for the purpose of displaying London interbank offered rates in U.S. dollar deposits), determined at approximately 11:00 a.m., London time, on the date of the determination.

“*Liquidity Facility*” means the Initial Liquidity Facility or any Alternate Liquidity Facility then in effect.

“*Liquidity Provider*” means, with respect to the Initial Liquidity Facility, BMO Harris Bank N.A., as the issuer of the Initial Liquidity Facility, and its successors in such capacity and its assigns; or, if any Alternate Liquidity Facility is issued, the issuer or issuers thereof, and its or their successor or successors in such capacity and its or their assign or assigns.

“*Long-Term Mode*” means each Adjustable Rate Period of greater than one year’s duration.

“*Maximum Rate*” means (i) 10% per annum for the Bonds and (ii) 15% per annum for Bank Bonds and other obligations owed to the Liquidity Provider.

“*Mode*” means either of the interest rate modes which may exist from time to time with respect to any Bond, *i.e.*, the Adjustable Rate Mode or the Weekly Rate Mode, as appropriate.

“*Moody’s*” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*Moody’s*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City in its place by notice to the Trustee, the Remarketing Agent and the Liquidity Provider.

“*Notice of Suspension*” means the written notice given by the Liquidity Provider to the Trustee of the occurrence of a Suspension Event.

“*Notice of Termination*” means the written notice given by the Liquidity Provider to the Trustee of the occurrence of certain Events of Default (other than Automatic Termination Events or Suspension Events) under the Liquidity Facility resulting in a mandatory tender of the Bonds and a termination of the Liquidity Facility on a date at least 30 days after the Trustee’s receipt of such notice.

“*Outstanding*” or “*Bonds outstanding*” or “*Bonds then outstanding,*” at the time in question, means all Bonds which have been executed and delivered by the City and authenticated by the Trustee or the Tender Agent under this Indenture, except:

- (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;
- (b) Bonds paid or deemed to be paid pursuant to Article VI hereof;
- (c) Bonds in lieu of or in exchange for which other Bonds shall have been executed and delivered by the City and authenticated by the Trustee or the Tender Agent pursuant to Sections 2.07, 2.08, 2.10, or 3.04 hereof;
- (d) Undelivered Bonds; and

(e) Bonds which have been purchased by the City pursuant to Section 2.15 hereof, unless all of the outstanding Bonds have been so purchased by the City.

“*Owner*” or “*owner of the Bonds*” shall have the same meaning as “Bond Owner.”

“*Participant*” means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository.

“*Person*” means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or any agency or instrumentality thereof.

“*Pledged Taxes*” shall have the meaning set forth in the Bond Ordinance.

“*Prior Indenture*” means the Indenture of Trust by and between the City and the Prior Trustee dated as of June 1, 2012.

“*Prior Trustee*” means U.S. Bank National Association, Indianapolis, Indiana.

“*Project*” shall have the meaning set forth in the preamble hereto.

“*Purchase Fund*” means the fund by that name established pursuant to Section 3.05(b) of this Indenture.

“*Qualified Investments*” means any investments which are permitted for the City under the City’s investment policy.

“*Rating Agencies*” means S&P and/or Moody’s, according to which of such rating agencies then rates the Bonds; and *provided* that if neither of such rating agencies then rates the Bonds, the term “*Rating Agencies*” shall refer to any national rating agency (if any) which provides such rating. If at any time only one Rating Agency then rates the Bonds, “*Rating Agencies*” shall at that time mean only such Rating Agency as is then rating the Bonds.

“*Record Date*” means (a) with respect to any Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date for an Adjustable Rate Period of less than six months in duration, the close of business on the Business Day next preceding such Interest Payment Date and (b) with respect to any Adjustable Rate Interest Payment Date for an Adjustable Rate Period of at least six months in duration, the close of business on the fifteenth day of the calendar month next preceding such Interest Payment Date.

“*Refunded Bonds*” means the City’s Taxable Variable Rate General Obligation Capital Improvement Bonds, Series 2012C.

“*Related Documents*” means this Indenture, the Bond Ordinance, the Liquidity Facility and the Remarketing Agreement.

“*Remarketing Agent*” means the Remarketing Agent appointed in accordance with Section 8.11 hereof, and means initially Mesirow Financial Inc. “*Principal Office*” of the Remarketing Agent means the office thereof designated in writing to the City, the Trustee and the Liquidity Provider, and means initially the office of the Remarketing Agent located at 353 North Clark Street, 9th Floor, Chicago, Illinois 60654, Attention: Todd Krzyskowski.

“*Remarketing Agreement*” means the Remarketing Agreement dated as of March 1, 2016, as amended and supplemented from time to time, between the City and the Remarketing Agent.

“*Required Amount of the Liquidity Facility*” or “*Required Amount*” means the amount required to be available under the Liquidity Facility from time to time, as specified in Section 2.02(e) hereof.

“*Rule G-34 Documents*” means: (i) the Liquidity Facility and any other letter of credit agreement, reimbursement agreement, loan agreement, guaranty agreement or standby bond purchase agreement with respect to the Bonds; (ii) this Indenture, the Bond Ordinance or any other document that establishes an obligation to provide liquidity for the Bonds as well as provisions with respect to such liquidity, including, without limitation, the circumstances under which the Liquidity Facility or other agreement may terminate, the notice period for Bondholder tenders and the term out period for Bank Bonds; and (iii) any amendments, extensions, renewals, replacements or terminations thereof.

“*S&P*” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., its successors and assigns, and if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “*S&P*” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City in its place by notice to the Trustee, the Remarketing Agent and the Liquidity Provider.

“*Securities Depository*” means The Depository Trust Company and any substitute for or successor to such securities depository that shall maintain a Book-Entry System with respect to the Bonds.

“*Securities Depository Nominee*” means the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books of the City the Bonds to be delivered to such Securities Depository during the continuation with such Securities Depository of participation in its Book-Entry System.

“*Short-Term Mode*” means the Weekly Rate Mode and each Adjustable Rate Period of one year or less.

“*State*” means the State of Illinois.

“*Stated Maturity*” means January 1, 2031.

“*Suspension Event*” is defined in the Liquidity Facility.

“*Tender Agent*” means the Tender Agent appointed in accordance with Section 8.10 hereof if the Bonds are not then held under a Book-Entry System. If the Bonds are then held under a Book-Entry System, there shall be no Tender Agent appointed and acting hereunder. “*Principal Office*” of the Tender Agent means the office thereof designated in writing to the City, the Trustee, the Liquidity Provider and the Remarketing Agent.

“*Trust Estate*” means the property conveyed to the Trustee pursuant to the Granting Clause of this Indenture.

“*Trustee*” means U.S. Bank National Association, Indianapolis, Indiana, as Trustee under this Indenture, and its successors and assigns.

“*Undelivered Bonds*” means, during any period the Bonds are not held under the Book-Entry System, Bonds for which notice of optional tender shall have been given pursuant to Section 2.03 and Bonds subject to mandatory tender pursuant to Section 2.04, for which available moneys sufficient to pay the purchase price have been deposited with the Tender Agent on or before the purchase date of such Bonds, but which Bonds were not delivered to the Tender Agent on or before such purchase date.

“*Weekly Interest Period*” means, while the Bonds are in the Weekly Rate Mode, each period from and including Wednesday of each week (and, if the first day of any Weekly Rate Period is not a Wednesday, the Weekly Rate Conversion Date on which such Weekly Rate Period commences) through and including the following Tuesday, whether or not such days are Business Days. In addition, and notwithstanding the foregoing, the initial Weekly Interest Period shall commence on the Closing Date and shall end on the following Tuesday.

“*Weekly Rate*” means the interest rate per annum on the Bonds established in accordance with Section 2.02(b) hereof.

“*Weekly Rate Conversion Date*” means each date on which the Bonds, having been converted to the Weekly Rate Mode from another Mode, first begin to bear interest at a Weekly Rate in accordance with the terms hereof.

“*Weekly Rate Interest Payment Date*” means the first Business Day of each month during which the Bonds are in the Weekly Rate Mode, commencing with the first Business Day of the month following the Weekly Rate Conversion Date; *provided* that the first Weekly Rate Interest Payment Date shall be the first Business Day of March, 2016.

“*Weekly Rate Mode*” means the Mode in which the Bonds bear interest at a Weekly Rate.

“*Weekly Rate Period*” means the period from the Closing Date, if applicable, or any Weekly Rate Conversion Date to the earlier of the day preceding the next following Conversion Date or the maturity or redemption of the Bonds.

*Section 1.02. Article and Section Headings.* The headings or titles of the several Articles and Sections of this Indenture, and the Table of Contents appended hereto, are solely for

convenience of reference and shall not affect the meaning or construction of the provisions hereof.

*Section 1.03. Construction.* This Indenture, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

(a) All words and terms importing the singular number shall where the context requires, import the plural number and vice versa.

(b) Pronouns include both singular and plural and cover both genders and non-natural entities.

(c) Any percentage of Bonds, for the purposes of this Indenture, shall be computed on the basis of the Bonds Outstanding at the time the computation is made or is required to be made hereunder.

(d) Headings of sections herein are solely for convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(e) Unless otherwise expressly provided, all times specified herein shall mean Chicago local time.

(f) The words “hereof,” “herein,” “hereto,” “hereby,” and “hereunder” (except in the form of the Bond), refer to this entire Indenture.

## **ARTICLE II**

### **THE BONDS**

*Section 2.01. Authorization of Bonds.* (a) Upon the execution and delivery of this Indenture, the City shall execute the Bonds and deliver them to the Trustee for authentication. At the direction of the City, the Trustee shall authenticate the Bonds and deliver them to the Securities Depository upon the order of Mesirow Financial Inc., as initial purchaser thereof. The Bonds shall be designated “Variable Rate General Obligation Demand Bonds, Series 2016A.”

(b) The Bonds shall be issued in the aggregate principal amount of \$[AMOUNT]. The Bonds shall bear interest at rates to be determined as provided below, but in no event to exceed the Maximum Rate. The Bonds shall mature on January 1, 2031, and shall be subject to redemption and optional and mandatory tender as herein provided. The total aggregate principal amount of Bonds that may be issued under this Indenture is expressly limited to that authorized above.



*Section 2.02. Issuance of Bonds; Terms of Bonds. (a) General Provisions.* Each Bond shall:

- (i) be dated as provided in Section 2.02(h) below;
- (ii) bear interest initially in the Weekly Rate Mode and, thereafter, as set forth in paragraphs (b) through (d) of this Section, until paid, at the rates therein provided payable on each Interest Payment Date; and
- (iii) all be in the same Mode at the same time, except when held as a Bank Bond (for which period, the current Mode is superseded by the provisions of the Bank Bonds).

(b) *Weekly Rate Provisions.* (i) Each Bond in a Weekly Rate Mode shall bear interest (computed on the basis of a 365-day or 366-day year, as applicable, for the actual number of days in the period) at the Weekly Rate from the Closing Date and from each Weekly Rate Conversion Date to the earlier of the day preceding the following Conversion Date, its Stated Maturity or the date of its redemption in whole. The Weekly Rate for each Weekly Interest Period shall be the lowest rate of interest which will, in the sole judgment of the Remarketing Agent, having due regard for prevailing financial market conditions, permit the Bonds to be remarketed at par, plus accrued interest, on the first day of such Weekly Interest Period, not in any event to exceed the Maximum Rate. Each determination of a Weekly Rate by the Remarketing Agent shall be conclusive and binding upon the City, the Trustee, the Tender Agent, the Liquidity Provider and the Bondholders. Notwithstanding the foregoing, if at any time the Remarketing Agent shall fail to determine a Weekly Rate as set forth above, then, until the Remarketing Agent shall next determine the Weekly Rate in such fashion, the Weekly Rate shall be equal to LIBOR plus 100 basis points.

(ii) On Tuesday (unless Tuesday is not a Business Day, then on the next preceding Monday; unless Monday and Tuesday are not Business Days, then on Wednesday, whether or not a Business Day) of each calendar week during a Weekly Rate Period, with respect to each Weekly Interest Period, the Remarketing Agent shall determine and furnish to the Trustee the Weekly Rate for the Weekly Interest Period beginning on Wednesday. On the Business Day preceding each Weekly Rate Interest Payment Date, the Trustee shall furnish to the City, the Liquidity Provider and, if the Bonds are not held under a Book-Entry System, to the Tender Agent, the Weekly Rates applicable to the Bonds from the time of the prior notice of such rates. Should any Bondholder or Beneficial Owner request such in writing, the Remarketing Agent shall also furnish written notice of the Weekly Rate to such requesting Bondholder or Beneficial Owner.

(c) *Adjustable Rate Provisions.* Each Bond in an Adjustable Rate Mode shall bear interest at an Adjustable Rate (computed on the basis of a 360-day year consisting of twelve 30-day months) from each Adjustable Rate Conversion Date or each Adjustable Rate Reset Date, as appropriate, to the earlier of the day preceding the following Conversion Date, the day preceding the following Adjustable Rate Reset Date, its Stated Maturity or the date of its redemption in whole. Upon a conversion of Bonds to the Adjustable Rate Mode, the duration of

the initial Adjustable Rate Period shall be that period specified in the City's conversion notice delivered pursuant to Section 2.02(d)(i) for the purpose of effecting such conversion. An Adjustable Rate Period shall be of at least one month in duration and shall end on a day preceding the first Business Day of a calendar month or, if such Adjustable Rate Period extends to Stated Maturity of such Bonds, such Stated Maturity. The Bonds thereupon shall remain in the Adjustable Rate Mode for as long as the City shall continue to deliver timely notices pursuant to Section 2.02(d)(i) specifying the duration of the next subsequent Adjustable Rate Period which is to commence on the expiration of any current Adjustable Rate Period. The Remarketing Agent, on or prior to the commencement of each Adjustable Rate Period, shall determine the Adjustable Rate to be borne by the Bonds during such Adjustable Rate Period, which shall be the lowest rate which, in its sole judgment having due regard for prevailing financial market conditions, will permit the Bonds to be sold at par on the first day of such Adjustable Rate Period. Notwithstanding the foregoing, the Adjustable Rate shall not be more than the Maximum Rate.

If, during any period the Bonds shall be in the Adjustable Rate Mode, either (A) the City shall not deliver a timely conversion notice specifying the duration of the next subsequent Adjustable Rate Period, or (B) on or prior to any Adjustable Rate Reset Date the Remarketing Agent shall fail to determine the Adjustable Rate to be borne by the Bonds during such Adjustable Rate Period, then, except as set forth below, such Bonds, without further action on the part of any other person, shall automatically convert to the Weekly Rate Mode on the date which otherwise would have been the Adjustable Rate Reset Date and such Bonds shall thereupon bear interest at the Weekly Rate determined pursuant to Section 2.02(b). Upon such event, the Trustee shall promptly notify the Bondholders, the City, the Remarketing Agent, the Tender Agent, if any, and the Liquidity Provider of such automatic conversion. If, prior to such date, the Bonds were in an Adjustable Rate Period of greater than one year's duration, such Bonds shall not be automatically converted to the Weekly Rate Mode, as described in the preceding sentence, unless there shall have been delivered to the Trustee on or prior to such date, a Liquidity Facility for all of such Bonds. Absent delivery of a Liquidity Facility, such Bonds will convert automatically on such date to the shortest possible Adjustable Rate Period of a duration of at least one year and one day. In such event, the Bonds shall bear interest during such period at a rate to be determined by the Remarketing Agent as described herein, or if no rate is so determined, at a rate equal to 125% of the average interest rate for one year U.S. Treasury Notes, as published in the *Federal Reserve Bulletin* (published by the Board of Governors of the Federal Reserve System) most recently published prior to the Conversion Date, as determined by the Trustee and such rate shall be conclusive and binding upon the City and the Bondholders. Each determination of an Adjustable Rate by the Remarketing Agent shall be conclusive and binding upon the City, the Trustee, the Tender Agent, if any, the Liquidity Provider and the Bondholders.

(d) *Conversion Options.* (i) *Conversions Between Modes.* The Mode of the Bonds may be converted from one Mode to the other, and an Adjustable Rate Period of one duration may be converted to an Adjustable Rate Period of the same or another duration, at the option of the City, if the City shall, with the written consent of the Liquidity Provider, notify the Trustee, the Tender Agent and the Remarketing Agent of its election to effect such a conversion and each other condition to any such conversion set forth herein shall have been satisfied. The City's conversion notice shall specify the date on which the Conversion Date will occur (which date

shall be not sooner than 25 days after the date such notice is given) and if the conversion is to an Adjustable Rate Period, shall specify the Adjustable Rate Period. Notwithstanding the foregoing, no conversion from a Short-Term Mode to a Long-Term Mode or from a Long-Term Mode to a Short-Term Mode shall be effective unless the City shall have delivered with such notice a Favorable Opinion of Bond Counsel (to be confirmed on the Conversion Date). The Conversion Date shall be the date specified in the City notice; *provided* that no conversion from the Adjustable Rate Mode shall be effective prior to the Business Day following the last day of the Adjustable Rate Period which is then in effect. In the event any condition precedent to conversion (including, but not limited to, the establishment by the Remarketing Agent of the initial interest rate to be in effect after the Conversion Date or provision of the appropriate Liquidity Facility) is not satisfied on or prior to the Conversion Date, the Bonds shall nonetheless be subject to mandatory tender on the Conversion Date and, subject to the same qualifications and exceptions as are set forth in the second paragraph of Section 2.02(c) above, upon such date, the Bonds, without any further action on the part of any person, shall automatically convert to the Weekly Rate Mode, and such Bonds shall thereupon bear interest at the Weekly Rate determined pursuant to Section 2.02(b). Upon conversion from one Mode to another, if applicable, as a condition precedent to such conversion, a Liquidity Facility shall be provided in the Required Amount of the Liquidity Facility.

(ii) *Conversion Notice; Mandatory Tender.* At least 20 days prior to each Conversion Date the Trustee shall give to each Bondholder notice by first class mail which shall state: (A) the Conversion Date; (B) that, on the Conversion Date, the Bonds are subject to mandatory tender and purchase and describe the provisions of this Indenture pursuant to which the Bonds are subject to mandatory tender; (C) that, subject to clause (E) below, all Owners who fail to tender their Bonds for purchase on the mandatory tender date will nonetheless be deemed to have tendered their Bonds for purchase on such date; (D) that, subject to clause (E) below, any Bonds not delivered to the Tender Agent, on or prior to the mandatory tender date, for which there has been irrevocably deposited in trust with the Trustee or the Tender Agent on or prior to the mandatory tender date available moneys sufficient to pay the purchase price of such Undelivered Bonds on the mandatory tender date, shall be deemed to have been so purchased at the purchase price, and such Bonds shall no longer be considered to be outstanding for purposes of this Indenture and shall no longer be entitled to the benefits of this Indenture, except for the payment of the purchase price thereof (and no interest shall accrue thereon subsequent to the mandatory tender date); and (E) that notwithstanding the foregoing, while the Bonds are held under a Book-Entry System, Bonds need not be physically tendered on the mandatory tender date, and transfers of beneficial ownership interests will be effected by the Securities Depository in accordance with its rules and procedures.

(e) *Liquidity Facility Required.* A Liquidity Facility meeting the requirements of Section 2.14 hereof shall be required for any Bond while in the Weekly Rate Mode or any Adjustable Rate Period which does not extend to the final maturity of the Bonds. The Required Amount of the Liquidity Facility shall be the aggregate principal amount of Bonds outstanding in such Mode plus an amount equal to Adequate Interest Coverage. “*Adequate Interest Coverage*” shall mean (a) with respect to the Weekly Rate Mode, at least the aggregate amount of interest which would accrue on all Outstanding Bonds (other than Bank Bonds) at the Maximum Rate, computed on the basis of a 365-day year for actual days elapsed, for a period of 35 days, and

(b) with respect to the Adjustable Rate Mode, at least the aggregate amount of interest which would accrue on all Outstanding Bonds (other than Bank Bonds) at a rate equal to the Adjustable Rate to be borne by the Bonds during such Mode for a period equal to the maximum number of days between Interest Payment Dates during such Adjustable Rate Period computed on the same basis that interest is calculated during such Adjustable Rate Period, plus 15 days. Notwithstanding the foregoing, if the Bonds are then rated, the Trustee may accept a Liquidity Facility covering interest for a period of days less than the applicable period required by any provision of this paragraph if the Trustee receives written evidence from the Rating Agency or Agencies then rating the Bonds that such shorter period will not result in a withdrawal or lowering of any rating on the Bonds from that which would otherwise be effective from a longer interest coverage period.

(f) *Denominations; Numbering.* The Bonds are issuable only as registered Bonds without coupons in Authorized Denominations. The Bonds shall be numbered consecutively.

(g) *Payment Terms.* Principal of, and premium, if any, on, the Bonds shall be payable by the Trustee from moneys held by the Trustee in the Bond Fund to the Bondholders as the same become due at the corporate trust office of the Trustee. At maturity or earlier redemption, such payment of principal shall only be made upon presentation of such Bonds. Interest on the Bonds shall be paid by the Trustee by check or draft drawn upon the Trustee and mailed by first class mail on the respective Interest Payment Dates to the Bondholders at their addresses shown on the registration books of the Trustee, or such other addresses as are furnished to the Trustee (in form satisfactory to the Trustee) by such Bondholders, as of the close of business on the Record Date with respect to such Interest Payment Date; *provided* that payment of interest shall be made by the Trustee by wire transfer to any Owner of \$1,000,000 or more in aggregate principal amount of Bonds upon such Owner providing the Trustee with written wire transfer instructions acceptable to the Trustee before the applicable Record Date. If and to the extent there shall be a default in the payment of the interest due on an Interest Payment Date, such defaulted interest shall be paid to the Bondholders in whose names any such Bonds (or any Bond or Bonds issued upon registration of transfer or exchange thereof) are registered at the close of business on the Business Day next preceding the date of payment of such defaulted interest. Payment of the principal or purchase price of, and the premium, if any, and interest on, the Bonds shall be made in such lawful money of the United States of America as, at the respective times of payment, shall be legal tender for the payment of public and private debts.

(h) *Dating; Interest Accrual.* The Bonds shall be dated and interest on the Bonds shall accrue from the Closing Date, and thereafter interest on the Bonds shall accrue from the Interest Payment Date next preceding the date of authentication, unless (i) authenticated prior to the first Interest Payment Date, in which event interest on such Bonds shall accrue from the Closing Date, (ii) authenticated on an Interest Payment Date, in which event interest on such Bonds shall accrue from the date of authentication, or (iii) authenticated after a Record Date and before the following Interest Payment Date, in which event interest on such Bonds shall accrue from the following Interest Payment Date. If, as shown by the records of the Trustee, interest on the Bonds is in default, interest on Bonds issued in exchange for Bonds surrendered for registration of transfer or exchange shall accrue from the date to which interest has been paid in full on the Bonds, or, if no interest has been paid on the Bonds, from the Closing Date. The amount of

interest payable on the Bonds on each Interest Payment Date shall be the amount of interest accrued thereon from the preceding Interest Payment Date (or other date as described above) to, but not including, the Interest Payment Date on which interest is being paid.

(i) *Certain Bank Bond Provisions.* Notwithstanding the above provisions of this Section, Bank Bonds shall bear interest at the Bank Rate, to be computed on the basis of a 360-day year or a 365/366-day year, as applicable, and as provided in the Liquidity Facility. The Bank Rate shall be supplied to the Trustee in writing by the Liquidity Provider. Notwithstanding anything herein to the contrary, only the Bank Bondholder may receive interest on any Bank Bonds at the Bank Rate.

(j) *Authorized Officer to Act.* Any action to be taken by the City in this Section 2.02 may be taken by an Authorized Officer.

*Section 2.03. Optional Tender.* While the Bonds are in the Weekly Rate Mode, any Outstanding Bond or portion thereof in an Authorized Denomination (except any Bank Bond or any Bond purchased by the City) shall be purchased on the demand of the Owner thereof on any Business Day at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase, upon delivery (by facsimile transmission) of the following:

(i) on any Business Day, to the Tender Agent, the Trustee and the Remarketing Agent, of a written irrevocable notice, which will be effective upon receipt, which (A) states the name and address of the Owner, the principal amount of such Bond (and the portion thereof to be tendered, if less than the full principal amount is to be tendered), and (B) states the date on which such Bond shall be so purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice; and

(ii) such Bond (with all necessary endorsements and guarantee of signature attached to such notice) by 9:30 a.m. on the date such Bond is to be purchased; *provided* such Bond shall conform in all material respects to the description thereof in such notice. Undelivered Bonds shall be deemed to have been delivered at the time and on the date required, and as of such date and time shall no longer be deemed to be Outstanding under this Indenture. The Owner of any Undelivered Bond shall be entitled only to the purchase price payable for such Bond on the required delivery date thereof, and such purchase price shall be paid to such Owner only upon surrender of such Bond to the Tender Agent.

Notwithstanding the foregoing, if the Bonds in the Weekly Rate Mode are held in a Book-Entry System, a Beneficial Owner shall have the right to optionally tender for purchase its beneficial interest in any Outstanding Bonds (or portion thereof in an Authorized Denomination) at the purchase price set forth above. Such right shall be exercised by delivery by the Beneficial Owner to the Trustee and the Remarketing Agent of an irrevocable written notice identifying the name and address of such Beneficial Owner and stating that such Beneficial Owner will cause its beneficial interest (or portion thereof in an Authorized Denomination) to be purchased, the amount of such interest to be purchased and the date on which such interest will be purchased

(which date shall be a Business Day at least seven days after delivery of such notice to the Trustee and the Remarketing Agent). Upon delivery of such notice, the Beneficial Owner shall cause its beneficial ownership interest in the Bonds (or the portion thereof specified in the foregoing notice) being purchased to be transferred to the Remarketing Agent at or prior to 9:30 a.m., on the optional tender date, in accordance with the rules and procedures of the applicable Securities Depository.

*Section 2.04. Mandatory Tenders.* A Bond shall be subject to mandatory tender by the Bondholder to the Tender Agent at its Principal Office on each date described below:

- (a) On each Conversion Date for such Bond;
- (b) On each Adjustable Rate Reset Date with respect to such Bond;
- (c) On the second Business Day prior to the Expiration Date if the Trustee has not received by the 25th day preceding such Expiration Date an extension of the then existing Liquidity Facility;
- (d) On the date of substitution of any Alternate Liquidity Facility for the then existing Liquidity Facility; and
- (e) On the Business Day selected by the Trustee as the mandatory tender date where the Trustee has received a Notice of Termination from the Liquidity Provider; *provided, however*, that the Business Day so selected by the Trustee shall be at least five Business Days prior to the date upon which the Liquidity Provider's obligation to purchase Bonds under the Liquidity Facility will be terminated pursuant to such notice.

The purchase price of Bonds subject to mandatory tender shall be 100% of the principal amount thereof. Not later than 20 days prior to a mandatory tender date described in (a), (b), (c) or (d) above, or as soon as practicable prior to a mandatory tender date described in (e) above, the Trustee shall mail notice to all Owners of Bonds subject to mandatory tender stating that (1) due to the occurrence of one of the events described above (which event shall be specified), such Owner's Bonds will be subject to mandatory tender on the mandatory tender date (which date shall be specified), (2) that, subject to clause (4) below, all such Owners who fail to tender their Bonds for purchase on the mandatory tender date will nonetheless be deemed to have tendered their Bonds for purchase on such date; (3) that, subject to clause (4) below, any such Bonds not delivered to the Tender Agent on or prior to the mandatory tender date, for which there has been irrevocably deposited in trust with the Trustee or, if the Bonds are not then held in a Book-Entry System, with the Tender Agent, on or prior to the mandatory tender date moneys sufficient to pay the purchase price of such Undelivered Bonds on the mandatory tender date, shall be deemed to have been so purchased at the purchase price, and such Bonds shall no longer be considered to be outstanding for purposes of this Indenture and shall no longer be entitled to the benefits of this Indenture, except for the payment of the purchase price thereof (and no interest shall accrue thereon subsequent to the mandatory tender date) and (4) that notwithstanding the foregoing, while the Bonds are held in the Book-Entry System, Bonds need not be physically tendered on the mandatory tender date, and transfers of beneficial ownership interests will be effected by the

Securities Depository in accordance with its rules and procedures. Notice of mandatory tenders described in clause (a) above shall be given as part of the notice of conversion referenced in Section 2.02(d)(ii) hereof or notice of redemption referenced in Section 3.04 hereof, respectively. No failure on the part of the Trustee to give such notice shall affect the requirement that Bonds be tendered on the mandatory tender date.

When Bonds are not held under a Book-Entry System, Undelivered Bonds shall, if moneys sufficient to pay the purchase price of such Bonds in full and available for the purchase of such Bonds have been deposited with the Trustee on the mandatory tender date, be deemed to have been tendered for purchase on the mandatory tender date, and from such date will no longer be deemed to be Outstanding for purposes of this Indenture. Owners of such Bonds shall have no rights or benefits under this Indenture other than to receive the purchase price for such Bonds upon surrender of such Bonds to the Tender Agent. Notwithstanding the foregoing, if on any mandatory tender date the Bonds shall be held under a Book-Entry System, it shall not be necessary that Bonds be physically tendered to the Tender Agent on the mandatory tender date. Transfers of beneficial ownership interests shall be effected in accordance with the rules and procedures established by the Securities Depository.

Upon the occurrence of any mandatory tender described in paragraphs (c), (d) or (e) above during an Adjustable Rate Period, commencing on the date of such mandatory tender the Bonds shall bear interest in a Mode (and, in the case of the Adjustable Rate Mode, for an Adjustable Rate Period) to be designated by the City by notice to the Trustee given to the Trustee at least five days prior to such date, *provided, however*, the said designated Mode or Adjustable Rate Period shall be effective on the mandatory tender date only if each prerequisite to a conversion specified in Section 2.02(d) shall have been satisfied. If no designation of a Mode or an Adjustable Rate Period is made by the City, or if the prerequisites of Section 2.02(d) have not been satisfied, then, upon the mandatory tender date, the Bonds, subject to the same qualifications and exceptions as are set forth in the second paragraph of Section 2.02(c) hereof, shall convert automatically to the Weekly Rate Mode, and the Bonds thereupon shall bear interest at the Weekly Rate determined pursuant to Section 2.02(b).

*Section 2.05. Form of Bonds.* The Bonds and the certificate of authentication, the provision for registration and the form of assignment thereof shall be in substantially the form set forth in *Exhibit A* hereto, with such appropriate variations, omissions, substitutions, insertions, notations, legends and endorsements as may be deemed necessary or appropriate by the officers of the City executing the same and as shall be permitted or required by the Act and this Indenture.

*Section 2.06. Execution and Authentication of Bonds.* (a) The Bonds shall be executed on behalf of the City with the manual or facsimile signature of the Mayor of the City, and attested, under a manual or duly authorized facsimile impression of the seal of the City, with the manual or duly authorized facsimile signature of the City Clerk of the City. In case any officer of the City whose signature or a facsimile thereof appears on a Bond shall cease to be such officer before the delivery of such Bond, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in the office until delivery.

(b) No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Indenture unless and until a certificate of authentication on such Bond substantially in the form in *Exhibit A* hereto shall have been duly manually executed by the Trustee, or, in the case of purchased Bonds delivered by the Tender Agent pursuant to Section 3.10, by the Tender Agent. Any such executed certificate upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee or the Tender Agent, but it shall not be necessary that the same officer or signatory sign the certificate of authentication on all of the Bonds issued hereunder.

*Section 2.07. Registration and Exchange of Bonds; Persons Treated as Owners.*

(a) Bonds may be transferred only on the registration books of the City for the Bonds, maintained by the Trustee. Upon surrender for transfer of any Bond to the Trustee, duly endorsed for transfer or accompanied by an assignment duly executed by the holder or the holder's attorney duly authorized in writing, the Trustee will authenticate a new Bond or Bonds in an equal total principal amount and registered in the name of the transferee.

(b) Bonds may be exchanged for an equal total principal amount of Bonds of different authorized denominations. The Trustee will authenticate and deliver Bonds that the Bondholder making the exchange is entitled to receive, bearing numbers not then outstanding.

(c) The Trustee will not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or any portion of such Bond for redemption or during the 15-day period preceding the mailing of a notice of redemption of any Bonds, except as provided in Sections 2.03 and 2.04 hereof.

(d) The Owner of a Bond shall, except as otherwise described herein with respect to certain rights of Beneficial Owners, be the absolute owner of the Bond for all purposes, and payment of principal, interest or purchase price shall be made only to or upon the written order of the Owner or the Owner's legal representative.

(e) The Trustee will require the payment by a Bondholder requesting exchange or transfer of any tax or other governmental charge (other than as imposed by the City) required to be paid in respect of the exchange or transfer but will not impose any other charge.

(f) Notwithstanding the foregoing, for so long as the Bonds are held under the Book-Entry System, transfers of beneficial ownership will be effected pursuant to rules and procedures established by the Securities Depository.

Whenever any Bank Bond shall be surrendered for transfer to any Person other than the Liquidity Provider, the new Bank Bond to be authenticated and delivered by the Trustee shall have a legend typed thereon or affixed thereto to the effect that the Registered Owner of such Bank Bond may not sell such Bank Bond to any Person except the City, the Liquidity Provider or a purchaser located by the Remarketing Agent.



*Section 2.08. Mutilated, Lost, Stolen or Destroyed Bonds.* If any Bond is mutilated, lost, stolen or destroyed, the Trustee will authenticate a new Bond of the same denomination if any mutilated Bond shall first be surrendered to the Trustee, and if, in the case of any lost, stolen or destroyed Bond, there shall first be furnished to the City, the Trustee and the Liquidity Provider evidence of such loss, theft or destruction, together with an indemnity satisfactory to each of them to save each of them harmless from all risks related thereto, however remote. If the Bond has matured, instead of issuing a duplicate Bond, the Trustee may with the consent of the City pay the Bond without requiring surrender of the Bond and make such requirements as the Trustee deems fit for its protection, including a lost instrument bond. The City and the Trustee may charge their reasonable fees and expenses in this connection.

*Section 2.09. Cancellation of Bonds.* Whenever a Bond is delivered to the Trustee for cancellation (upon payment, redemption or otherwise), or for transfer, exchange or replacement pursuant to Section 2.07 or 2.08, the Trustee will promptly cancel the Bond and deliver the canceled Bond or a certificate of destruction as appropriate to the City at its request. Upon cancellation of any tendered Bond by the Tender Agent, the Tender Agent shall forward the canceled Bond to the Trustee.

*Section 2.10. Temporary Bonds.* Until definitive Bonds are ready for delivery, the City may execute and the Trustee or the Tender Agent will authenticate temporary Bonds substantially in the form of the definitive Bonds, with appropriate variations. The City will, without unreasonable delay, prepare and the Trustee or the Tender Agent will authenticate definitive Bonds in exchange for the temporary Bonds. Such exchange shall be made by the Trustee or the Tender Agent without charge.

Exchanges and transfers shall be made without charge to the Bondholders; *provided* that in each case the Trustee or the Tender Agent, as applicable, shall require the payment by the Bondholder requesting exchange or transfer of any tax or other governmental charge (other than as imposed by the City) required to be paid with respect thereto.

*Section 2.11. Conditions Precedent to Authentication and Delivery of Bonds.* The City shall execute and deliver the Bonds to the Trustee, and the Trustee shall, upon receipt by the Trustee of those items specified in this Section below, authenticate the Bonds and deliver them to, or upon the order of, the Underwriter. Prior to and as a condition precedent to the authentication and delivery of the Bonds there shall be filed with and delivered to the Trustee:

(i) a copy, duly certified by the City Clerk of the City, of the Bond Ordinance adopted by the City Council in accordance with the Act authorizing the execution and delivery of this Indenture and the issuance of the Bonds;

(ii) original duly executed and delivered counterparts of this Indenture and the Remarketing Agreement;

(iii) an opinion of Bond Counsel to the effect that Bonds executed, authenticated and delivered as provided in this Indenture will be duly and validly issued and will constitute valid and binding limited obligations of the City; and

- (iv) the duly executed and delivered Initial Liquidity Facility.

*Section 2.12. Book-Entry System.* (a) The Bonds shall be initially issued pursuant to a Book-Entry System administered by the Securities Depository with no physical distribution of Bond certificates to be made except as provided in this Section 2.12. Any provision of this Indenture or the Bonds requiring physical delivery of the Bonds shall, with respect to any Bonds held under the Book-Entry System, be deemed to be satisfied by a notation on the registration books maintained by the Trustee that such Bonds are subject to the Book-Entry System.

(b) So long as a Book-Entry System is being used, one Bond in the aggregate principal amount of the Bonds and registered in the name of the Securities Depository Nominee will be issued and deposited with the Securities Depository to be held in its custody. The Book-Entry System will be maintained by the Securities Depository and the Participants and Indirect Participants and will evidence beneficial ownership of the Bonds in Authorized Denominations, with transfers of ownership effected on the records of the Securities Depository, the Participants and the Indirect Participants pursuant to rules and procedures established by the Securities Depository, the Participants and the Indirect Participants. The principal or purchase price of and any premium on each Bond shall be payable to the Securities Depository Nominee or any other person appearing on the registration books maintained by the Trustee as the registered owner of such Bond or his or her registered assigns or legal representative at the principal office of the Trustee. So long as the Book-Entry System is in effect, the Securities Depository will be recognized as the owner of the Bonds for all purposes. Transfers of principal, purchase price, interest and any premium payments or notices to Participants and Indirect Participants will be the responsibility of the Securities Depository, and transfers of principal, purchase price, interest and any premium payments or notices to Beneficial Owners will be the responsibility of the Participants and the Indirect Participants. No other party will be responsible or liable for such transfers of payments or notices or for maintaining, supervising or reviewing such records maintained by the Securities Depository, the Participants or the Indirect Participants. While the Securities Depository Nominee or the Securities Depository, as the case may be, is the Owner of the Bonds, notwithstanding any other provisions set forth herein, payments of principal or purchase price of, redemption premium, if any, and interest on the Bonds shall be made to the Securities Depository Nominee or the Securities Depository, as the case may be, by wire transfer in immediately available funds to the account of such owner. Without notice to or the consent of the Beneficial Owners, the Trustee, with the consent of the City, and the Securities Depository may agree in writing to make payments of principal, redemption price or purchase price and interest in a manner different from that set out herein. In such event, the Trustee shall make payments with respect to the Bonds in such manner as if set forth herein.

(c) With the consent of the Remarketing Agent, the City may at any time elect (i) to provide for the replacement of any Securities Depository as the depository for the Bonds with another qualified Securities Depository, or (ii) to discontinue the maintenance of the Bonds under a Book-Entry System. In such event, the Trustee shall give 30 days' prior notice of such election to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository).

(d) Upon the discontinuance of the maintenance of the Bonds under a Book-Entry System, the City will cause Bonds to be issued directly to the Beneficial Owners of Bonds, or their designees, as further described below. In such event, the Trustee shall make provisions to notify Participants and the Beneficial Owners of the Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the Trustee in its discretion, that Bonds will be directly issued to the Beneficial Owners of Bonds as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

(e) In the event that Bonds are to be issued to the Beneficial Owners of the Bonds, or their designees, the City shall promptly have prepared Bonds in certificated form registered in the names of the Beneficial Owners of Bonds shown on the records of the Participants provided to the Trustee, as of the date set forth in the notice described above. Bonds issued to the Beneficial Owners, or their designees, shall be in fully registered form substantially in the form set forth in *Exhibit A*.

(f) If any Securities Depository is replaced as the depository for the Bonds with another qualified Securities Depository, the City will issue to the replacement Securities Depository Bonds substantially in the form set forth in *Exhibit A*, registered in the name of such replacement Securities Depository.

(g) The City, the Tender Agent, the Liquidity Provider, the Remarketing Agent and the Trustee shall have no liability for the failure of any Securities Depository to perform its obligation to any Participant, any Indirect Participant or any Beneficial Owner of any Bonds, and the City, the Tender Agent, the Remarketing Agent or the Trustee shall not be liable for the failure of any Participant (other than the Remarketing Agent), Indirect Participant or other nominee of any Beneficial Owner of any Bonds to perform any obligation that such Participant, Indirect Participant or other nominee may incur to any Beneficial Owner of the Bonds.

(h) Notwithstanding any other provision of this Indenture, on or prior to the date of issuance of the Bonds the City shall have executed and delivered to the initial Securities Depository a Letter of Representations governing various matters relating to the Securities Depository and its activities pertaining to the Bonds. In the event there shall exist any inconsistency between the substantive provisions of the said Letter of Representations and any provisions of this Indenture, then, for as long as the initial Securities Depository shall serve with respect to the Bonds, the terms of the Letter of Representations shall govern.

(i) The City, the Trustee and the Tender Agent may rely conclusively upon (i) a certificate of the Securities Depository as to the identity of the Participants in the Book-Entry System; (ii) a certificate of any Participant as to the identity of any Indirect Participant and (iii) a certificate of any Participant or Indirect Participant as to the identity of, and the respective principal amount of Bonds beneficially owned by, the Beneficial Owners.

*Section 2.13. Application of Proceeds of the Bonds.* Net proceeds of the Bonds (exclusive of underwriter's discount in the amount of \$\_\_\_\_\_) will be paid by the purchaser to the Treasurer of the City and deposited or used by the City as follows:

(a) \$\_\_\_\_\_ shall be deposited in the Project Fund created under the Bond Ordinance and held by the City to pay costs of the Project;

(b) \$\_\_\_\_\_ shall be deposited in the redemption account of the bond fund held by the Prior Trustee under the Prior Indenture, to pay the redemption price and accrued interest on the Refunded Bonds on the redemption date set forth in the 2016A Bond Order; and

(c) \$\_\_\_\_\_ shall be used by the City to pay costs of issuance of the Bonds.

*Section 2.14. Liquidity Facility; Alternate Liquidity Facility.* The Initial Liquidity Facility shall be delivered to the Trustee simultaneously with the original issuance and delivery of the Bonds. The Trustee shall have on deposit with it a Liquidity Facility that supports Bonds in required Modes as provided in Section 2.02(e) hereof either through retention of the existing Liquidity Facility or through the delivery of an Alternate Liquidity Facility. The City covenants not to convert Bonds from one Mode to another Mode, or from one period to another period (except to an Adjustable Rate Period extending to final maturity of the Bonds) unless such Bonds will be supported by a Liquidity Facility in the Required Amount, either through retention of the existing Liquidity Facility or through the delivery of an Alternate Liquidity Facility.

Six months prior to the Expiration Date of the Liquidity Facility then in effect and on the first Business Day of each consecutive month thereafter until such Expiration Date (or the extension thereof by the Liquidity Provider), the Trustee shall deliver written notice to the City of such Expiration Date.

*"Alternate Liquidity Facility"* means any standby bond purchase agreement or any bank bond purchase agreement, letter of credit, line of credit, surety bond, revolving credit facility, bond insurance policy or other agreement or instrument under which any Person (other than the City) undertakes to pay or provide funds to pay the purchase price of Bonds in the Required Amount of the Liquidity Facility (or beneficial interests therein) delivered to and received by the Trustee (1) replacing a then existing Liquidity Facility, (2) providing that the obligation set forth therein to purchase Bonds may not be terminated earlier than five Business Days after receipt by the Trustee of a Notice of Termination, (3) accompanied by written evidence from each Rating Agency then rating such Bonds, to the effect that the appropriate Rating Agency has reviewed the Alternate Liquidity Facility and stating what rating the Bonds will bear after the substitution of the Alternate Liquidity Facility, (4) accompanied by an opinion of counsel to such Liquidity Provider, acceptable to the Trustee and the City, that such Alternate Liquidity Facility is valid and enforceable as against such provider in accordance with its terms subject to usual exceptions concerning bankruptcy and similar laws and enforcement of equitable remedies and (5) accompanied by a Favorable Opinion of Bond Counsel.

The City covenants that it shall deliver an Alternate Liquidity Facility in the event the ratings of the existing Liquidity Provider are withdrawn, suspended or reduced below “A-1/VMIG-1” by Moody’s (or an equivalent level by any other rating agency then rating the existing Liquidity Provider and the Bonds).

In the event of the delivery of an Alternate Credit Facility and the related mandatory tender of the Bonds pursuant to the provisions of Section 2.04(d), any draw on a Liquidity Facility to pay the purchase price of Bonds shall be made from the existing Liquidity Facility, and the Trustee shall not accept the Alternate Liquidity Facility until the Liquidity Provider for the existing Liquidity Facility has been reimbursed for the amount of such draw.

*Section 2.15. Bonds Purchased by the City.* If the City purchases Bonds for its own account either on the open market or pursuant to Section 2.03 or 2.04 hereof, such Bonds shall remain Outstanding hereunder only if the City shall at such time deliver to the Trustee a Favorable Opinion of Bond Counsel and an opinion of Bond Counsel to the effect that, under Illinois law, such purchase did not operate to discharge the indebtedness of the City with respect to such Bond. It is the intention of the parties hereto that no purchase by the City of the Bonds shall act to discharge the indebtedness with respect to such Bond unless and until the City presents such Bond to the Trustee for cancellation (or causes similar procedures to be taken under the Book-Entry System to effect such a cancellation). No Bond shall be entitled to the benefit of the Liquidity Facility while it is held by the City.

### ARTICLE III

#### REDEMPTION OF BONDS; PURCHASE AND REMARKETING OF BONDS

*Section 3.01. Optional and Mandatory Redemption.* The Bonds shall be subject to optional and mandatory redemption as follows:

(a) *Weekly Rate Mode — Optional Redemption.* Bonds in the Weekly Rate Mode shall be subject to optional redemption, in whole or in part in Authorized Denominations, on any Business Day. Such redemption shall be in all cases at the direction of the City, upon at least 35 days’ prior written notice from the City to the Trustee, the Liquidity Provider and the Remarketing Agent, and shall be at a redemption price equal to 100% of the aggregate principal amount of the Bonds to be redeemed, plus accrued interest thereon to the redemption date, without premium.

(b) *Adjustable Rate Mode — Optional Redemption.* Bonds in an Adjustable Rate Period\* of less than eight years are not subject to optional redemption. Bonds in an Adjustable Rate Period\* of eight years or more shall be subject to optional redemption on or after the first Interest Payment Date after the eighth anniversary of the applicable Adjustable Rate Conversion Date or Adjustable Rate Reset Date, in whole or in part, at the direction of the City, upon at least 35 days’ prior written notice from the City to the Trustee, the Liquidity Provider, if any, and the Remarketing Agent, at a redemption price

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\* Measured from the start of the currently applicable Adjustable Rate Period.

equal to 100% of the aggregate principal amount of Bonds to be redeemed, plus accrued interest thereon to the redemption date, without premium.

Notwithstanding the foregoing, Bonds in an Adjustable Rate Mode may be subject to optional redemption upon terms different than those set forth above (or not be subject to optional redemption during such period) if the City delivers to the Trustee on or before the first day of such Adjustable Rate Period a certificate specifying different optional redemption dates or prices to be in effect during such period (or that the Bonds will not be subject to optional redemption during such Period).

(c) The Bank Bonds are subject to optional redemption in whole or in part in Authorized Denominations at any time.

(d) *Mandatory Sinking Fund Redemption.* The Bonds, whether in the Weekly Rate Mode or in the Adjustable Rate Mode, are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount thereof plus accrued interest to the redemption date, on the dates and in the principal amounts set forth below:

DATE FIRST BUSINESS DAY OF JANUARY	PRINCIPAL AMOUNT (\$)
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	

The principal amounts of Bonds to be mandatorily redeemed in any year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of Bonds credited against future mandatory redemption payments in such order as the City may determine or, if no such determination is made, in the inverse order of future mandatory redemption payments.

(e) *Mandatory Redemption of Bank Bonds.* Bank Bonds are subject to mandatory redemption of principal by the City as provided in the Liquidity Facility. Any such redemption of principal of Bank Bonds shall be treated for purposes of

Section 3.01(d) of this Indenture as an optional redemption of such Bonds at a redemption price of 100% of the principal amount thereof.

(f) *Optional Prepayment of Bank Bonds.* Bank Bonds are subject to optional prepayment of principal by the City as provided in the Liquidity Facility. Any such prepayment of principal of Bank Bonds shall be treated for purposes of Section 3.01(d) of this Indenture as an optional redemption of such Bonds at a redemption price of 100% of the principal amount thereof.

*Section 3.02. Notice of Redemption.* (a) The Trustee shall cause notice of the call for redemption to be sent by first class mail, postage prepaid, to the Tender Agent, the Liquidity Provider, the Remarketing Agent, the City and the Owner of each Bond to be redeemed. Such notice shall be given not less than 30 days prior to the date of redemption for Bonds in the Weekly Rate Mode or the Adjustable Rate Mode and shall be given as provided in the Liquidity Facility for Bank Bonds. In addition, if the Bonds are not then held under a Book-Entry System, such notice shall also be given (at least two Business Days before the redemption notice described in the preceding sentence) by registered, certified or overnight mail, or by facsimile transmission promptly confirmed in writing, to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds and to one or more national information services that disseminate notices of redemption of obligations such as the Bonds. Neither the failure to give any such notice nor any defect in any notice so mailed shall affect the sufficiency or the validity of any proceedings for the redemption of the Bonds.

(b) The redemption notice shall identify the Bonds or portions thereof to be redeemed and shall state (1) the date of said notice and the redemption date, (2) the redemption price, (3) the original date of execution and delivery of the Bonds, (4) the rate of interest borne by the Bonds to be redeemed, (5) the Stated Maturity of the Bonds, (6) the numbers and CUSIP numbers of the Bonds, (7) that the redemption price of any Bond is payable only upon the surrender of the Bond to the Trustee at its principal corporate trust office, (8) the address at which the Bonds must be surrendered, (9) that interest on the Bonds called for redemption ceases to accrue on the redemption date provided that on such date moneys are on deposit in the Bond Fund sufficient to pay the redemption price of the Bonds in full, and (10) such additional descriptive information identifying the Bonds to be redeemed as may be deemed appropriate by the Trustee to effect the redemption.

Any notice of optional redemption may also state (and shall state, if the City shall so direct) that the redemption is conditioned on receipt of moneys for such redemption by the Trustee on or prior to the redemption date; if such moneys are not received, the redemption of the Bonds for which notice was given shall not be made.

*Section 3.03. Effect of Deposit of Redemption Moneys.* If on any redemption date moneys sufficient to pay in full the redemption price of the Bonds called for redemption have been deposited with the Trustee and shall be available to be utilized to pay the redemption price of such Bonds, such Bonds shall no longer be secured by or be deemed to be Outstanding under the provisions of this Indenture. Interest shall not continue to accrue on such Bonds after the redemption date. If sufficient moneys shall not be on deposit on the redemption date, such

Bonds or portions thereof shall continue to bear interest until paid at the same rate as they would have borne had they not been called for redemption.

*Section 3.04. Partial Redemption.* (a) Any partial redemption of Bonds shall be made only in Authorized Denominations. If fewer than all of the Bonds shall be called for redemption, the portion of Bonds to be redeemed shall be selected by lot by the Trustee from among all Outstanding Bonds; *provided* that the Trustee shall first select Bank Bonds for redemption and, second, select Bonds tendered for purchase on the date fixed for redemption. Each Bond shall be considered separate Bonds in the minimum Authorized Denominations for purposes of selecting the Bonds to be redeemed. Subject to the provisions of the Bonds with respect to the Book-Entry System, if any Bond shall be called for redemption only in part, then the Owner of such Bond, upon surrender of such Bond to the Trustee for payment, shall be entitled to receive a new Bond or Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Bond, without charge therefor.

(b) If the Owner of any Bond which is called for redemption only in part shall fail to present such Bond to the Trustee for payment and exchange as aforesaid, such part of the Bond shall, nevertheless, become due and payable on the date fixed for redemption, and to such extent such Bond shall no longer be deemed to be Outstanding for purposes of this Indenture.

(c) Notwithstanding the foregoing, if the Bonds are held under a Book-Entry System at the time of a partial redemption of the Bonds, beneficial ownership interests in the Bonds shall be selected for redemption in accordance with the rules and procedures established by the Securities Depository.

*Section 3.05. Purchase of Tendered Bonds.* (a) In performing their duties hereunder, the Tender Agent and the Remarketing Agent shall act as agents of the persons to whom purchased Bonds are to be delivered pursuant to Section 3.08 and of persons tendering such Bonds and shall not be considered to be purchasing Bonds for their own account and, in the absence of written notification from the Trustee to the contrary, shall be entitled to assume that any Bond tendered or deemed tendered to the Tender Agent, or any beneficial interest in any Bond tendered to the Remarketing Agent for purchase is entitled under the Indenture to be so purchased, other than Bank Bonds and Bonds held by the City. No acceptance of Bonds by the Tender Agent hereunder, and no acceptance of a direction to tender beneficial interests in Bonds by the Remarketing Agent hereunder, shall effect any merger or discharge of the indebtedness of the City evidenced by the Bonds. The Tender Agent shall accept all Bonds properly tendered for purchase and the Remarketing Agent shall accept all properly given directions to tender beneficial interests in Bonds, in accordance with the provisions of the Bonds and as set forth in this Indenture.

(b) There is hereby created by the City established with the Trustee a special trust fund designated as the “City of Peoria, Peoria County, Illinois, Variable Rate General Obligation Demand Bonds, Series 2016A — Purchase Fund” (the “*Purchase Fund*”). The Tender Agent shall hold all Bonds delivered to it in trust for the exclusive benefit of the respective Owners of Bonds tendering such Bonds for sale until moneys representing the purchase price of such Bonds have been delivered to or for the account of such Owners of Bonds. The Tender Agent shall hold



all moneys delivered to it for the purchase of Bonds in the Purchase Fund in trust, solely for the benefit of the persons delivering such moneys until the Bonds purchased with such moneys have been delivered to or for the account of such persons and thereafter solely for the benefit of the persons entitled to such moneys. Moneys held in the Purchase Fund shall not be invested. The City and the Trustee hereby authorize and direct the Tender Agent to withdraw sufficient funds from the Purchase Fund to pay the purchase price of tendered Bonds as the same becomes due and payable, which authorization and direction the Tender Agent accepts.

(c) During any period the Bonds are held under a Book-Entry System, the purchase price of tendered Bonds, (i) if derived from purchasers as described in Section 3.07(a), shall be paid on the tender date by the Trustee from moneys received from the purchaser of the remarketed Bonds, and (ii) if derived from the Liquidity Facility as described in Section 3.07(b), shall be paid on the tender date by the Trustee from such source.

*Section 3.06. Remarketing of Tendered Bonds; Payment of Purchase Price.* (a) The Remarketing Agent shall use its best efforts to remarket tendered Bonds of which it has received notice of tender from the Tender Agent (or Beneficial Owners, as the case may be), at a price equal to 100% of the principal amount thereof plus accrued interest to the purchase date. Such remarketing shall be made in accordance with, and subject to the conditions of, the provisions hereof and of the Remarketing Agreement. Under no circumstances shall the Remarketing Agent remarket tendered Bonds to the City. Bonds which have been duly tendered for purchase and which have not been remarketed shall be purchased on the tender date with funds provided under the Liquidity Facility or, if funds provided under the Liquidity Facility are insufficient for such purpose, but solely at the discretion of the City, from funds provided by the City. Tendered Bonds for which insufficient funds are available for their purchase shall remain with the holders thereof, and, subject to the same qualifications and exceptions as are set forth in the second paragraph of Section 2.02(c), such Bonds, without any further action on the part of any person, shall automatically convert to the Weekly Rate Mode, and such Bonds shall thereupon bear interest at the Weekly Rate determined pursuant to Section 2.02(b).

(b) Upon receipt of a duly tendered written notice of an optional tender of Bonds, the Tender Agent shall notify in writing the Remarketing Agent, the City and the Trustee of the principal amount of Bonds tendered and the date fixed for purchase of the tendered Bonds. During any period the Bonds are held under a Book-Entry System, such notice will be given in writing by the Remarketing Agent to the City and the Trustee.

(c) Prior to 3:00 p.m. on the Business Day which immediately precedes the purchase date for any Bonds, the Remarketing Agent shall give notice to the Tender Agent, the City, the Liquidity Provider and the Trustee of the principal amount of such Bonds (or beneficial interests therein) which have been remarketed, and, if the Bonds are not then held in a Book-Entry Only System, the names, addresses and taxpayer identification numbers of the purchasers of such Bonds and the denominations in which the Bonds are to be purchased by and delivered to each purchaser. If less than all of the Bonds (or beneficial interests therein) to be tendered on such purchase date have been remarketed, the Remarketing Agent shall, in addition, notify the Trustee, the Liquidity Provider, the Tender Agent and the City prior to 10:00 a.m. on the purchase date of the principal amount of Bonds (or beneficial interests therein) which have not

been remarketed and the amount of accrued interest to be paid on such Bonds (or beneficial interests therein) on such purchase date. Purchasers of Bonds (or beneficial interests therein) which have been remarketed shall be required to deliver the purchase price thereof directly to the Tender Agent (or, during any period the Bonds are in the Book-Entry System to the Trustee) for deposit in the Purchase Fund not later than 9:30 a.m., on the purchase date. The Trustee will not request payment from the Liquidity Facility for any Bonds that are owned by the City or an affiliate of the City.

(d) Prior to 10:30 a.m., on any purchase date (whether optional or mandatory), the Trustee shall call upon the Liquidity Provider to provide funds in an amount, not in excess of the Required Amount of the Liquidity Facility, equal to the purchase price of all Bonds (or beneficial interests therein) to be purchased on such purchase date, less the amount of remarketing proceeds which have been deposited with the Tender Agent (or the Trustee during any period the Bonds are held under a Book-Entry System) by 9:30 a.m. on such date.

(e) The Trustee shall, to the extent it has obtained moneys under the Liquidity Facility for the purchase of Bonds (or beneficial interests therein), authorize direct payment by the Liquidity Provider to the Tender Agent (or, during any period the Bonds are held under a Book-Entry System, to the payee specified by the Securities Depository) of the moneys so drawn.

(f) Notices pursuant to this Section shall be by telephone or telefacsimile transmittal, promptly confirmed in writing, except that any demand under the Liquidity Agreement shall be in accordance with the terms thereof.

(g) Anything in this Indenture to the contrary notwithstanding, there shall be no obligation of the Remarketing Agent to remarket Bonds (or beneficial interests therein) (i) if there shall have occurred and be continuing an Event of Default under this Indenture, or (ii) if there is no Liquidity Facility in effect that supports Bonds (or beneficial interests therein) in a Mode and period for which required. In the event Bonds (or beneficial interests therein) are required to be tendered for purchase on the last Interest Payment Date prior to the Expiration Date as described in Section 2.02 hereof, such Bonds (or beneficial interests therein) shall not be remarketed (i) unless remarketed in an Adjustable Rate Period that extends to the final maturity of the Bonds or (ii) unless and until the obligation of the Liquidity Provider to purchase Bonds at a price up to the Required Amount of the Liquidity Agreement has been extended or renewed or an effective Alternate Liquidity Facility has been delivered to the Trustee. In the event that Bonds (or beneficial interests therein) are required to be tendered for purchase on the Business Day selected by the Trustee as the mandatory tender date where the Trustee has received written notice from the Liquidity Provider to the effect that an event of default (other than an event of default resulting in an Automatic Termination Event or a Suspension Event) has occurred under the Liquidity Facility and the Liquidity Provider is terminating its obligation under the Liquidity Facility, such Bonds (or beneficial interests therein) shall not be remarketed unless and until an effective Alternate Liquidity Facility has been delivered to the Trustee. In no event shall Bank Bonds (or beneficial interests therein) be remarketed unless the Liquidity Provider has reinstated, or will simultaneously reinstate, the amount available for which payment may be demanded under the Liquidity Facility to an amount sufficient to purchase Bonds at a price up to the Required Amount of the Liquidity Facility for such Bonds (or beneficial interests therein).

(h) Any Bond optionally tendered for purchase after the date on which such Bond has been selected for redemption or the Trustee has notified the Bondholders of pendency of a conversion of the interest rate Mode of the Bonds shall not be remarketed unless the purchaser has been notified by the Trustee of the redemption or the conversion, as appropriate. Any purchaser so notified must deliver a notice to the Trustee and the Tender Agent (or, during any period the Bonds are in the Book-Entry System, to the Remarketing Agent) stating that such purchaser will tender its Bond (or beneficial interest therein) on the date of such redemption or conversion, as the case may be.

*Section 3.07. Funds for Purchase Price of Bonds.* On the date Bonds are to be purchased pursuant to the optional or mandatory tender provisions of this Indenture, the Tender Agent shall deliver the purchase price to the tendering Bondholder (or, if the Bonds are held under a Book-Entry System, the Trustee shall deliver the purchase price to the appropriate payee on the records of the Securities Depository), but only from the funds listed below, in the order of priority indicated:

(a) the proceeds of the sale of such Bonds (or beneficial interests therein) which have been remarketed by the Remarketing Agent which have been delivered to the Tender Agent or (during any period the Bonds are in a Book-Entry System) the Trustee by 9:30 a.m., on the purchase date; and

(b) moneys demanded under the Liquidity Facility.

Nothing herein shall prohibit the City from purchasing Bonds tendered pursuant to the optional or mandatory tender provisions of the Indenture if it chooses to do so at its option. No Bond shall be entitled to the benefit of the Liquidity Facility while it is held by the City.

*Section 3.08. Delivery of Purchased Bonds.* The Tender Agent shall make available by 4:00 p.m. on the purchase date of any tendered Bonds (whether such tender was optional or mandatory), at its Principal Office in New York City, Bonds which have been purchased with moneys described in Section 3.07(a) for receipt by the purchaser thereof, which Bonds shall be authenticated by the Tender Agent. Bonds purchased with moneys described in Section 3.07(a) shall be registered in the manner directed by the Remarketing Agent and delivered to the Remarketing Agent for redelivery to the purchasers thereof. Bonds purchased with moneys described in Section 3.07(b) shall be delivered by the Tender Agent to the Trustee, and registered by the Trustee in the name of the Liquidity Provider indicating their status as Bank Bonds (or if the Bonds are held in the Book-Entry System, such Bonds shall be recorded in the books of the Securities Depository for the account of the Liquidity Provider). Any Bonds purchased by the City shall be delivered to the City.

If the Bonds are held in a Book-Entry Only System, the Remarketing Agent shall designate beneficial interests in Bonds purchased with moneys described in Section 3.07(a) as being held for the account of, or belonging to, such purchasers. Beneficial interests purchased with moneys described in Section 3.07(b) shall be designated by the Remarketing Agent as being Bank Bonds belonging to the Liquidity Provider, and disposed of pursuant to Section 3.10.

*Section 3.09. Bank Bonds.* If any Bond is purchased pursuant to Section 3.05 hereof with moneys demanded under the Liquidity Facility pursuant to Section 3.07(b) hereof, if no Book-Entry System is then in effect, that Bond shall be delivered to and held as provided in the Liquidity Facility, and shall constitute a Bank Bond. If a Book-Entry System is then in effect, Bonds purchased with amounts demanded under the Liquidity Facility pursuant to Section 3.07(b) hereof shall be reflected on the records of the Securities Depository as being held for the account of the Liquidity Provider or as otherwise provided in the Liquidity Facility.

*Section 3.10. Custody Account.* (a) Upon any Bond becoming a Bank Bond, the Trustee shall establish a separate and segregated account to be designated City of Peoria, Peoria County, Illinois, Variable Rate General Obligation Demand Bonds, Series 2016A — Custody Account (the “*Custody Account*”). Bank Bonds (if Bonds are no longer held under a Book-Entry System) and money shall be transferred into the Custody Account in accordance with the terms of this Section 3.10.

If a beneficial interest in a Bond is purchased pursuant to Section 3.06 hereof with moneys drawn under the Liquidity Facility pursuant to Section 3.07 hereof, that beneficial interest shall be designated on the books of the Trustee as a Bank Bond until released as herein provided. Provided there is no Event of Default under this Indenture, the Remarketing Agent shall use its best efforts to remarket Bank Bonds. If the Remarketing Agent remarkets any Bank Bond, the Remarketing Agent shall give a notice conforming to the notice described in the first sentence of Section 3.06(c) hereof, and shall direct the purchaser of such Bank Bond to transfer, by 10:00 a.m., on the purchase date, the purchase price payable to the Trustee for deposit into the Custody Account. Upon receipt of such notice, the Bank Bondholder must deliver such Bank Bond to the Tender Agent (or the Trustee, if a Book-Entry System is then in effect) for purchase. The Trustee shall immediately notify the Bank Bondholder of the receipt of the purchase price for such Bank Bond, shall immediately transfer such purchase price to the Bank Bondholder and, upon receipt of notice from the Bank Bondholder that it has reinstated the Liquidity Facility in the amount of such purchase price, the Trustee shall note on the registration books for the Bonds that such Bond is not a Bank Bond and direct the Remarketing Agent to deliver or designate beneficial interests in such Bond to the purchasers thereof in accordance with Section 3.08 hereof. If moneys remain on deposit with the Trustee in the Custody Account after payment is made to the Bank Bondholder in accordance with the preceding directions, and upon notice from the Bank Bondholder confirming that it has been paid all amounts owed to it with respect to such Bank Bonds, such moneys shall be deposited into the Bond Fund.

(b) To the extent amounts are due and owing to the Bank Bondholder, the proceeds of the remarketing of Bank Bonds shall be deposited into the Custody Account and held by the Trustee for the account of, and solely for, the Bank Bondholder, shall not be commingled with any other moneys held by the Trustee and shall be paid over immediately to the Bank Bondholder. The City shall pay the Bank Bondholder the Differential Interest Amount due on the date of the remarketing of the Bank Bonds.

## ARTICLE IV

### GENERAL PROVISIONS

*Section 4.01. Authorization for Indenture; Indenture and Bond Ordinance to Constitute Contract.* This Indenture is entered into pursuant to the Act. In consideration of the purchase of the Bonds by the Bond Owners, the provisions of this Indenture and the Bond Ordinance shall be part of the contract of the City with the Owners of the Bonds, and shall be deemed to be and shall constitute a contract among the City, the Trustee and the Bond Owners. The provisions hereof and of the Bond Ordinance are covenants and agreements with such Bond Owners, which the City hereby determines to be necessary and desirable for the security and payment of the Bonds.

*Section 4.02. Payment of Principal, Premium and Interest; Security.* The City covenants that it will duly and punctually pay or cause to be paid the principal of, premium, if any, and interest on the Bonds issued under this Indenture at the place, on the dates and in the manner provided herein and therein according to the true intent and meaning hereof and thereof.

The Bonds are a general obligation of the City, for which the full faith and credit of the City are irrevocably pledged, and are payable from the levy of the Pledged Taxes on all of the taxable property in the City, without limitation as to rate and amount. The statement of security for the Bonds as set forth in the Bond Ordinance and in the Granting Clauses hereto is hereby affirmed and incorporated as if set out in full.

*Section 4.03. Performance of Covenants; Legal Authorization.* The City covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond executed, authenticated and delivered hereunder and in all proceedings of its members pertaining thereto. The City represents that it is duly authorized under the Constitution and laws of the State to issue the Bonds authorized hereby and to execute this Indenture, and to pledge the amounts hereby pledged in the manner and to the extent herein set forth; that all action on its part necessary for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the City according to the import thereof.

*Section 4.04. Instruments of Further Assurance.* The City covenants that it will do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered, such indentures supplemental hereto and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning and confirming unto the Trustee amounts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds.

*Section 4.05. Recordation of Indenture.* The City, if necessary, shall cause this Indenture and all supplements thereto as well as such other security instruments, financing statements and all supplements thereto and other instruments as may be required from time to time to be kept recorded and filed in such manner and in such places as may be required by law in order to fully

preserve and protect the lien hereof and the security of the holders and owners of the Bonds and the rights of the Trustee hereunder.

*Section 4.06. Rights under Certain Agreements and Liquidity Facility.* This Indenture, the documents executed by the City in connection herewith and therewith, and the Liquidity Facility, duly executed counterparts or originals of which have been filed with the Trustee, set forth the covenants and the obligations of the City, the Liquidity Provider and the Trustee. Reference is hereby made to such documents for detailed statements of the covenants and obligations set forth therein.

*Section 4.07. Acknowledgment of Expiration of Liquidity Facility.* Upon any Expiration of the Liquidity Facility, the Trustee shall provide written acknowledgment of such expiration to the Liquidity Provider.

*Section 4.08. Legal Existence of City.* The City covenants that it will at all times maintain its legal existence and will duly procure any necessary renewals and extensions thereof; will use its best efforts to maintain, preserve and renew all the rights, powers, privileges and franchises owned by it; and will comply with all valid acts, rules, regulations and orders of any legislative, executive, judicial or administrative body applicable to the City in connection with the Bonds.

*Section 4.09. Reserved.*

*Section 4.10. Diminution of, or Encumbrance on, Trust Estate.* The City covenants not to sell, transfer, assign, pledge, release, encumber or otherwise diminish or dispose of, directly or indirectly, by merger or otherwise, or cause or suffer the same to occur, or create or allow to be created or to exist any lien upon, all or any part of its interests in the Trust Estate, except as expressly permitted by this Indenture.

*Section 4.11. Books, Records and Accounts.* The Trustee agrees to keep accurate books for the registration of, and transfer of ownership of, each Bond, and accurate books, records and accounts in which complete and correct entries shall be made of all transactions relating to the receipt, disbursement, investment, allocation and application of the proceeds received from the sale of the Bonds, the documents executed by the City in connection therewith, the Liquidity Facility, the Funds and accounts created pursuant to this Indenture, and all other moneys held by the Trustee hereunder. The Trustee shall, during regular business hours and upon reasonable prior notice, make such books, records and accounts available for inspection by the City and the Liquidity Provider.

*Section 4.12. Notices to Remarketing Agent and Rating Agencies.* The Trustee shall provide the Remarketing Agent, if any, and each Rating Agency then rating the Bonds, if the Bonds are then rated and if the Trustee is provided with the names of the applicable Rating Agencies by the City, with prompt written notice following the effective date of the following to the extent the Trustee has actual knowledge of any of such events: (a) the appointment of any successor Trustee, Tender Agent or Remarketing Agent, (b) any change in the identity of the Liquidity Provider, (c) any supplement to, or amendment of, this Indenture, the Bond Ordinance or the Remarketing Agreement, (d) the termination, expiration, extension or amendment of the

Liquidity Facility, (e) the delivery of an Alternate Liquidity Facility, (f) the payment in full of all of the Bonds, (g) the giving of a notice of mandatory tender or redemption of the Bonds, (h) the occurrence of any Conversion Date, (i) the establishment of an Adjustable Rate Period greater than one year or (j) the provision for payment of all or a portion of the Bonds in accordance with Article VI hereof. Each notice to the Remarketing Agent and the Rating Agencies hereunder shall be directed to the respective addresses provided by the Remarketing Agent and the Rating Agencies. Notices of supplements or amendments to documents shall be given at least 10 days prior to the effective date thereof. The Trustee is providing such notices as an accommodation only, and the Trustee shall incur no liability for failure to give any such notices.

*Section 4.13. Rule G-34 Documents.* Within one Business Day after the execution and delivery of any Rule G-34 Document in connection with any amendment, extension, renewal, replacement or termination thereof, the Trustee shall provide to the Remarketing Agent, by electronic delivery, a word-searchable PDF file containing an executed copy of the relevant Rule G-34 Document *provided* that the Trustee receives written notice from the City that such document constitutes a Rule G-34 Document.

## ARTICLE V

### FUNDS AND RELATED COVENANTS

*Section 5.01. Application of Original Proceeds.* Proceeds of the Bonds shall be used as provided in Article II hereof.

*Section 5.02. Creation of Bond Fund.* There is hereby created by the City and ordered established with the Trustee a trust fund to be designated the “City of Peoria, Peoria County, Illinois, Variable Rate General Obligation Demand Bonds, Series 2016A — Bond Fund” (the “*Bond Fund*”). There is further created a special account of the Bond Fund to be designated “Bank Bond Special Deposit Account” (the “*Special Account*”).

*Section 5.03. Payments into Bond Fund; Use of Moneys in Bond Fund.* There shall be deposited into the Bond Fund when received: (a) all receipts of the Pledged Taxes or other funds from the City; (b) all moneys required to be so deposited in connection with any redemption of Bonds; (c) any amounts directed to be transferred into the Bond Fund pursuant to any provision of this Indenture or the Bond Ordinance; and (d) all other moneys when received by the Trustee which are required to be deposited into the Bond Fund or which are accompanied by directions that such moneys are to be paid into the Bond Fund. The Trustee shall also establish within the Bond Fund separate Accounts with respect to principal of the Bonds (the “*Principal Account*”), interest on the Bonds (the “*Interest Account*”) and redemption price of the Bonds (the “*Redemption Account*”).

There shall be deposited into the Special Account all moneys required to be deposited into the Bond Fund as a condition or covenant relating to the existence (by purchase or otherwise, as provided in the Liquidity Facility) of Bank Bonds. The Special Account and

moneys therein shall be held preferentially for the payment of Bank Bonds, first and prior to payment of other Bonds.

Pursuant to Section 10 of the Bond Ordinance, there shall be deposited into the Bond Fund created hereunder on or before the last Business Day of each calendar month an amount equal to (i) if the Bonds are in the Weekly Rate Mode, the amount of interest coming due on the Bonds on the next following Interest Payment Date, or (ii) if the Bonds are in the Adjustable Rate Mode, the amount of interest that has accrued on the Bonds during such calendar month, which in either case shall be deposited in the Interest Account. In addition, there shall be deposited into the Principal Account of the Bond Fund, on or before a principal payment is due on the Bonds, an amount equal to the principal next coming due. There shall be credited against each such principal deposit requirement the amount of all investment earnings on deposit in the Principal Account on such date. There shall be credited against each such interest deposit requirement all amounts, including investment earnings, then on deposit in the Interest Account on such date.

Upon the exercise of its right to optionally redeem any Bonds pursuant to Section 3.01 of this Indenture, the City shall pay to the Trustee for deposit into the Redemption Account on or before the optional redemption date, an amount together with moneys on deposit therein sufficient to pay the optional redemption price.

*Section 5.04. Payment of Purchase Price; Demands under Liquidity Facility.* As more fully described under Sections 3.05 and 3.06 hereof, relating to tender, the payment of the purchase price of Bonds (or beneficial interests therein) tendered or required to be tendered for purchase may be paid from the proceeds received from the remarketing of such Bonds (or beneficial interests therein). In the event that Bonds (or beneficial interests therein) tendered or required to be tendered for purchase either have not been remarketed or have been remarketed but payment therefor has not been received, the portion of the purchase price, not to exceed the Required Amount of the Liquidity Facility, of such Bonds (or beneficial interests therein) shall be paid from moneys received under the Liquidity Facility, as described below.

In accordance with the provisions of said Sections 3.05 and 3.06 hereof, on or before 10:30 a.m., on the date upon which any Bonds supported by the Liquidity Facility are to be purchased, the Trustee shall demand payment under the Liquidity Facility. The Liquidity Provider, in accordance with the terms of the Liquidity Facility, shall cause funds so demanded to be wired to the Tender Agent (if the Bonds are not held under a Book-Entry System) or the Trustee (if the Bonds are held under a Book-Entry System), or as directed by the Trustee, not later than 2:00 p.m., on the purchase date. All amounts demanded under the Liquidity Facility shall be deposited in the Purchase Fund and used to pay the purchase price of Bonds tendered or required to be tendered for purchase.

Moneys derived from the Liquidity Facility shall be used solely for the payment of the portion of the intended purchase price of the Bonds (or beneficial interests therein) tendered or required to be tendered for purchase supported by such Liquidity Facility. The City hereby authorizes and directs the Tender Agent (if the Bonds are not held under a Book-Entry System) and the Trustee (if the Bonds are held under a Book-Entry System), to use moneys demanded under the Liquidity Facility and held by the Tender Agent (if the Bonds are not held under a



Book-Entry System) or the Trustee (if the Bonds are held under a Book-Entry System), in the Purchase Fund, to pay the purchase price of Bonds as the same become due and payable. As soon as may be possible following the honoring of any demand for payment under any Liquidity Facility, an amount equal to the amount so demanded, to the extent not otherwise needed to pay the purchase price of Bonds, shall be transferred by the Tender Agent (if the Bonds are not held under a Book-Entry System) or the Trustee (if the Bonds are held under a Book-Entry System), from the Purchase Fund back to the Liquidity Provider.

With respect to any Bond, all references to “Alternate Liquidity Facility,” “Liquidity Provider” and “Liquidity Facility” shall be of no effect if (a) no Liquidity Facility is outstanding and (b) no obligations of the City to the Liquidity Provider remain outstanding under a Liquidity Facility.

*Section 5.05. Investment of Moneys.* Subject to the restrictions hereinafter set forth in this Section, moneys held in the Bond Fund shall be invested and reinvested by the Trustee upon oral directions (confirmed in writing) of the City in Qualified Investments, maturing, redeemable or marketable no later than the date on which it is estimated that such moneys will be required to be paid out hereunder. Moneys held in the Purchase Fund shall not be invested. All investment instructions hereunder shall be provided orally (confirmed in writing) to the Trustee no later than one Business Day prior to the making of the investment directed therein. The Trustee may make any and all such investments through its own investment department, or through any of its affiliates or subsidiaries. The Trustee may also make any and all investments in Qualified Investments that are offered or maintained by the Trustee itself or by any of its affiliates or subsidiaries. The Trustee shall not be responsible or liable for the performance of any such investments or for keeping the moneys held by it hereunder fully invested at all times. The Trustee shall notify the City in the event any moneys for which it has not received investment instructions or if any moneys are being held uninvested. Until the Trustee is provided with written investment directions from the City, it shall hold such amounts uninvested in cash, without liability for interest. Any obligations acquired by the Trustee as a result of investment or reinvestment shall be held by or under the control of the Trustee (except for such investments held in book entry form) and shall be deemed to constitute a part of the Fund or account from which the moneys used for its purchase were taken. All investment income derived from any Fund or account held hereunder shall be deposited into the Bond Fund, which moneys shall be available for the purposes set forth in Section 5.03 hereof (and to the extent so available shall serve as a credit against the amount due from the City). The Trustee shall be fully protected in relying on the written investment directions of the City as to the suitability and legality of any such directed investments, and the Trustee shall have no obligation to confirm that such directed investments constitute Qualified Investments.

*Section 5.06. Moneys Held in Trust.* All moneys required to be deposited with or paid to the Trustee for the account of any fund or account under any provisions of this Indenture shall be held by the Trustee in trust under the terms hereof and shall not be subject to lien or attachment of any creditor of the City. Such moneys shall be held in trust and applied in accordance with the provisions of this Indenture.

*Section 5.07. Repayment to City from Indenture Funds.* Any amounts remaining in any fund or account created under this Indenture, after payment or provision for payment in full of the Bonds in accordance with Article VI hereof, the fees, charges and expenses of the Trustee, the Tender Agent, the Remarketing Agent and any co-trustee appointed hereunder, amounts due and owing to the Liquidity Provider shall be paid, upon the expiration of, or upon the sooner termination of, the terms of this Indenture, to the City.

## ARTICLE VI

### DISCHARGE OF INDENTURE; PROVISION FOR PAYMENT OF A BOND

*Section 6.01. Discharge.* (a) If the City shall pay or cause to be paid, or there shall be otherwise paid, or provision shall be made for the payment of, the principal, premium, if any, and interest due or to become due on the Bonds at the times and in the manner stipulated therein, and if the City shall not then be in default under any of the other covenants and promises in such Bonds and this Indenture to be kept, performed and observed by it or on its part, and if the City shall pay or cause to be paid to the Trustee all sums of money due or to become due according to the provisions hereof or of the Bonds, then, except for the rights of the Trustee under Section 8.02 hereof, these presents and the interests in the Trust Estate and rights hereby granted shall cease, determine and be void, and the Trustee shall take such actions, at the request of the City, as may be necessary to evidence the cancellation and discharge of the lien of this Indenture.

(b) *Provision for Payment of a Bond.* While the Bonds are in the Adjustable Rate Mode, a Bond shall be deemed to be paid within the meaning of this Article VI and for all purposes of this Indenture when (a) payment of the principal of and the applicable redemption premium, if any, on such Bond, plus interest thereon to maturity or redemption in whole, shall have been provided to the Trustee by irrevocably depositing with the Trustee, in trust, and the Trustee shall have irrevocably set aside exclusively for such payment by means of an escrow deposit agreement or supplement to this Indenture, any combination of (i) funds sufficient to make such payment, and/or (ii) Government Obligations not subject to redemption or prepayment and maturing as to principal and interest in such amounts and at such times as will provide sufficient moneys, without reinvestment of any matured amounts, to make such payment without reinvestment; (b) the Trustee shall have been given irrevocable written instructions to call all outstanding Bonds for redemption on a date certain, if such Bonds are to be called for redemption prior to Stated Maturity; (c) the Trustee shall have received a Favorable Opinion of Bond Counsel as to the effect of such deposit (and the payment of the Bonds therefrom) and, if such deposit will be held for more than 90 days, a verification report of an independent certified public accountant selected by the City with respect to the sufficiency of such deposit; and (d) all necessary and proper fees, compensation and expenses of the Trustee and the Tender Agent pertaining to the Bonds shall have been paid or the payment thereof provided for to the satisfaction of the Trustee.

While in a Weekly Rate Mode, a Bond shall be deemed to be paid within the meaning of this Article VI and for all purposes of this Indenture when (a) payment of (i) the principal and the applicable redemption premium, if any, on such Bond, plus interest thereon to Stated Maturity or

redemption in whole and (ii) the purchase price for such Bond if tendered for purchase prior to maturity or redemption in whole shall have been provided to the Trustee by irrevocably depositing with the Trustee, in trust, and the Trustee shall have irrevocably set aside exclusively for such payment by means of an escrow deposit agreement or supplement to this Indenture, funds in any amount sufficient to make such payments; (b) the Trustee shall have been given irrevocable written instructions to call all outstanding Bonds for redemption on a date certain, if such Bonds are to be called for redemption prior to Stated Maturity; (c) the Trustee shall have received a Favorable Opinion of Bond Counsel as to the effect of such deposit (and the payment of the Bonds therefrom) and if such deposit will be held for more than 90 days, a verification report of an independent certified public accountant selected by the City with respect to the sufficiency of such deposit; (d) the Trustee receives notice from each Rating Agency, promptly confirmed in writing to the Trustee, indicating that the rating on the Bonds will not be suspended or withdrawn and indicating what rating the Bonds will bear after payment is provided therefor in accordance with this paragraph and indicating that such rating is not lower than the rating borne by the Bonds immediately prior to any such provision for payment; and (e) all necessary and proper fees, compensation and expenses of the Trustee and the Tender Agent pertaining to the Bonds shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. If a Bond for which funds have been so deposited with the Trustee is tendered for purchase prior to its Stated Maturity or redemption in whole, the purchase price for such Bond shall be paid with such funds; upon payment of such purchase price such Bond shall not be remarketed but shall be cancelled by the Trustee. Funds deposited with the Trustee as described in clause (a) above shall either not be invested or shall be invested in Government Obligations that mature in a principal amount not less than their original purchase price and have maturity dates not later than the dates on which such moneys will be needed to pay the redemption price or purchase price of the Bonds, and in no event later than seven days after their date of purchase.

If provision for payment of a Bond is being made as described in this Article VI and the interest rate on such Bond may change or be reset in accordance with Section 2.02 of this Indenture during the period between the date that funds and/or Government Obligations are deposited with the Trustee and the date that such Bonds are purchased, redeemed or otherwise paid, then the amount of such funds and/or Government Obligations (taking into account the proceeds thereof) to be deposited with the Trustee shall be sufficient to pay the principal of, premium, if any, and interest on such Bond to maturity or redemption in whole and purchase price for such Bond if tendered for purchase prior to its Stated Maturity assuming that such Bond bore interest at the Maximum Rate during such period. After payment of such Bond, if, as a result of any such interest rate assumption, excess funds remain on deposit with the Trustee, such funds shall be returned to the City.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

*Section 7.01. Events of Default.* Subject to the provisions of Section 7.10 hereof, each of the following events is hereby defined as, and declared to constitute, an “Event of Default” under this Indenture:

- (a) A default in the payment when due of interest on any Bond.
- (b) A default in the payment of principal of, or premium, if any, on any Bond when due, whether at maturity, redemption, or otherwise.
- (c) The City fails to perform any of its agreements in this Indenture, the Bond Ordinance or the Bonds (except a failure that results in an Event of Default under clause (a) or (b) above), the performance of which is material to the Bondholders, and which failure continues after the giving of the notice of default and the expiration of the grace period specified in Section 7.11.
- (d) The City pursuant to or within the meaning of any Bankruptcy Law (as defined below) (1) commences a voluntary case, (2) consents to the entry of an order for relief against it in an involuntary case, (3) consents to the appointment of a Bankruptcy Receiver (as defined below) for the City or any substantial part of its property or (4) makes a general assignment for the benefit of its creditors.
- (e) A court of competent jurisdiction enters an order or decree under any Bankruptcy Law that (1) is for relief against the City in an involuntary case, (2) appoints a Bankruptcy Receiver for the City or any substantial part of its property or (3) orders the winding up or liquidation of the City, and the decree or order remains unstayed and in effect for 90 days.

A default under Section 7.01(c) shall not become an Event of Default except as provided in Section 7.11.

“*Bankruptcy Law*” means Title 11 of the United States Code or any similar Federal or state law for the relief of debtors. “*Bankruptcy Receiver*” means any receiver, trustee, assignee, liquidator, custodian or similar official under any Bankruptcy Law.

*Section 7.02. Remedies; Rights of Bond Owners.* Upon the occurrence of any Event of Default, the Trustee may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding, and the performance by the City of its obligations hereunder, including, without limitation, the following:

- (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bond Owners, and require the City to carry out its obligations under this Indenture, the Bond Ordinance and the Act;

(b) bring suit upon the Bonds;

(c) by action, suit or proceeding at law or in equity require the City to account for any moneys received by the City as if it were the trustee of an express trust for the Bond Owners; and

(d) by action, suit or proceeding at law or in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bond Owners.

Any judgment against the City shall be enforceable against the Trust Estate. Subject to the prior rights of the Bond Owners and the Trustee, the City shall be entitled to reimbursement for any of its expenses in connection with such proceeding from any available funds in the Trust Estate.

If an Event of Default shall have occurred, and if requested to do so by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, and if indemnified as provided in Section 8.01(1) hereof, the Trustee shall be obligated to exercise one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bond Owners.

No remedy conferred upon or reserved to the Trustee or the Bond Owners by the terms of this Indenture is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or the Bond Owners hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein; and every such right and power may be exercised from time to time as often as may be deemed expedient. No waiver of any default or Event of Default hereunder, whether by the Trustee or the Bond Owners, shall extend to or shall affect any subsequent default or Event of Default or shall impair any right or remedy consequent thereon.

*Section 7.03. Right of Bond Owners to Direct Proceedings.* Notwithstanding the foregoing, upon the occurrence of an Event of Default, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver or for any other proceedings hereunder, other than for the payment of the principal or purchase price of, premium, if any, and interest on the Bonds, or any part thereof; *provided, however,* that direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

*Section 7.04. Appointment of Receiver.* Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and the Bond Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to request the appointment of a receiver or receivers of the Trust Estate and of the revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

*Section 7.05. Waiver of Certain Laws.* Upon the occurrence of an Event of Default, to the extent that such rights may then lawfully be waived neither the City, nor anyone claiming through or under it, shall claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement of this Indenture. The City, for itself and all who may claim through or under it, hereby waives, to the extent that it lawfully may do so, the benefit of all such laws.

*Section 7.06. Application of Moneys.* All moneys relating to the Bonds received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall (after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the fees and expenses, liabilities and advances of the Trustee and the Tender Agent, including the fees, costs and expenses of their respective attorneys and agents, it being understood that payment of such costs and expenses shall not be made from the proceeds of any demand for payment made under the Liquidity Facility or any moneys already held for the payment of principal of, premium, if any, interest on and/or purchase price for Bonds that were not presented for payment when due in accordance with the terms of this Indenture (including remarketing proceeds)) be deposited into the Bond Fund and all moneys in the Bond Fund shall be applied as follows:

(a) Unless the principal of all the Bonds Outstanding shall have become due and payable, all such moneys shall be applied:

FIRST - To the payment to the persons entitled thereto of all installments of interest then due on the Outstanding Bonds 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 thereto, without any discrimination or privilege; and

SECOND - To the payment to the persons entitled thereto of the unpaid principal of, and premium, if any, on, the Outstanding Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are already held pursuant to the provisions of this Indenture) in the order of their due dates, and, if the amount available shall not be sufficient to pay in full the principal of each Bond due on any particular date, together with such premium, then to the payment ratably, according to the amount of principal and premium due on such date, to the persons entitled thereto, without any discrimination or privilege.

(b) If the principal of all the Outstanding Bonds shall have become due and payable, all such moneys shall be applied first to the payment of the principal, premium, if any, and interest then due on such Bonds, without preference or priority of principal and premium over interest or of interest over principal and premium, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal, premium, if any, and interest, to the persons entitled thereto, without any discrimination or privilege.

Whenever the Trustee shall apply such funds it shall fix the date of application, which shall be an Interest Payment Date unless it shall deem, in the reasonable exercise of its discretion, another date more suitable. The Trustee shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date.

Any discretion of the Trustee to apply moneys after a default shall not permit the Trustee to fail to liquidate investment obligations in the Bond Fund and apply such amounts as provided herein.

*Section 7.07. Remedies Vested in Trustee.* All rights of action (including the right to file proofs of claim) under this Indenture and under the Bonds or any Bond may be enforced by the Trustee without the possession of any Bond or the production thereof in any trial or proceedings related thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiff or defendant the Owner of any Bond.

*Section 7.08. Rights and Remedies of Bond Owners.* No Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless:

- (a) an Event of Default has occurred of which the Trustee has been notified as provided in Section 8.01 hereof, or of which by said Section 8.01 the Trustee is deemed to have notice;
- (b) the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in the name or names of such Owners, and shall have offered to the Trustee indemnity as provided in Section 8.01 hereof; and
- (c) the Trustee shall thereafter fail or refuse to exercise the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name, within 60 days;

and such notification, request and offer of indemnity are hereby declared in every case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder. No one or more Owners of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien of this Indenture by such Owners' action, and all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and (except as herein otherwise provided) for the equal and ratable benefit of the Owners on all Bonds then Outstanding. Nothing in this Indenture, however, shall affect or impair the right of any Bond Owner to enforce the payment of the purchase price of a properly tendered Bond when due, or the principal of, premium, if any, and interest on any Bond owned by such Bond Owner at and after maturity or redemption in

whole thereof, or the obligation of the City to pay the purchase price, principal of, premium, if any, and interest on any Bond to the Owner thereof at the time and place, from the source, and in the manner expressed in such Bond. Nothing contained herein shall be construed as permitting or affording any Bond Owner a right or cause of action against the Trustee or in respect of the Bonds where a default has been waived under Section 7.10 hereof or cured under Section 7.11 hereof.

*Section 7.09. Termination of Proceedings.* In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the City, the Trustee and the Bond Owners shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

*Section 7.10. Waivers of Events of Default.* The Trustee may in its discretion waive any Event of Default hereunder and its consequences, and shall do so upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding; *provided, however,* that the Trustee may not waive an Event of Default described in subparagraph (a) or (b) of Section 7.01, without the written consent of the Owners of all Bonds then Outstanding.

*Section 7.11. Notice of Default; Opportunity to Cure Defaults.* Anything herein to the contrary notwithstanding, no default under Section 7.01(c) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given to the City by the Trustee or by the Owners of not less than a majority in aggregate principal amount of all Bonds Outstanding, and the City shall have had 30 days after receipt of such notice at its option to correct said default or to cause said default to be corrected, and shall not have corrected said default or caused said default to be corrected within the applicable period; *provided, however,* that if said default be such that it cannot be corrected within the applicable period but can be corrected within an additional 60 days, it shall not constitute an Event of Default if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected.

## ARTICLE VIII

### THE TRUSTEE, TENDER AGENT AND REMARKETING AGENT

*Section 8.01. Acceptance of Trusts.* The Trustee hereby accepts the trusts imposed upon it by this Indenture but no implied covenants or obligations shall be read into this Indenture against the Trustee, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are expressly set forth in this Indenture and shall exercise such of the rights and powers vested in it by this Indenture. No implied



covenants or obligations should be read into this Indenture against the Trustee. If any Event of Default under this Indenture shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture and shall use the same degree of care as a prudent person would exercise or use in the circumstances in the conduct of such prudent person's own affairs.

(b) The Trustee may execute any of the trusts hereof, exercise any powers hereunder and perform any of its duties hereunder by or through attorneys, agents, receivers or employees, but shall be answerable for the conduct of the same in accordance with the standard specified above. Neither the Remarketing Agent nor the Liquidity Provider shall be deemed an agent of the Trustee for any purpose, and the Trustee shall not be responsible for the compliance by either of them with their respective obligations under this Indenture or in connection with the transactions contemplated herein. The Trustee shall be entitled to the advice of counsel (which may be an employee or affiliate of the Trustee) concerning all matters of trust hereof and its duties hereunder, and in all cases may pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trust hereof. The Trustee may act upon the opinion or advice of any attorneys approved by the Trustee in the exercise of reasonable care. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action exercised in good faith in reliance upon such opinion or advice.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (other than the certificate of authentication thereon), the legality, sufficiency or validity of this Indenture, the Liquidity Facility, the Bond Ordinance, the Remarketing Agreement, the Bonds or any document or instrument relating hereto or thereto; the recording or filing of any instrument required by this Indenture to secure the Bonds; insuring the Project or collecting any insurance proceeds; the validity of the execution by the City of this Indenture or of any supplement hereto or amendment hereof or of any instrument of further assurance; or the validity, priority, perfection or sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or otherwise as to the maintenance of the security hereof.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may in good faith buy, sell, own and hold any of the Bonds (or beneficial interests therein) in its own name and may join in any action which any Bond Owner may be entitled to take with like effect as if the Trustee was not a party to this Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the City, the Liquidity Provider, the Tender Agent or the Remarketing Agent; *provided, however*, that if the Trustee determines that any such relationship is in conflict with its duties under this Indenture, it shall eliminate the conflict or resign as Trustee. To the extent permitted by law, the Trustee may also purchase Bonds (or beneficial interests therein) with like effect as if it were not the Trustee.

(e) The Trustee shall be protected in acting upon, and may conclusively rely upon, any notice, certificate, opinion, request or other paper or document reasonably believed by it to be genuine and correct, and reasonably believed by it to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request, authority or consent of any person, who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and any Bond issued in replacement therefor.

(f) As to the existence or nonexistence of any fact, or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed by a duly authorized representative of the City, the Tender Agent, the Remarketing Agent or the Liquidity Provider as sufficient evidence of the facts therein contained; and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section 8.01, or of which by said subsection (h) it is deemed to have notice, the Trustee shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient. The Trustee may, at its discretion, secure such further evidence (including, but not limited to, legal opinions) deemed necessary or advisable by it, but shall in no case be bound to secure the same. The Trustee may accept a certificate of the officer of the City charged with the maintenance of its books and records over the seal of the City to the effect that a resolution or ordinance in the form therein set forth has been adopted and is in full force and effect.

(g) The right of the Trustee to perform any discretionary act enumerated in this Indenture shall not be construed as a duty. The Trustee shall not be answerable for other than its negligence or willful misconduct in the performance of its powers and duties under this Indenture.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default or Event of Default hereunder, or in any other document or instrument executed in connection with the execution and delivery of the Bonds, except (i) an Event of Default under Section 7.01(a) or (b) hereof, (ii) failure by the City to cause to be made any of the payments to the Trustee required to be made by Article V hereof, or (iii) any other Event of Default of which the Trustee has actual knowledge; unless the Trustee shall be specifically notified in writing of such default or Event of Default by the City, the Remarketing Agent, the Tender Agent, the Liquidity Provider or the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding. All notices or other instruments required by this Indenture to be delivered to the Trustee shall be delivered at the corporate trust office of the Trustee, and, in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(i) At any and all reasonable times, the Trustee and its duly authorized agents, attorneys, experts, engineers, accountants and representatives shall have the right to inspect fully all books, papers and records of the City pertaining to this Indenture and the

Bonds, and to make such photocopies thereof and memoranda therefrom and in regard thereto as may be desired.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the trust created hereby or the powers granted hereunder.

(k) Notwithstanding anything contained elsewhere in this Indenture to the contrary, the Trustee shall have the right, but not the obligation, to demand, in respect of the withdrawal of any cash, the release of any property, or the taking of any action whatsoever within the purview of this Indenture, any showing, certificate, opinion, appraisal or other information, or corporate action or evidence thereof, in addition to that required by the terms hereof as a condition of such action by the Trustee, as deemed desirable for the purposes of establishing the right of the City or the Liquidity Provider to the withdrawal of any cash, the release of any property or the taking of any other action by the Trustee.

(l) Before taking any action referred to in Article VII or Section 8.04 hereof (except with respect to the payment of the Bonds (whether upon maturity, redemption or otherwise) from moneys on deposit with it in accordance with Section 5.03 hereof, the making of any demand for payment under the Liquidity Facility and payment therefrom of the portion of the purchase price equal to the aggregate principal amount of the Bonds (or beneficial interests therein) tendered for purchase at the time or times payment is due, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses which it may incur and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken.

(m) All moneys received by the Trustee shall, until used, applied or invested as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds, except to the extent required by law or this Indenture. The Trustee shall be under no liability for interest on any moneys received by it hereunder.

*Section 8.02. Annual Fees, Charges and Expenses of Trustee and Tender Agent; Indemnification.* (a) The Trustee and the Tender Agent shall be entitled to compensation for all services rendered by them under this Indenture. In addition, the Trustee and the Tender Agent shall be entitled to reimbursement for their charges and expenses (including reasonable counsel fees and expenses) incurred in connection with such services. Such compensation and reimbursement shall be paid by the City and except as otherwise provided for herein, neither the Trustee nor the Tender Agent shall have any right, title, interest in or lien on (a) any moneys held under or pursuant to this Indenture for the benefit of the Bondholders (including moneys deposited in the Bond Fund or the Purchase Fund) or (b) any moneys held by the Remarketing Agent for the benefit of the Liquidity Provider or by the Trustee in the Custody Account.

(b) To the extent permitted by law, the City shall indemnify the Trustee for, and hold it harmless against, any and all loss, liability, damage, claim or expense (including reasonable

attorneys' fees and expenses) arising out of or incurred by it in connection with the acceptance or administration of the trust created by this Indenture and the performance of its duties hereunder, except as set forth in the next paragraph. The Trustee shall notify the City promptly of any claim for which it may seek indemnity. Failure by the Trustee to so notify the City shall not relieve the City of its obligations hereunder. The City shall defend any such claim and the Trustee shall cooperate in the defense of such claim. The Trustee may have separate counsel and the City shall pay the reasonable fees and expenses of such counsel. The City need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

(c) The City need not reimburse any expense or indemnify against any loss, liability or expense incurred by the Trustee through the Trustee's own willful misconduct, negligence or bad faith.

(d) Upon an event of default, but only upon an event of default, the Trustee shall have a right of payment (prior to payment on account of interest or principal of, or premium, if any, on any Bond) for the foregoing advances, fees, costs and expenses incurred except from moneys or obligations held by the Trustee for the payment of particular Bonds or the proceeds of any drawing under the Liquidity Facility.

*Section 8.03. Notice to Bond Owners of Default.* If a default occurs of which the Trustee is required by Section 8.01(h) hereof to take notice or of which notice of default is given as provided in Section 8.01(h) hereof, then the Trustee shall promptly give written notice thereof by certified mail, postage prepaid, to each Owner of Bonds then Outstanding. The Trustee shall promptly give written notice to the Remarketing Agent, the City and the Liquidity Provider by certified mail of any such notice of default sent to any Owner of Bonds as provided hereunder.

*Section 8.04. Intervention by Trustee.* In any judicial proceeding to which the City is a party, and which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of the Owners of the Outstanding Bonds, the Trustee may intervene on behalf of the Owners of the Bonds and shall do so if requested in writing by the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding and when provided with sufficient indemnity pursuant to Section 8.01(l) hereof.

*Section 8.05. Successor Trustee by Merger or Otherwise.* Any corporation or association into which the Trustee may be converted or merged, with which it may be consolidated, or to which it may sell or transfer its municipal corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, *ipso facto* shall (if it is qualified to be Trustee hereunder) be and become the Trustee hereunder vested with all of the title to the Trust Estate and all the trusts, powers, discretions, immunities, privileges, responsibilities, obligations and all other matters as was its predecessor, without the execution or filing of any instrument (other than as required by the Liquidity Facility) or any further act, deed or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding; *provided, however*, that such successor Trustee meets the requirements of Section 8.14(a) hereof.

*Section 8.06. Resignation by Trustee.* The Trustee may resign from the trusts created hereby by giving written notice to the City, the Tender Agent, the Remarketing Agent, the Liquidity Provider and the Owners of the Bonds then Outstanding, and shall so resign whenever it ceases to be qualified to act as Trustee hereunder. Such notice shall be sent by certified mail, postage prepaid, to the Bond Owners. Such resignation shall take effect upon (a) the appointment of a successor Trustee and (b) the transfer of the Liquidity Facility then in effect, if any, to the successor Trustee. If no successor Trustee is appointed pursuant to Section 8.08 hereof within 30 days after the delivery of such notice, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it deems proper and prescribes, appoint a successor Trustee. All costs, fees and expenses relating to such petition shall be paid by the City. Such resignation shall not take effect until a successor or temporary Trustee is appointed.

*Section 8.07. Removal of Trustee.* The Trustee may be removed at any time upon 30 days' notice by an instrument or substantially concurrent instruments in writing delivered to the Trustee, the Tender Agent, the Remarketing Agent, the Liquidity Provider and the City, and signed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding. Provided no Event of Default hereunder shall have occurred and be continuing, the Trustee may also be removed at any time by an instrument in writing delivered to the parties specified in the preceding sentence and signed by an Authorized Officer of the City. Such removal shall not take effect, however, unless (a) a successor Trustee has been appointed in accordance with this Article VIII and (b) the Liquidity Facility then in effect, if any, has been transferred to the successor Trustee.

*Section 8.08. Appointment of Successor Trustee; Temporary Trustee.* In case the Trustee shall resign, be removed, be dissolved, be in the course of dissolution or liquidation or otherwise become incapable of acting or not be qualified to act hereunder, or in case the Trustee shall be taken under the control of any public officer or officers or a receiver appointed by a court, a successor may be appointed by the City, with the written consent of the Liquidity Provider, by an instrument in writing filed with the Tender Agent, the Liquidity Provider and the Remarketing Agent; except while an Event of Default hereunder has occurred and is continuing the successor may be appointed by the Owners of a majority in aggregate principal amount of Bonds then Outstanding by filing with the City, the Tender Agent, the Liquidity Provider and the Remarketing Agent an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact duly authorized.

*Section 8.09. Successor Trustee.* Every successor Trustee (including any temporary trustee appointed by the City pursuant to Section 8.06 hereof) appointed hereunder shall execute, acknowledge and deliver to its predecessor, the Liquidity Provider, the Tender Agent, the Remarketing Agent and the City an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with the title to the Trust Estate and all of the trust powers, discretions, immunities, privileges, responsibilities, obligations and all other matters of its predecessor; but such predecessor shall, nevertheless, on the written request of the City, or of its successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor

Trustee shall transfer the Liquidity Facility in accordance with its terms, and deliver all securities and moneys held by it as the Trustee hereunder, to its successor Trustee. Should any instrument in writing from the City be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article, shall be filed and/or recorded by the successor Trustee in each recording office where this Indenture shall have been filed and/or recorded. No appointment of a successor Trustee hereunder shall become effective unless such successor meets the requirements of Section 8.14(a) hereof and the predecessor Trustee has transferred the Liquidity Facility to the successor Trustee.

*Section 8.10. Appointment of Tender Agent.* (a) In the event the Bonds are no longer held under a Book-Entry System, the Trustee shall act itself or appoint a Tender Agent for the Bonds. The Tender Agent shall have power to act (i) in the authentication and delivery of Bonds in connection with transfers and exchanges, and (ii) in effecting purchases and sales of Bonds pursuant hereto, receiving notices of tender for purchase, making deliveries of Bonds and holding Bonds pursuant hereto. For all purposes of this Indenture, the authentication and delivery of Bonds by the Tender Agent shall be deemed to be the authentication and delivery of Bonds “by the Trustee.”

(b) Any successor corporation to the initial Tender Agent is otherwise eligible under this Section, without the execution or filing of any document or any further act on the part of the parties hereto, the Tender Agent or such successor corporation; *provided, however*, that such successor corporation meets the requirements of paragraph (c) below.

(c) The Tender Agent may at any time resign by giving 30 days’ written notice of resignation to the Trustee, the Liquidity Provider, the Remarketing Agent and the City, and by mailing notice of such resignation by certified mail to the Owners of the Bonds, and such resignation shall take effect upon the Trustee’s assumption of the duties of the Tender Agent, or upon the appointment by the Trustee of a successor Tender Agent, and the acceptance by the successor Tender Agent of such appointment. Each Tender Agent (i) shall at all times be organized and doing business under the laws of the United States of America or of any state, (ii) shall have a combined capital and surplus of at least \$50,000,000, (iii) shall be authorized under such laws to exercise corporate trust powers, and (iv) shall be subject to supervision or examination by federal or state authority. If such successor Tender Agent publishes reports of condition at least annually pursuant to law or the requirements of federal or state authority, then for the purposes of this Section 8.10, the combined capital and surplus of such successor Tender Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time terminate the agency of any Tender Agent by giving written notice of termination to such Tender Agent, the Liquidity Provider, the Remarketing Agent and the City, and by mailing notice of such termination by certified mail to the registered owners of the Bonds. Upon such a termination, or in case at any time any successor Tender Agent shall cease to be eligible under this Section, the Trustee shall either assume the duties of the Tender Agent, or the Trustee shall appoint a successor Tender Agent;

and in such event the Trustee shall give written notice of such assumption or appointment to the City, the Liquidity Provider and the Remarketing Agent, and shall mail notice of such assumption or appointment by certified mail to all registered owners of the Bonds. The Trustee agrees to furnish to the Tender Agent and the Rating Agencies, if the Bonds are rated and the Trustee is provided written notice that the Bonds are so rated, a copy of all notices sent to, or delivered by, it under this Section. The Tender Agent shall be entitled to all exculpations and indemnifications granted to the Trustee, as applicable, pursuant to this Article.

(d) Unless and until a Tender Agent is appointed in accordance with this Section, all references in this Indenture to the Tender Agent shall be of no force and effect.

*Section 8.11. Remarketing Agent.* Mesiraw Financial, Inc. has been appointed the initial Remarketing Agent for the Bonds pursuant to the Remarketing Agreement. The City shall, within 15 days of the resignation or removal of the Remarketing Agent, appoint any successor Remarketing Agent for the Bonds, subject to the conditions set forth in Section 8.12 hereof. Any successor Remarketing Agent shall designate to the Trustee, the Tender Agent and the Liquidity Provider its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the City, the Liquidity Provider and the Trustee (with a copy thereof mailed by certified mail to each Bond Owner) under which the Remarketing Agent will agree particularly to (a) use its best efforts to remarket any Bond tendered or deemed to be tendered for purchase in accord with the terms hereof, (b) keep such books and records as shall be consistent with prudent industry practice and any remarketing agreement, and to make the information contained in such books and records available to the City, the Trustee and the Liquidity Provider at all reasonable times, and (c) determine the rates under the various Modes as required herein. Nothing contained in this Section shall obligate the Remarketing Agent to remarket Bank Bonds unless the Remarketing Agreement provides therefor.

In the event that the City fails to appoint a Remarketing Agent as described in this Section 8.11, or in the event that the Remarketing Agent shall resign or be removed, or be dissolved, or if the property or affairs of the Remarketing Agent shall be taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency, or for any other reason, and the City shall not have appointed its successor as Remarketing Agent as described in this Section 8.11, the Trustee shall *ipso facto* be deemed to be the Remarketing Agent for the purposes hereunder of accepting Bonds that have been tendered for purchase and determining the interest rate on the Bonds in accordance with Section 2.02 hereof until the appointment of a successor Remarketing Agent by the City; *provided, however*, that the Trustee shall not be required to remarket the Bonds, or to determine the interest rate on the Bonds except in the manner provided in the last sentence of Section 2.02(c) hereof.

The Remarketing Agent will not be entitled to any compensation from the City, the Trustee or the Tender Agent or have any claim or rights with respect to any property, rights or interests constituting a part of the trust estate or otherwise held under this Indenture, but must make separate arrangements with the City for compensation.

*Section 8.12. Qualifications of Successor Remarketing Agents; Resignation or Removal of Remarketing Agents.* (a) Each successor Remarketing Agent shall be an institution with a capitalization of at least \$10,000,000, which has authorized by law to perform all the duties imposed upon it by this Indenture, which has knowledge and experience in the remarketing of securities such as the Bonds.

(b) A Remarketing Agent (whether initial or successor) may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 30 days' written notice to the City, the Tender Agent, the Liquidity Provider and the Trustee (with a copy thereof mailed by certified mail to each of the Bond Owners). A Remarketing Agent (whether initial or successor) may be removed at any time at the direction of the City, by an instrument signed by the City, and filed at least 30 days prior to such removal with the Remarketing Agent and with the Trustee.

Upon the appointment of any successor Remarketing Agent, the Remarketing Agent being replaced shall transfer any moneys held by it under the Indenture for the payment of the purchase price of Bonds to the successor Remarketing Agent.

*Section 8.13. Appointment of Separate or Co-Trustee.* It is the intent of the parties to this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the rights of banking corporations or associations to transact business as a trustee in such jurisdiction. It is recognized that in case of litigation under this Indenture, and in particular in the case of the enforcement of this Indenture on default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee, or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate trustee or co-trustee. The following provisions of this Section 8.13 are adapted to these ends.

If the Trustee appoints an additional individual or institution as a separate trustee or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, duty, obligation, title, interest and lien expressed or intended by this Indenture to be exercised by, vested in or conveyed to the Trustee with respect thereto shall be exercisable by, vested in and conveyed to such separate trustee or co-trustee, but only to the extent necessary to enable such separate trustee or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary for the exercise thereby by such separate trustee or co-trustee shall run to and be enforceable by either of them.

Should any instrument in writing from the City be required by the separate trustee or co-trustee so appointed by the Trustee for more fully vesting in and confirming to them such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the City. If any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting or not be qualified to act, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations



of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a successor to such separate trustee or co-trustee.

*Section 8.14. Qualifications.* (a) The Trustee and each institutional co-trustee (if any) shall at all times be a commercial bank or trust company qualified to serve as the Trustee under the laws of the State, which (i) is organized as a corporation and doing business under the laws of the United States of America or any state, (ii) is authorized under such laws to exercise corporate trust powers, (iii) is subject to supervision or examination by federal or state authority, (iv) has combined capital and surplus (as set forth in its most recent published report of condition) of at least \$10,000,000, and (v) shall not have become incapable of acting or have been adjudged a bankrupt or an insolvent nor have had a receiver appointed for itself or for any of its property, nor have had a public officer take charge or control of it or its property or affairs for the purpose of rehabilitation, conservation or liquidation.

(b) Should the Trustee or any institutional co-trustee at any time cease to be eligible, pursuant to this Section, to act as Trustee or co-trustee (as the case may be), it shall resign immediately in the manner provided in Section 8.06 hereof. No resignation or removal of the Trustee and no appointment of a successor Trustee shall become effective until the successor Trustee has accepted its appointment under Section 8.08 hereof and the Trustee has delivered the Liquidity Facility then in effect, if any, to the successor Trustee.

## ARTICLE IX

### SUPPLEMENTAL INDENTURES; SUPPLEMENTAL OR AMENDATORY BOND ORDINANCE

*Section 9.01. Supplemental Indentures Not Requiring Consent of Bond Owners.* (a) Subject to the terms and provisions of Sections 9.03 and 9.04 of this Indenture, the City and the Trustee may, without the consent of, or notice to, any of the Bond Owners, enter into an indenture or indentures supplemental to this Indenture, not inconsistent with the terms and provisions hereof, for any one or more of the following purposes: (i) to cure an ambiguity, formal defect or omission in this Indenture; (ii) to grant to or confer upon the Trustee, for the benefit of the Bond Owners, any additional rights, remedies, powers or authorities that may lawfully be granted to or conferred upon the Bond Owners or the Trustee; (iii) to subject to this Indenture additional revenues, properties or collateral; (iv) to modify, amend or supplement this Indenture, or any indenture supplemental hereto, in such manner as to permit the qualification hereof and thereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or any of the states of the United States, and if the City so determines, to add to this Indenture or any indenture supplemental hereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939, as amended, or any similar federal statute; (v) to add to the covenants and agreements of the City contained in this Indenture other covenants and agreements thereafter to be observed for the protection of the Bond Owners or to surrender or limit any right, power or authority herein reserved to or conferred upon the City; (vi) to elaborate on any provisions necessary to exercise any conversion

options provided herein including better enabling different Bonds to be in different Modes; (vii) to provide for the substitution of an Alternate Liquidity Facility; (viii) to provide that all or a portion of the Bonds may be secured by additional security not otherwise provided for in the Indenture; (ix) to modify, amend or supplement this Indenture, or any indenture supplemental hereto, in such manner as the City and the Remarketing Agent deem necessary in order to comply with any statute, regulation, judicial decision or other law relating to secondary market disclosure requirements with respect to obligations of the type that includes the Bonds; (x) to provide for the appointment of a successor securities depository; (xi) to provide for the availability of certificated Bonds; and (xii) to make any other change which does not have a material adverse effect upon the interests of the Bondholders.

(b) The City and the Trustee may, without the consent of, but with due notice to, any Bond Owners, amend or supplement this Indenture prospectively in any way if the effective date of such amendment coincides with a tender date or Conversion Date for all Outstanding Bonds; *provided* that any such amendment shall not be in derogation of any continuing rights of prior Bond Owners.

*Section 9.02. Supplemental Indentures Requiring Consent of Bond Owners.* Exclusive of supplemental indentures covered by Section 9.01 hereof, this Indenture may be amended or supplemented only as provided in this Section. Subject to the terms and provisions contained in Sections 9.03, 9.04 and 11.01 of this Indenture, the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to approve the execution by the City and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the City for the purposes of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture or in any supplemental indenture. If at any time the City shall request the Trustee to enter into any such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such supplemental indenture to be mailed by certified mail to the Liquidity Provider and the Bond Owners. Such notice shall be prepared by the City and shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all Bond Owners. If, within 60 days, or such longer period as shall be prescribed by the City, following the mailing of such notice, the Owners of the requisite percentage in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof; or in any manner to question the propriety of the execution thereof; or to enjoin or restrain the Trustee or the City (subject to Section 9.04) from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such supplemental indenture as in this Section and Section 9.04 permitted and provided, this Indenture shall be and be deemed to be modified and amended in accordance therewith.

*Section 9.03. Limitation upon Amendments and Supplements; Delivery of Bond Counsel Opinion.* Nothing contained in Sections 9.01(a) and 9.02 hereof shall permit, or be construed as permitting, without the consent and approval of the Owners of all of the Bonds then Outstanding

(a) an extension of the maturity of the principal of, or the time for payment of any redemption premium or interest on, any Bond, or a reduction in the principal amount of any Bond, or the rate of interest or redemption premium thereon, or a reduction in the amount of, or extension of the time of any payment required by, any Bond, or a material modification of the Bondholders' tender rights under Article III hereof; (b) a privilege or priority of any Bond over any other Bond (except as herein provided); (c) a reduction in the aggregate principal amount of the Bonds required for consent to such a supplemental indenture; (d) the deprivation of the Owner of any Bond then Outstanding of the lien created by this Indenture; (e) except as provided in Section 9.01(a)(iii) or Article X hereof, an alteration of the obligations of the Liquidity Provider under the Liquidity Facility; or (f) the amendment of this Section 9.03. No amendment or supplement to this Indenture may be entered into without the Trustee and the City first receiving a Favorable Opinion of Bond Counsel.

*Section 9.04. Consent of Remarketing Agent and Liquidity Provider Required.* The Liquidity Provider and the Remarketing Agent are required to consent to all amendments or supplements to the Indenture. Neither the City nor the Trustee shall consent to or waive noncompliance by any Person with respect to any term of this Indenture without the written consent of the Liquidity Provider.

*Section 9.05. Supplemental or Amendatory Bond Ordinances.* The Bond Ordinance may not be amended or supplemented by the City except as follows: (a) to authorize or give effect to the amendments or supplements to the Indenture as permitted by this Article, (b) to take actions with respect to the bonds (other than the Bonds) authorized thereunder which do not materially adversely affect the holders of the Bonds, and (c) to take any of the actions with respect to the Bond Ordinance as may be permitted in this Article with respect to the Indenture but only upon the same conditions as may relate to such actions with respect to the Indenture. If notice is not otherwise required by reference to the conditions hereinabove stated, the City will provide to the Trustee not less than 14 days' written notice of an intent to amend the Bond Ordinance and the text of such amendment, and notice not less than seven days after such amendment is actually adopted and a certified copy of the amendatory ordinance.

## **ARTICLE X**

### **AMENDMENT OF LIQUIDITY FACILITY**

*Section 10.01. Modifications of Liquidity Facility.* The Liquidity Facility may not be amended to reduce the amount that may be demanded for payment under the Liquidity Facility to be less than the Required Amount of the Liquidity Facility or to change the terms and conditions pursuant to which the Liquidity Provider will honor a demand made by the Trustee in accordance with the terms hereof for payment under the Liquidity Facility without the written consent of the City and, subject to Section 11.01 hereof, 100% of the Owners of the Bonds supported by the Liquidity Facility.

## ARTICLE XI

### MISCELLANEOUS

*Section 11.01. Consents of Bond Owners; Generally Deemed Consent of Bond Owners.* Any consent, request, direction, approval, objection or other instrument required by this Indenture to be signed and executed by a Bond Owner may be in any number of concurrent writings of similar tenor, and may be signed or executed by such Bond Owner in person or by such Bond Owner's agent appointed in writing. The fact and date of the execution by any person of any such consent, request, direction, approval, objection or other instrument, or of the writing appointing any such agent, and of the ownership of a Bond, may be proved in any jurisdiction by the certificate of any officer who by law has the power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him or her the execution thereof, or by an affidavit of any witness to such execution, and if made in such manner shall be sufficient for any of the purposes of this Indenture, and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request or other instrument.

*Section 11.02. Limitation of Rights; Third Party Beneficiaries.* With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended, or shall be construed, to give to any person other than the parties hereto, the Tender Agent, the Remarketing Agent, the Liquidity Provider and the Owners of the Bonds, any legal or equitable right, remedy or claim under or with respect to this Indenture or any covenants, conditions and provisions herein contained. This Indenture and all of the covenants, conditions and provisions hereof are intended to be, and are, for the sole and exclusive benefit of the parties hereto, the Tender Agent, the Remarketing Agent, the Liquidity Provider and the Owners of the Bonds as herein provided. The Liquidity Provider shall be a third party beneficiary of this Indenture.

*Section 11.03. Severability.* If any provisions of this Indenture shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever.

*Section 11.04. Notices.* Except as otherwise provided in this Indenture, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when personally delivered or mailed by certified mail, postage prepaid, or when sent by facsimile (receipt confirmed by telephone) addressed as follows:

If to the City:

City of Peoria, Peoria County, Illinois  
419 Fulton Street, Suite 106  
Peoria, Illinois 61602  
Attention: James Scroggins  
Telephone: (309) 494-8514  
Facsimile: (309) 494-8510

If to the Trustee:

U.S. Bank National Association

10 West Market Street, Suite 1150  
Indianapolis, Indiana 46204  
Attention: Pamela Cole  
Telephone: (317) 264-2504  
Facsimile: (317) 636-1951

If to the Liquidity Provider:

BMO Harris Bank N.A.  
111 West Monroe Street  
Chicago, Illinois 60603  
Attention:  
Telephone: (312) 461-\_\_\_\_  
Facsimile: (312) 293-5811  
and to:  
BMO Harris Bank N.A.  
[to be supplied]

If to the Remarketing Agent:

Mesirow Financial, Inc.  
353 North Clark Street, 9th Floor  
Chicago, Illinois 60654  
Attention: Todd Krzyskowski  
Telephone: (312) 595-7842  
Facsimile: (312) 595-6988

If to Moody's:

Moody's Investors Service  
99 Church Street, 9th Floor  
New York, New York 10007  
Attention: Public Finance Department —  
Municipal Structured Products  
Telephone: (212) 553-4441  
Facsimile: (212) 553-1066

If a Tender Agent is appointed under this Indenture, it shall notify the Trustee of the address to which notices, certificates or other communications shall be sent. Any person or entity listed above may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

*Section 11.05. Holidays.* If any date for the payment of an amount hereunder, or the taking of any other action required or permitted to be taken hereunder, is not a Business Day, then such payment shall be due, or such action shall or may be taken, as the case may be, on the first Business Day thereafter with the same force and effect as if done on the nominal date provided in this Indenture.

*Section 11.06. Execution of Counterparts.* This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

*Section 11.07. Applicable Law.* This Indenture shall be governed by and construed in accordance with the internal laws of the State.

*Section 11.08. Disqualified Bonds.* In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred with any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the City, or by any person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the City shall be disregarded and deemed not to be Outstanding for purposes of any such determination, unless all of the outstanding Bonds are so owned.

*Section 11.09. Immunity of Officers, Employees, Elected Officials of City.* No recourse shall be had for the payment of the principal of or premium, if any, or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement contained in this Indenture or any agreement supplemental hereto, against any past, present or future officer, director, member, employee, attorney or agent of the City, or any officer, director, member, trustee, employee or agent of any successor corporation or body politic, as such, either directly or through the City or any successor corporation or body politic, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, trustees, members, employees or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issuance of any of the Bonds.

*Section 11.10. References to Liquidity Provider Ineffective During Certain Periods.* At any time when (a) there is no Liquidity Facility in effect and there are no amounts due and payable to the Liquidity Provider under the Liquidity Facility or (b) the Liquidity Provider has wrongfully failed to honor a properly presented drawing under the Liquidity Facility, references herein to the Liquidity Provider shall be ineffective.

IN WITNESS WHEREOF, THE CITY OF PEORIA, PEORIA COUNTY, ILLINOIS has caused these presents to be signed and attested in its name and on its behalf by its duly authorized officers and to evidence its acceptance of the trusts hereby created U.S. BANK NATIONAL ASSOCIATION. has caused these presents to be signed in its name and on its behalf by one of its authorized signatories, all as of the day and year first above written.

CITY OF PEORIA, PEORIA COUNTY,  
ILLINOIS

By \_\_\_\_\_  
Mayor

[SEAL]

Attest:

By \_\_\_\_\_  
City Clerk

U.S. BANK NATIONAL ASSOCIATION, as  
Trustee

By \_\_\_\_\_  
Authorized Signatory

**EXHIBIT A**

**FORM OF BOND**

REGISTERED  
NO. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
CITY OF PEORIA, PEORIA COUNTY, ILLINOIS  
VARIABLE RATE GENERAL OBLIGATION DEMAND BONDS,  
SERIES 2016A**

Maturity  
Date: January 1, 2031

Dated  
Date: \_\_\_\_\_, 2016

CUSIP \_\_\_\_\_

Registered Owner:

Principal Amount:

THIS BOND IS SUBJECT TO MANDATORY TENDER FOR PURCHASE AT THE TIMES AND IN THE MANNER HEREINAFTER DESCRIBED, AND MUST BE SO TENDERED OR WILL BE DEEMED TO HAVE BEEN SO TENDERED UNDER CERTAIN CIRCUMSTANCES AS DESCRIBED HEREIN.

WHILE IN THE WEEKLY RATE MODE, THIS BOND SHALL BE PURCHASED ON THE DEMAND OF THE OWNER AT THE TIMES AND IN THE MANNER HEREINAFTER DESCRIBED.

KNOW ALL PERSONS BY THESE PRESENTS, that the City of Peoria, Peoria County, Illinois, a municipality and home rule unit duly organized and existing under the laws of the State of Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed as described in the hereinafter defined Indenture) on such Principal Amount from the Dated Date of this Bond identified above or from the most recent interest payment date to which interest has been paid or duly provided for at a Weekly Rate or Adjustable Rate as provided in the Indenture. Interest shall be payable on each Interest Payment Date (as defined in the Indenture) until the Principal Amount is paid or duly provided for. The principal of and premium, if any, on this Bond are payable in lawful money of the United States of America at the corporate trust office of U.S. Bank National Association, as Trustee (the "Trustee"). At maturity or earlier redemption, such payment of principal shall only be made upon presentation of the Bonds. Payment of interest shall be made to the Registered Owner hereof as appearing on the Bond Register of the City maintained by the Trustee at the close of business on the Record Date (as defined in the Indenture) by check or draft of the Trustee, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Trustee or, at the request of a Registered Owner of more than \$1,000,000 total principal amount of the Bonds, by wire transfer pursuant to the Registered Owner's instructions.



This bond and the bonds of the series of which it forms a part (“*Bond*” and “*Bonds*” respectively) are of an authorized issue of \_\_\_\_\_ Dollars (\$[Amount]) of like dated date and tenor except as to maturity, rate of interest and privilege of redemption and are issued pursuant to the Illinois Municipal Code, and also the home rule powers of the City under Section 6 of Article VII of the Illinois Constitution of 1970 (the “*Act*”), for the purpose of refunding certain outstanding general obligation bonds of the City, paying costs of a public capital infrastructure improvement project in and for the City and paying costs of issuance of the Bonds. The Bonds are issued pursuant to a bond ordinance adopted by the City Council of the City (the “*City Council*”) on the 23rd day of February, 2016 (as supplemented by a 2016A Bond Order, the “*Bond Ordinance*”), to which reference is hereby expressly made for further definitions and terms and to all the provisions of which the Registered Owner by the acceptance of this Bond assents. The Bonds are also issued pursuant to an Indenture of Trust dated as of March 1, 2016 (the “*Indenture*”) between the City and U.S. Bank National Association, Indianapolis, Indiana, as Trustee.

All initially capitalized terms which are not otherwise defined herein shall have the meanings set forth in the Bond Ordinance and the Indenture.

The Bonds are payable from the “*Pledged Taxes*” defined as ad valorem taxes levied against all of the taxable property in the City without limitation as to rate or amount all in accordance with the provisions of the Act.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Indenture. Upon surrender for transfer or exchange of any Bond at the designated corporate trust office of the Trustee, duly endorsed by or accompanied by a written instrument or instruments of transfer or exchange in form satisfactory to the Trustee and duly executed by the Registered Owner or an attorney for such Registered Owner duly authorized in writing, the City shall execute and the Trustee shall authenticate, date and deliver in the name of the transferee or transferees or, in the case of an exchange, the Registered Owner, a new fully registered Bond or Bonds of like tenor, of the same series and maturity, bearing the same interest rate, of authorized denominations, for a like aggregate principal amount.

The Trustee shall not be required to transfer or exchange any Bond after the mailing of notice calling such Bond or any portion of such Bond for redemption or during the 15-day period preceding the mailing of notice of redemption of Bonds except as provided in the Indenture.

The Bonds shall bear interest in the Weekly Rate Mode at the Weekly Rate, or in the Adjustable Rate Mode at an Adjustable Rate as provided in the Indenture. The interest rate on the Bonds shall be determined and computed in such manner and for such periods of time, and shall be payable on such dates, as provided in the Indenture. The interest rate Mode on the Bonds may be converted from one Mode to another Mode or from one Adjustable Rate Period within the Adjustable Rate Mode to another Adjustable Rate Period within such Mode at the direction of the City as provided in the Indenture.

While the Bonds are in the Weekly Mode, the owners thereof and the Beneficial Owners of any beneficial interests therein shall be entitled to cause their Bonds or beneficial interests to be purchased upon at least seven days' notice at the price and on the terms provided in the Indenture.

The Bonds (and the beneficial interests of the Beneficial Owners thereof) are subject to mandatory purchase upon the occurrence of certain events at the prices and on the terms provided in the Indenture.

The Bonds are subject to optional and mandatory sinking fund redemption on the dates, at the prices and on the terms set forth in the Indenture.

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

It is hereby certified and recited that all acts, conditions and things required to be done precedent to and in the issuance of this Bond have been done and have happened and have been performed in regular and due form of law; that the indebtedness of the City, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; that provision has been made for the levy and collection of the Pledged Taxes to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity; and that the City hereby covenants and agrees that it will properly account for the Pledged Taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Bond Ordinance and the Indenture.

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

IN WITNESS WHEREOF, the City of Peoria, Peoria County, Illinois, by its City Council, has caused this Bond to be executed by the manual or duly authorized facsimile signature of its Mayor and attested by the manual or duly authorized facsimile signature of its City Clerk and its corporate seal impressed or reproduced hereon, all as appearing hereon and as of the Dated Date identified above.

\_\_\_\_\_  
Mayor, City of Peoria, Peoria County,  
Illinois

Attest:

\_\_\_\_\_  
City Clerk

(SEAL)

Date of Authentication: \_\_\_\_\_, \_\_\_\_\_

CERTIFICATE  
OF  
AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned Bond Ordinance and is one of the Variable Rate General Obligation Demand Bonds, Series 2016A of the City of Peoria, Peoria County, Illinois.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By \_\_\_\_\_  
Authorized Signatory

**ASSIGNMENT**

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

\_\_\_\_\_

\_\_\_\_\_  
(NAME AND ADDRESS OF ASSIGNEE)

the within Bond and does hereby irrevocably constitute and appoint \_\_\_\_\_  
\_\_\_\_\_ as attorney to transfer the said  
Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever. Signature(s) must be guaranteed by an "eligible guarantor institution" meeting the requirements of the Trustee, which requirements include membership or participation in Stamp or such other "signature guaranty program" as may be determined by the Trustee in addition to or in substitution for Stamp, all in accordance with the Securities Exchange Act of 1934, as amended.