

INVITATION TO TENDER

made by the
CITY OF CHICAGO

to the Holders described herein of all or any portion of the Series and maturities listed on page (ii) herein of the

**City of Chicago Second Lien Water Revenue Bonds,
Series 2000 and Series 2016A-1 (Tax-Exempt)**

**City of Chicago Second Lien Water Revenue Refunding Bonds,
Series 2004, Series 2017 and Series 2017-2**

**THE TENDER OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON MAY 1, 2026,
UNLESS EARLIER TERMINATED OR EXTENDED AS DESCRIBED HEREIN.**

This Invitation to Tender, dated April 20, 2026 (as it may be amended or supplemented, this “*Invitation*”), describes an invitation by the City of Chicago (the “*City*”), with the assistance of Mesirow Financial, Inc., as dealer manager (the “*Dealer Manager*”) to the beneficial owners (the “*Holders*” or “*Bondholders*”) of the City’s outstanding Second Lien Water Revenue Bonds and Second Lien Water Revenue Refunding Bonds of the Series and maturities listed in Table 1 on page (ii) of this Invitation (the “*Target Bonds*”) to purchase such Bonds for cash (the “*Tender Offer*”) at the applicable invitation price (each a “*Purchase Price*”) set forth therein, plus Accrued Interest (as defined below) on the Target Bonds tendered for purchase to but not including the Settlement Date (as defined below).

Subject to the terms and conditions of the Tender Offer, the City will purchase Target Bonds tendered for purchase and accepted by the City on May 21, 2026, unless extended by the City, assuming all conditions to the Tender Offer have then been satisfied or waived by the City (such date being the “*Settlement Date*”), provided that such Target Bonds have been validly tendered (and not withdrawn) by the Expiration Date set forth below. The source of funds to purchase the Target Bonds validly tendered for purchase pursuant to the Tender Offer with respect to the principal amount thereof and any premium will be limited to proceeds of the City of Chicago’s Water Revenue Bonds, Refunding Series 2026C (the “*Series 2026C Bonds*”), anticipated to be issued on the Settlement Date. The payment of Accrued Interest on Target Bonds validly tendered and accepted for purchase on the Final Acceptance Date (as defined herein) pursuant to the Tender Offer will be funded by proceeds of the Series 2026C Bonds. The purchase of any Target Bonds tendered pursuant to the Tender Offer is contingent on the issuance of the Series 2026C Bonds. The consummation of the Tender Offer is also subject to certain other conditions, including, without limitation, the Financing Conditions (as defined herein). See “INTRODUCTION – General” and “TERMS OF THE TENDER OFFER – Conditions to Purchase” herein.

THE CITY IS EXPECTED TO OFFER PRIORITY OF ALLOCATION FOR THE SERIES 2026 BONDS (AS DEFINED HEREIN) TO ANY TENDERING BONDHOLDER, UP TO THE PRINCIPAL AMOUNT OF TARGET BONDS TENDERED BY SUCH BONDHOLDER AND ACCEPTED BY THE CITY. BONDHOLDERS SEEKING SUCH A PRIORITY ALLOCATION MUST READ AND CLOSELY FOLLOW THE PROCEDURES DESCRIBED IN “CITY INSTRUCTION OF PRIORITY ALLOCATIONS OF SERIES 2026 BONDS” HEREIN.

HOLDERS OF TARGET BONDS WHO DO NOT ACCEPT THE TENDER OFFER (OR WHOSE OFFER TO TENDER SUCH TARGET BONDS HAS NOT BEEN ACCEPTED BY THE CITY, IN ITS DISCRETION) WILL CONTINUE TO HOLD SUCH TARGET BONDS (THE “*UNTENDERED/REJECTED BONDS*”) AND SUCH UNTENDERED/REJECTED BONDS WILL REMAIN OUTSTANDING OR, AT THE OPTION OF THE CITY, THE UNTENDERED/REJECTED BONDS WITH A NOVEMBER 1, 2026 CALL DATE MAY BE REFUNDED WITH PROCEEDS OF THE SERIES 2026B BONDS (AS DEFINED HEREIN). THE CITY RESERVES THE RIGHT TO, AND MAY DECIDE TO DEFEASE, PURCHASE, OR REFUND ON A CURRENT BASIS, ANY UNTENDERED/REJECTED BONDS THROUGH THE ISSUANCE OF PUBLICLY OFFERED OR PRIVATELY PLACED BONDS IN THE FUTURE INCLUDING, BUT NOT LIMITED TO, BY WAY OF A FORWARD DELIVERY.

See “INTRODUCTION – Target Bonds Not Tendered for Purchase” and “ADDITIONAL CONSIDERATIONS” herein.

To make an informed decision as to whether, and how, to tender Target Bonds for purchase pursuant to the Tender Offer, Bondholders must read this Invitation carefully, including APPENDIX A, and consult with their broker, account executive, financial advisor, attorney and/or other professionals. For more information about risks concerning the Tender Offer, please see “ADDITIONAL CONSIDERATIONS” herein.

Any Bondholder wishing to tender Target Bonds for purchase pursuant to this Invitation should follow the procedures more specifically described herein. Bondholders and their brokers and account executives with questions about this Invitation should contact the Dealer Manager or the Information Agent (as defined below).

Key Dates and Times

*All of these dates and times are subject to change. All times are New York City time.
Notices of changes will be sent in the manner provided for in this Invitation.*

Launch Date	April 20, 2026
Expiration Date	5:00 p.m., New York City time, on May 1, 2026
Preliminary Acceptance Date and Preliminary Notice of Acceptance	May 4, 2026
Final Acceptance Date and Final Notice of Acceptance	By 5:00 p.m., New York City time, on May 6, 2026
Settlement Date	May 21, 2026

The Dealer Manager for the Tender Offer is:

Mesirow Financial, Inc.

TARGET BONDS SUBJECT TO TENDER OFFER

TABLE 1

City of Chicago Second Lien Water Revenue Bonds, Series 2000 and Series 2016A-1 (Tax-Exempt) and City of Chicago Second Lien Water Revenue Refunding Bonds, Series 2004, Series 2017 and Series 2017-2

Series	CUSIP* (167736)	Maturity (November 1)	Interest Rate	Outstanding Principal Amount	Purchase Price as a Percentage of Par [†]	Optional Redemption Date (November 1)
2000	E29	2028	5.00%	\$33,000,000	100.500%	2026
2000	E37	2029	5.00	33,000,000	100.500	2026
2000	E45	2030	5.00	34,000,000	100.500	2026
2004	F77	2027	5.00	33,345,000	100.500	2026
2016A-1	G43	2027	5.00	6,545,000	100.500	2026
2016A-1	G50	2028	5.00	6,870,000	100.500	2026
2016A-1	G68	2029	5.00	7,215,000	100.500	2026
2016A-1	G76	2030	5.00	7,575,000	100.500	2026
2016A-1	G84	2031	5.00	7,955,000	100.500	2026
2017	K71	2029	5.00	22,490,000	103.248	2027
2017	K89	2030	5.25	8,265,000	104.451	2027
2017	K97	2031	5.25	8,700,000	104.354	2027
2017	L21	2032	5.25	9,160,000	104.230	2027
2017	L39	2033	5.25	9,635,000	104.169	2027
2017	L47	2034	5.25	10,145,000	103.463	2027
2017	L54	2035	5.25	10,680,000	103.878	2027
2017	L62	2036	5.00	11,240,000	102.694	2027
2017-2	P27	2030	5.00	15,030,000	104.009	2027
2017-2	P35	2031	5.00	15,780,000	103.919	2027
2017-2	P43	2032	5.00	16,570,000	103.590	2027
2017-2	P50	2033	5.00	17,400,000	103.597	2027
2017-2	P68	2034	5.00	18,275,000	103.606	2027
2017-2	P76	2035	5.00	19,185,000	103.376	2027
2017-2	P84	2036	5.00	20,145,000	103.300	2027
2017-2	P92	2037	5.00	21,145,000	103.111	2027
2017-2	Q26	2038	5.00	22,205,000	102.959	2027

* CUSIP data herein is provided by CUSIP® Global Services (“CGS”). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for CGS. CUSIP numbers are provided for convenience of reference only. None of the City, the Dealer Manager, the Information Agent, the Tender Agent nor their respective agents or counsel assume responsibility for the accuracy of such numbers.

† The Purchase Price to be paid on the Settlement Date excludes earned but unpaid interest on the Target Bonds tendered for purchase, which interest will be paid to but not including the Settlement Date in addition to the Purchase Price.

PROVISIONS APPLICABLE TO THE TENDER OFFER

The City's Preliminary Official Statement dated April 20, 2026 (the "**Series 2026 POS**") related to the City's Water Revenue Bonds, Project Series 2026A (the "**Series 2026A Bonds**"), Water Revenue Bonds, Refunding Series 2026B (Forward Delivery) (the "**Series 2026B Bonds**") and Water Revenue Bonds, Refunding Series 2026C (the "**Series 2026C Bonds**" and together with the Series 2026A Bonds and the Series 2026B Bonds, the "**Series 2026 Bonds**"), certain sections of which are incorporated herein by specific reference as set forth in APPENDIX A, will be made available: (i) at <https://emma.msrb.org> (the "**EMMA Website**"), using the CUSIP numbers for the Target Bonds listed in the "Target Bonds Subject to Tender Offer" table in this Invitation; (ii) to DTC and to the DTC participants holding the Target Bonds; and (iii) by posting electronically on the website of the Information Agent at <https://www.globic.com/cityofchicago>.

The consummation of the Tender Offer is also subject to certain conditions, including, without limitation, the Financing Conditions. See "INTRODUCTION – General" and "TERMS OF THE TENDER OFFER – Conditions to Purchase" herein.

IMPORTANT INFORMATION

*This Invitation and other information with respect to the Tender Offer are and will be available from Mesirow Financial, Inc., as dealer manager (the "**Dealer Manager**") and Globic Advisors (the "**Information Agent**" or the "**Tender Agent**") at <https://emma.msrb.org> and <https://www.globic.com/cityofchicago>. Bondholders wishing to tender their Target Bonds for purchase pursuant to the Tender Offer should follow the procedures described in this Invitation. The City reserves the right to cancel or modify the Tender Offer at any time on or prior to the Expiration Date, and reserves the right to make a future tender offer on behalf of itself or the City at prices different than the prices described herein in its sole discretion. The City will have no obligation to purchase Target Bonds tendered if cancellation or modification of the Tender Offer occurs or if the City is unable to issue any of the Series 2026C Bonds. The City further reserves the right to accept nonconforming tenders or waive irregularities in any tender. The City also reserves the right to defease, purchase, or refund on a current basis, any Untendered/Rejected Bonds through the issuance of publicly offered or privately placed bonds in the future including, but not limited to, by way of a forward delivery and, at the option of the City, the Untendered/Rejected Bonds with a November 1, 2026 call date may be refunded with proceeds of the Series 2026B Bonds.*

The consummation of the Tender Offer is also subject to certain other conditions, including, without limitation, the Financing Conditions (as defined herein) that are anticipated to occur after the Expiration Date but prior to the Settlement Date.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THIS INVITATION OR PASSED UPON THE FAIRNESS OR MERITS OF THIS INVITATION OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS INVITATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Invitation is not being extended to, and Target Bonds tendered in response to this Invitation will not be accepted from or on behalf of, Bondholders in any jurisdiction in which this Invitation or such acceptance thereof would not be in compliance with the laws of such jurisdiction. In any jurisdictions where the securities, "blue sky" or other laws require this Invitation to be made through a licensed or registered broker or dealer, this Invitation shall be deemed to be made on behalf of the City through the Dealer Manager or one or more registered brokers or dealers licensed under the laws of that jurisdiction.

References to web site addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not a part of, this Invitation.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Invitation, including APPENDIX A, and, if given or made, such information or representation may not be relied upon as having been authorized by the City or any of its affiliates.

The delivery of this Invitation shall not under any circumstances create any implication that any information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith or in the affairs of the City, or its affiliates, since the date hereof. The information contained in this Invitation is as of the date of this Invitation only and is subject to change, completion, or amendment without notice.

Certain statements included or incorporated by reference into this Invitation constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "estimate," "intend," "expect," "project," "anticipate," "plan," "budget," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The City does not plan to issue any updates or revisions to those forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.

This Invitation, including APPENDIX A, contains important information which should be read in its entirety before any decision is made with respect to this Invitation.

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INVITATION TO TENDER
made by the
CITY OF CHICAGO

to the Holders described herein of all or any portion of the Series and maturities listed on page
(ii) herein of the

City of Chicago

Second Lien Water Revenue Bonds,
Series 2000 and Series 2016A-1 (Tax-Exempt)

City of Chicago

Second Lien Water Revenue Refunding Bonds,
Series 2004, Series 2017 and Series 2017-2

INTRODUCTION

General

This Invitation to Tender, dated April 20, 2026 (as it may be amended or supplemented, this “*Offer*”), describes an offer by the City of Chicago (the “*City*”) on behalf of itself, with the assistance of Mesirow Financial, Inc., as Dealer Manager (the “*Dealer Manager*”) to the beneficial owners (the “*Holder*” or “*Bondholder*”) of the City’s outstanding Second Lien Water Revenue Bonds and Second Lien Water Revenue Refunding Bonds, of the Series and maturities listed in Table 1 on page (ii) of this Invitation (the “*Target Bonds*”), to purchase such Bonds for cash (the “*Tender Offer*”) at the offer prices (each a “*Purchase Price*,”) set forth in Table 1, plus Accrued Interest on the Target Bonds tendered for purchase to but not including the Settlement Date (as defined below).

For certain information concerning the City, see the sections of the Preliminary Official Statement, dated April 20, 2026 (the “*Series 2026 POS*”) related to the City’s Water Revenue Bonds, Project Series 2026A (the “*Series 2026A Bonds*”), Water Revenue Bonds, Refunding Series 2026B (Forward Delivery) (the “*Series 2026B Bonds*”) and Water Revenue Bonds, Refunding Series 2026C (the “*Series 2026C Bonds*”) and together with the Series 2026A Bonds and the Series 2026B Bonds, the “*Series 2026 Bonds*”) included herein by specific reference as set forth in APPENDIX A.

The source of funds to purchase the Target Bonds validly tendered for purchase pursuant to the Tender Offer with respect to the principal amount thereof and any premium will be limited to proceeds of the Series 2026C Bonds anticipated to be issued on the Settlement Date. The payment of Accrued Interest on Target Bonds validly tendered and finally accepted for purchase will be funded by proceeds of the Series 2026C Bonds and paid on the Settlement Date. If issued, the Series 2026C Bonds will be dated the Settlement Date, and will be issued in the manner, on the terms, and with the security therefor described in the Series 2026 POS. The purchase of any Target Bonds tendered and accepted for purchase pursuant to this Tender Offer is contingent on the issuance of the Series 2026C Bonds. See “Sources of Funds to Purchase Target Bonds and Pay Accrued Interest” herein.

Notwithstanding any other provision of this Invitation, the consummation of the Tender Offer and the City's obligation to pay for Target Bonds validly tendered (and not validly withdrawn) pursuant to the Tender Offer and finally accepted by the City is subject to the satisfaction of or waiver of the following conditions on or prior to the Settlement Date: (i) the successful completion by the City of certain debt financing transactions (the "*Proposed Financings*"), including (a) the issuance of the Series 2026C Bonds, the proceeds of which will be sufficient to (1) fund the purchase of all Target Bonds validly tendered pursuant to the Tender Offer, and (2) pay all fees and expenses associated with the Series 2026C Bonds and the Tender; (ii) the City obtaining satisfactory and sufficient economic benefit as a result of the consummation of the Tender Offer when taken together with the Proposed Financings (collectively, the "*Financing Conditions*"), all on terms and conditions that are in the City's best interest in its sole discretion; and (iii) the other conditions set forth in "TERMS OF THE TENDER OFFER – Conditions to Purchase." The City reserves the right, subject to applicable law, to amend or waive any of the conditions to the Tender Offer, in whole or in part, at any time or from time to time, prior to the Expiration Date (as defined herein), in its sole discretion. This Invitation may be withdrawn by the City at any time prior to the Expiration Date.

TO MAKE AN INFORMED DECISION AS TO WHETHER, AND HOW, TO TENDER THEIR TARGET BONDS FOR PURCHASE, BONDHOLDERS MUST READ THIS INVITATION, INCLUDING APPENDIX A.

None of the City, the Dealer Manager or the Information Agent and Tender Agent (as defined herein) makes any recommendation that any Bondholder tender or refrain from tendering all or any portion of such Bondholder's Bonds for purchase. Bondholders must make their own decisions and should read this Invitation carefully and consult with their broker, account executive, financial advisor, attorney and/or other appropriate professional in making these decisions.

Subject to the terms and conditions of the Tender Offer, the City will purchase Target Bonds tendered for purchase provided that such Target Bonds are validly tendered (and not withdrawn) by 5:00 p.m., New York City time, on May 1, 2026 (as extended from time to time in accordance with this Invitation, the "*Expiration Date*") and finally accepted by the City on or before 5:00 p.m., New York City time, on May 6, 2026 (the "*Final Acceptance Date*"), unless extended by the City, assuming all conditions to the Tender Offer have then been satisfied or waived by the City on or prior to May 21, 2026 (such date being the "*Settlement Date*"). Bondholders who tender Target Bonds for purchase on the Settlement Date will receive Accrued Interest on such Target Bonds to but not including the Settlement Date.

In the event tendered Target Bonds are not accepted for purchase by the City, or all conditions to a Tender Offer are not satisfied or waived by the City on or prior to the Settlement Date, any Target Bonds tendered pursuant to such Tender Offer shall be returned to the Holder.

HOLDERS OF TARGET BONDS WHO DO NOT ACCEPT THE TENDER OFFER (OR WHOSE OFFER TO TENDER SUCH TARGET BONDS HAS NOT BEEN FINALLY ACCEPTED BY THE CITY IN ITS DISCRETION) WILL CONTINUE TO HOLD SUCH TARGET BONDS (THE "*UNTENDERED/REJECTED BONDS*") AND SUCH UNTENDERED/REJECTED BONDS WILL REMAIN OUTSTANDING OR, AT THE OPTION OF THE CITY, THE UNTENDERED/REJECTED BONDS WITH A NOVEMBER 1, 2026 CALL DATE MAY BE REFUNDED WITH PROCEEDS OF THE SERIES 2026B BONDS. THE CITY RESERVES THE RIGHT TO, AND MAY DECIDE TO DEFEASE, PURCHASE, OR REFUND ON A CURRENT BASIS, ANY UNTENDERED/REJECTED BONDS THROUGH THE ISSUANCE OF PUBLICLY OFFERED OR PRIVATELY PLACED BONDS IN THE FUTURE INCLUDING, BUT NOT LIMITED TO, BY WAY OF A FORWARD DELIVERY. See "INTRODUCTION – Target Bonds Not Tendered for Purchase" and "ADDITIONAL CONSIDERATIONS" herein.

All times referenced in this Invitation are references to New York City time.

Consideration for Tender Offer

The prices to be paid by the City for each CUSIP of the Target Bonds tendered pursuant to this Invitation are set forth on page (ii) of this Invitation.

Sources of Funds to Purchase Target Bonds and Pay Accrued Interest

The source of funds to purchase the Target Bonds validly tendered for purchase pursuant to the Tender Offer will be limited to the proceeds of the Series 2026C Bonds. The payment of Accrued Interest on Target Bonds validly tendered and finally accepted for purchase pursuant to the Tender Offer will be funded by proceeds of the Series 2026C Bonds. **THE PURCHASE OF ANY TARGET BONDS TENDERED PURSUANT TO THE TENDER OFFER AND ACCEPTED BY THE CITY IS CONTINGENT ON THE ISSUANCE BY THE CITY OF THE SERIES 2026C BONDS, THE ISSUANCE OF WHICH IS SUBJECT TO CONDITIONS TO BE SATISFIED ON OR PRIOR TO THE SETTLEMENT DATE.**

Brokerage Commissions and Solicitation Fees

Bondholders will not be obligated to pay any brokerage commissions or solicitation fees to the City, the Dealer Manager, or the Information Agent and Tender Agent in connection with the Tender Offer. However, Bondholders should check with their broker, bank, account executive or other financial institution which maintains the account in which their Target Bonds are held (their “*Financial Representative*”) to determine whether it will charge any commissions or fees.

Target Bonds Not Tendered for Purchase

Any Untendered/Rejected Bonds will continue to be outstanding. THE CITY RESERVES THE RIGHT TO, AND MAY DECIDE TO, DEFEASE, PURCHASE, OR REFUND ON A CURRENT BASIS, SOME OR ALL OF THE TARGET BONDS NOT PURCHASED PURSUANT TO THE TENDER OFFER IN THE FUTURE. See “ADDITIONAL CONSIDERATIONS” herein.

The purchase of the Target Bonds by the City of any CUSIP number may have certain potential adverse effects on holders of Target Bonds not purchased pursuant to the Tender Offer, including the following:

- the principal amount of the Target Bonds of such CUSIP number available to trade publicly will be reduced, which could adversely affect the liquidity and market value of any Target Bonds of that CUSIP number that remain outstanding; and
- if less than all of the Target Bonds of a CUSIP number for which sinking fund installments have been established, if any, are purchased by the City pursuant to the Tender Offer, the average life of the remaining Target Bonds of that CUSIP number may change.

Dealer Manager, Information Agent and Tender Agent

Mesirow Financial, Inc. is the Dealer Manager for the Tender Offer. Investors with questions about the Tender Offer should contact the Dealer Manager or Globic Advisors Inc., which serves as Information Agent and Tender Agent for the Tender Offer, at the addresses and telephone numbers set forth on the page

preceding APPENDIX A appended to this Invitation. See “DEALER MANAGER” and “INFORMATION AGENT AND TENDER AGENT” herein.

TERMS OF THE TENDER OFFER

Expiration Date

The Tender Offer will expire on the Expiration Date, unless earlier terminated or extended, as described in this Invitation. See “– Extension, Termination and Amendment of the Tender Offer; Changes to Terms” below for a discussion of the City’s ability to extend the Expiration Date and to terminate or amend the Tender Offer.

Offers Only Through the City’s ATOP Accounts

The Target Bonds are held in book-entry-only form through the facilities of The Depository Trust Company (“*DTC*”). The City, through the Information Agent and Tender Agent, will establish Automated Tender Offer Program (“*ATOP*”) accounts at DTC for the Tender Offer promptly after the date of this Invitation. Bondholders who wish to accept the Tender Offer may do so through the applicable City ATOP Account.

ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE CITY’S ATOP ACCOUNTS. THE CITY WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNTS. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THE TENDER OFFER.

Any financial institution that is a participant in DTC may make a book-entry tender of the Target Bonds by causing DTC to transfer such Target Bonds into the City’s ATOP Account relating to the series, maturity and CUSIP number in accordance with DTC’s procedures for such transfer. Bondholders who are not DTC participants can only tender Target Bonds pursuant to the Tender Offer by making arrangements with and instructing their Financial Representative to tender the Bondholder’s Target Bonds through the applicable City ATOP Account. To ensure a Bondholder’s Target Bonds are tendered to the applicable City ATOP Account by 5:00 p.m., New York City time, on the Expiration Date, the Bondholder must provide instructions to its Financial Representative in sufficient time for the Financial Representative to tender the Target Bonds to the applicable City ATOP Account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder’s instructions in order to tender the Bondholder’s Target Bonds to the applicable City ATOP Account by 5:00 p.m., New York City time, on the Expiration Date. See “– Tender of Target Bonds by Financial Representatives; City’s ATOP Accounts.”

The City, the Dealer Manager, and the Information Agent and Tender Agent are not responsible for the transfer of any tendered Target Bonds to the applicable City ATOP Account or for any mistakes, errors or omissions in the transfer of any tendered Target Bonds.

Information to Bondholders

The City will give information about the Tender Offer to the market and Bondholders by delivering such information to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system (“EMMA”). The Information Agent will also post information provided by the City on its website, <https://www.globic.com/cityofchicago>. EMMA and the Information Agent are referred to collectively herein as the “*Information Services*.” Delivery by the

City of information to the Information Services will be deemed to constitute delivery of this information to each Bondholder.

The City, the Dealer Manager, and the Information Agent and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

Bondholders who would like to receive information transmitted by or on behalf of the City to the Information Services may receive such information from the Dealer Manager or the Information Agent and Tender Agent by contacting them using the contact information on the page preceding APPENDIX A appended to this Invitation or by making appropriate arrangements with its Financial Representative or directly with the Information Services.

Any updates to this Invitation, including, without limitation any supplements to the Series 2026 POS, certain sections of which are included herein by specific reference, or any supplements to the information regarding the City included herein through incorporation by specific reference herein, will be distributed through the Information Services.

Minimum Denominations and Consideration

Any Bondholder may tender Target Bonds for purchase of a particular CUSIP number that it owns in an amount of its choosing, but in a principal amount equal to the minimum denomination of \$5,000 (a “*Minimum Authorized Denomination*”) or any integral multiple of \$5,000 in excess thereof only.

Tender Consideration. The purchase price for Target Bonds with each particular CUSIP tendered pursuant to the Tender Offer is identified on page (ii) of this Invitation (each a “*Purchase Price*,” and together the “*Purchase Prices*”). The source of funds for payment of Accrued Interest on Target Bonds validly tendered and finally accepted for purchase will be proceeds of the Series 2026C Bonds.

Accrued Interest

“*Accrued Interest*” means the interest, if any, accrued on a tendered Target Bond of a particular CUSIP number from the last payment of interest thereon to but not including the Settlement Date. The Purchase Price of the Target Bonds will not be deemed to include any amount representing Accrued Interest. In addition to the Purchase Prices of the Target Bonds finally accepted for purchase by the City, the payment of Accrued Interest on Target Bonds validly tendered and finally accepted for purchase pursuant to the Tender Offer will be funded by proceeds of the Series 2026C Bonds.

Provisions Applicable to All Tenders

Need for Advice. A Bondholder should ask its Financial Representative or financial advisor for help in determining: (a) whether to tender Target Bonds of a particular CUSIP number for purchase, and (b) the principal amount of Target Bonds of such CUSIP number to be tendered. A Bondholder also should inquire as to whether its Financial Representative will charge a fee for submitting tenders if the City purchases the Bondholder’s tendered Target Bonds. The City, the Dealer Manager, and the Information Agent and Tender Agent will not charge any Bondholder for tendering Target Bonds.

Need for Specificity of Tender. A tender cannot exceed the par amount of Target Bonds owned by the Bondholder and must include the following information: (1) the CUSIP number(s) of the Target Bond(s) being tendered, and (2) the principal amount of each CUSIP number being tendered (such principal amount must be stated in integral multiples of \$5,000 and if not so stated, for tenders of less than all of the holder’s

position in the Target Bonds such principal amount will be reduced to the greatest integral multiple of \$5,000). Any Bondholder located outside of the United States should check with their broker to determine if there are any additional minimal increments, alternative settlement timing or other limitations.

“All or none” offers are not permitted.

Target Bonds may be tendered and accepted for payment only in principal amounts equal to the Minimum Authorized Denomination and integral multiples of \$5,000 in excess thereof. Holders who tender less than all of their Target Bonds must continue to hold their Target Bonds in at least the Minimum Authorized Denomination and integral multiples of \$5,000 in excess thereof. No alternative, conditional or contingent tenders will be accepted.

ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE APPLICABLE CITY ATOP ACCOUNT. THE CITY WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNTS. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THE TENDER OFFER. See “– Tender of Target Bonds by Financial Representatives; City’s ATOP Accounts.”

General. A Bondholder may only tender Target Bonds it owns or controls. By tendering Target Bonds pursuant to the Tender Offer, a Bondholder will be deemed to have represented and agreed with the City as set forth below under “– Representations by Tendering Bondholders to the City.” All tenders shall survive the death or incapacity of the tendering Bondholder.

Bondholders who would like to receive information transmitted by or on behalf of the City to the Information Services may receive such information from the Dealer Manager or the Information Agent and Tender Agent by contacting them using the contact information on the page preceding APPENDIX A appended to this Invitation or by making appropriate arrangements with its Financial Representative or directly with the Information Services.

Representations by Tendering Bondholders to the City

By tendering Target Bonds for purchase, each tendering Bondholder will be deemed to have represented to and agreed with the City that:

(a) the Bondholder has received this Invitation and has had the opportunity to review this Invitation, including APPENDIX A, prior to making its decision to tender Target Bonds, and agrees if the purchase of any tendered Target Bonds is consummated, the purchase of such Target Bonds shall be on the terms and conditions set forth in this Invitation;

(b) the Bondholder has full power and authority to tender, sell, assign and transfer the tendered Target Bonds; and on the Settlement Date, the City will acquire good, marketable and unencumbered title thereto, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims, subject to payment to the Bondholder of the applicable Purchase Price(s), plus Accrued Interest;

(c) the Bondholder has made its own independent decision to tender its Target Bonds for purchase pursuant to the Tender Offer, and as to the terms thereof, and such decision is based upon the Bondholder’s own judgment and upon advice from such advisors with whom the Bondholder has determined to consult;

(d) the Bondholder is not relying on any communication from the City, the Dealer Manager or the Information Agent and Tender Agent as investment advice or as a recommendation to tender the Bondholder's Target Bonds at the applicable Purchase Price, it being understood that the information from the City, the Dealer Manager and the Information Agent and Tender Agent related to the terms and conditions of the Tender Offer made pursuant to this Invitation shall not be considered investment advice or a recommendation to tender Target Bonds; and

(e) the Bondholder is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand, agree and accept, the terms and conditions of the Tender Offer.

Tender of Target Bonds by Financial Representatives; City's ATOP Accounts

The City, through the Information Agent and Tender Agent, will establish the City's ATOP accounts at DTC for the Tender Offer to which this Invitation relates promptly after the date of this Invitation. Tenders of Target Bonds pursuant to the Tender Offer may only be made by transfer to the respective City ATOP Accounts of an offer to purchase Target Bonds for cash. Any financial institution that is a participant in DTC may make a book-entry tender of the Target Bonds by causing DTC to transfer such Target Bonds into the City's ATOP account corresponding to the Tender Offer in accordance with DTC's procedures.

Concurrently with the delivery of Target Bonds through book-entry transfer into the applicable City ATOP Account, an Agent's Message (as described below) in connection with such book-entry transfer must be transmitted to and received at the related City ATOP Account by no later than 5:00 p.m., New York City time, on the Expiration Date. The confirmation of a book-entry transfer to either of the City's ATOP accounts as described above is referred to herein as a "**Book-Entry Confirmation.**" The term "**Agent's Message**" means a message transmitted by DTC to, and received by, the Information Agent and Tender Agent and forming a part of a Book-Entry Confirmation which states that DTC has received an express acknowledgment from the DTC participant tendering Target Bonds that are the subject of such Book-Entry Confirmation, stating the CUSIP number(s) and the principal amount(s) of the Target Bonds that have been tendered by such participant pursuant to the Tender Offer, and to the effect that such participant agrees to be bound by the terms of the Tender Offer. By causing DTC to transfer Target Bonds into the applicable City ATOP Account, a financial institution warrants to the City that it has full authority, and has received from the Bondholder(s) of such Target Bonds, all direction necessary, to tender, transfer and sell such Target Bonds as set forth in this Invitation.

ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE APPLICABLE CITY ATOP ACCOUNT. THE CITY WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNTS. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THE TENDER OFFER.

Bondholders who are not DTC participants can only tender Target Bonds pursuant to the Tender Offer by making arrangements with and instructing their Financial Representative to tender the Bondholder's Target Bonds through the applicable City ATOP Account. To ensure a Bondholder's Target Bonds are tendered to the applicable City ATOP Account by 5:00 p.m., New York City time, on the Expiration Date, a Bondholder must provide instructions to its Financial Representative in sufficient time for the Financial Representative to tender the Bondholder's Target Bonds to the applicable City ATOP Account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder's instructions in order to tender the Bondholder's Target Bonds to the applicable City ATOP Account by 5:00 p.m., New York City time, on the Expiration Date.

Determinations as to Form and Validity of Tender Offer; Right of Waiver and Rejection

All questions as to the validity (including the time of receipt at the applicable City ATOP Account), form, eligibility and acceptance of any Target Bonds tendered for purchase pursuant to the Tender Offer will be determined by the City in its sole discretion and such determinations will be final, conclusive and binding.

The City reserves the right to waive any irregularities or defects in any tender. The City, the Dealer Manager, and the Information Agent and Tender Agent are not obligated to give notice of any defects or irregularities in tenders and they will have no liability for failing to give such notice.

The City reserves the absolute right to reject any and all offers, whether or not they comply with the terms of this Invitation.

Withdrawals of Tenders Prior to an Expiration Date

A Bondholder may withdraw its Target Bonds tendered for purchase pursuant to this Invitation by causing a withdrawal notice to be transmitted via the applicable City ATOP Account to, and received by, the Information Agent and Tender Agent before 5:00 p.m., New York City time, on May 1, 2026 (the “*Withdrawal Deadline*”) (as such Withdrawal Deadline may change pursuant to this Invitation).

Bondholders who are not DTC participants can only withdraw their offers by making arrangements with and instructing the custodial intermediary through which they hold their Target Bonds to submit the Bondholder’s notice of withdrawal through the applicable City ATOP Account.

ALL TENDERS OF TARGET BONDS WILL BECOME IRREVOCABLE AS OF 5:00 P.M., NEW YORK CITY TIME, ON THE WITHDRAWAL DEADLINE (AS SUCH DATE MAY HAVE BEEN CHANGED FROM TIME-TO-TIME PURSUANT TO THIS INVITATION).

A notice of withdrawal must be submitted in substantially the same manner as an offer.

Bondholders who have tendered their Target Bonds will not receive any information from the City, the Dealer Manager or the Information and Tender Agent concerning offers by other Bondholders. Offering Bondholders will not be afforded an opportunity to withdraw their offers after the Withdrawal Deadline. A withdrawn offer must specify the applicable CUSIP number. All questions as to the validity (including the time of receipt) of a withdrawal will be determined by the City in its sole discretion and will be final, conclusive and binding.

Acceptance of Tenders for Purchase

The City will be preliminarily accepting tender offers for purchase on the Preliminary Acceptance Date. The City will finalize its acceptance of the Target Bonds on the Final Acceptance Date.

Preliminary Acceptance Date. On the Preliminary Acceptance Date, the City will make an initial determination of the Target Bonds that it wishes to purchase, which shall be subject to change until the Final Acceptance Date. The City shall be under no obligation to purchase any Target Bond offered. The City will determine in its sole discretion if it will purchase any Target Bonds.

Final Acceptance Date. On the Final Acceptance Date, upon the terms and subject to the conditions of the Tender Offer, as set forth in this Invitation, the City will elect to accept for purchase outstanding Target Bonds validly tendered pursuant to the Tender Offer (or defectively tendered, if such defect has been

waived by the City), with acceptance subject to the satisfaction or waiver by the City of the conditions to the purchase of tendered Bonds. See “– Final Acceptance of Tenders Constitutes Irrevocable Agreement; Final Notice of Acceptance” and “– Conditions to Purchase.”

As of the Final Acceptance Date, upon the terms and subject to the conditions of the Tender Offer, as set forth in this Invitation, the City may elect to accept for purchase validly tendered Target Bonds pursuant to the Tender Offer (or defectively tendered, if such defect has been waived by the City), with final acceptance subject to the satisfaction or waiver by the City of the conditions to the purchase of tendered Target Bonds. See “– Final Acceptance of Tenders Constitutes Irrevocable Agreement; Final Notice of Acceptance” and “– Conditions to Purchase.”

The City will have no obligation to purchase Target Bonds tendered if cancellation or modification occurs or if the City is unable to issue any of the Series 2026C Bonds or if certain other conditions are not satisfied. See “–Conditions to Purchase” herein. After the Expiration Date, the City will determine in its sole discretion the amount (if any) of the tendered Target Bonds that it will purchase based on such factors as the City deems relevant. See “ADDITIONAL CONSIDERATIONS” herein. The City, therefore, has the right to purchase none, some or all of the Target Bonds offered for purchase, notwithstanding any other statements herein about the City’s current intentions for amount of Target Bonds to be purchased. Target Bonds that will be purchased will be indicated by CUSIP. With respect to Untendered/Rejected Bonds, the City shall have the right in the future to defease, purchase, or refund on a current basis, some or all of the Target Bonds, or invite Bondholders to tender their Target Bonds for purchase by the City.

Should the City decide to only purchase a portion of the Target Bonds being tendered for purchase of a certain CUSIP, the City will accept such Target Bonds tendered for purchase on a pro rata basis. The principal amount of each individual offer will be adjusted, pro rata, based upon a proration factor for each such CUSIP (each a “*Proration Factor*”). In such event, should the principal amount of any individual offer, when adjusted by the Proration Factor, result in an amount that is not a multiple of \$5,000, the principal amount of such offer will be rounded to the nearest multiple of \$5,000. If as a result of such adjustment, the principal amount of a Bondholder's unaccepted Target Bonds is less than the Minimum Authorized Denomination of \$5,000, the City will reject such Bondholder's offer in whole. The City will determine the Proration Factor that permits it to accept the amount of Target Bonds it has determined to purchase.

Following the publication of the Final Notice of Acceptance, all Target Bonds that were tendered but were not accepted for purchase will be released and returned to the tendering institution in accordance with DTC’s procedures.

Notwithstanding any other provision of this Invitation, the consummation of the Tender Offer and the City’s obligation to finally accept for purchase Target Bonds validly tendered (and not validly withdrawn) pursuant to the Tender Offer are subject to the satisfaction of or waiver of the Financing Conditions (see “INTRODUCTION – General” herein) and the other conditions set forth in “– Conditions to Purchase” herein. The City reserves the right, subject to applicable law, to amend or waive any of the conditions to the Tender Offer, in whole or in part, at any time prior to the Expiration Date or from time to time, in its sole discretion. This Invitation may be withdrawn by the City at any time prior to the Expiration Date.

Final Acceptance of Tenders Constitutes Irrevocable Agreement; Final Notice of Acceptance

Final acceptance by the City of Target Bonds tendered for purchase will constitute an irrevocable agreement between the offering Bondholder and the City to sell and purchase such Target Bonds, subject to satisfaction of all conditions to the City’s obligation to purchase tendered Target Bonds and the other

terms of the Tender Offer and this Invitation. See “– Minimum Denominations and Consideration” herein and “– Conditions to Purchase” herein.

The final acceptance of Target Bonds tendered for purchase is expected, when the City publishes its Final Notice of Acceptance to the Information Services at or around 5:00 p.m., New York City time, on the Final Acceptance Date. This notification will state the principal amount of the Target Bonds of each CUSIP number that the City has agreed to purchase in accordance with the Tender Offer which may be zero for a particular CUSIP number.

Settlement Date; Purchase of Target Bonds

Subject to satisfaction of all conditions to the City’s obligation to purchase tendered Target Bonds as described herein, including, without limitation, the Financing Conditions, the Settlement Date is the day on which Bonds accepted for purchase on the Final Acceptance Date will be purchased at the applicable Purchase Price(s), together with Accrued Interest on the Target Bonds. The Settlement Date will occur following the Final Acceptance Date, subject to all conditions to the Tender Offer having been satisfied or waived by the City. The expected Settlement Date is May 21, 2026, unless extended by the City, assuming all conditions to the Tender Offer have been satisfied or waived by the City. Bondholders whose Target Bonds are accepted for purchase on the Settlement Date will receive Accrued Interest.

The City may, in its sole discretion, change the Settlement Date by giving notice to the Information Services prior to the change. See “– Conditions to Purchase.”

Subject to satisfaction of all conditions to the City’s obligation to purchase Target Bonds tendered for purchase and accepted by the City pursuant to the Tender Offer, as described herein, and contingent on the issuance by the City of the Series 2026C Bonds, payment by the City, or on the City’s behalf, will be made in immediately available funds on the Settlement Date by deposit with DTC of the aggregate Purchase Price and Accrued Interest on the Target Bonds accepted for purchase. The City expects that, in accordance with DTC’s standard procedures, DTC will transmit the aggregate Purchase Price (plus Accrued Interest on the Target Bonds finally accepted for purchase) in immediately available funds to each of its participant financial institutions holding the Target Bonds accepted for purchase on behalf of Bondholders for delivery to the Bondholders. **The City, the Dealer Manager, and the Information Agent and Tender Agent have no responsibility or liability for the distribution of the Purchase Prices plus Accrued Interest on the Target Bonds by DTC to the Bondholders.**

Purchase & Accrued Interest Funds

The source of funds to pay the principal portion and any related premium of the Purchase Price of the Target Bonds validly tendered for purchase pursuant to the Tender Offer is anticipated to be proceeds of the Series 2026C Bonds. The source of funds for payment of Accrued Interest on Target Bonds validly tendered and accepted for purchase on the Final Acceptance Date is anticipated to be proceeds of the Series 2026C Bonds, which will be paid on the Settlement Date. The purchase of any Target Bonds tendered pursuant to the Tender Offer is contingent on the issuance by the City of the Series 2026C Bonds, as well as certain other conditions which must be satisfied on or prior to the Settlement Date. See “INTRODUCTION – General” and “– Conditions to Purchase” herein for more information on the conditions precedent to this Invitation.

Conditions to Purchase

In addition to the Financing Conditions (see “INTRODUCTION – General” herein), if after the Final Acceptance Date, but prior to payment for tendered Target Bonds accepted by the City for purchase,

any of the following events should occur, the City will have the absolute right to cancel its obligations to purchase any or all of such Target Bonds without any liability to any Bondholder:

- Litigation or another proceeding is pending or threatened which the City reasonably believes may, directly or indirectly, have an adverse impact on the Tender Offer or the expected benefits of the Tender Offer to the City or the Bondholders;
- A war, national emergency, banking moratorium, suspension of payments by banks, a general suspension of trading by the New York Stock Exchange or a limitation of prices on the New York Stock Exchange exists and the City reasonably believes this fact makes it inadvisable to proceed with the purchase of the Target Bonds;
- A material change in the business or affairs of the City or the Water System (as defined in the Series 2026 POS) has occurred which the City reasonably believes makes it inadvisable to proceed with the purchase of Target Bonds;
- A material change in the net economics of the transaction has occurred due to a material change in market conditions which the City reasonably believes makes it inadvisable to proceed with the purchase of Target Bonds; or
- In the case of the City's obligation to purchase Target Bonds accepted for purchase, if for any reason, the Series 2026C Bonds are not issued.

These conditions (including the Financing Conditions) (the “*Conditions to Purchase*”) are for the sole benefit of the City and may be asserted by the City, prior to the time of payment of Target Bonds it has agreed to purchase, regardless of the circumstances giving rise to any of these conditions or may be waived by the City in whole or in part at any time and from time to time in its discretion, and may be exercised independently for each CUSIP. The failure by the City at any time to exercise any of these rights will not be deemed a waiver of any of these rights, and the waiver of these rights with respect to particular facts and other circumstances will not be deemed a waiver of these rights with respect to any other facts and circumstances. Each of these rights will be deemed an ongoing right of the City which may be asserted at any time and from time to time prior to the time of payment of the Target Bonds it has agreed to purchase. Any determination by the City concerning the events described in this section will be final and binding upon all parties.

Any Untendered/Rejected Bonds may now or in the future be defeased, purchased or refunded by the City, and at any time in the future Bondholders may be invited to tender such Untendered/Rejected Bonds by the City in the sole discretion of the City.

Extension, Termination and Amendment of the Tender Offer; Changes to Terms

Through and including the Expiration Date, the City has the right to extend the Tender Offer, as to any or all of the Target Bonds, to any date in its sole discretion, provided that a notice of any extension of an Expiration Date is given to the Information Services, including by posting such notice to EMMA on the first business day after the Expiration Date.

The City also has the right, prior to final acceptance of Target Bonds tendered for purchase as described above under the heading “– Final Acceptance of Tenders Constitutes Irrevocable Agreement; Final Notice of Acceptance,” to terminate the Tender Offer at any time by giving notice to the Information Services. The termination will be effective at the time specified in such notice.

The City also has the right, prior to final acceptance of Target Bonds tendered for purchase as described above under the heading “– Final Acceptance of Tenders Constitutes Irrevocable Agreement; Final Notice of Acceptance,” to amend or waive the terms of the Tender Offer in any respect and at any time by giving notice to the Information Services. This amendment or waiver will be effective at the time specified in such notice.

If the City extends the Tender Offer, or amends the terms of the Tender Offer (including a waiver of any term) in any material respect, including, without limitation, a change in the Purchase Price of the Target Bonds pursuant to the Tender Offer, the City shall provide notice thereof at such time and in such manner to allow reasonable time for dissemination to Bondholders and for Bondholders to respond. **In such event, any offers submitted with respect to the affected Target Bonds prior to such change in the Purchase Price for such Target Bonds pursuant to the Tender Offer, will remain in full force and effect and any Bondholder of such affected Target Bonds wishing to revoke their offer to tender such Target Bonds for purchase must affirmatively withdraw such offer prior to the Expiration Date, as may be extended, as described above under “– Withdrawals of Tenders Prior to an Expiration Date”.**

No extension, termination or amendment of the Tender Offer (or waiver of any terms of the Tender Offer or this Invitation) will change the City’s right to decline to purchase Target Bonds without liability. See “– Conditions to Purchase.”

The City, the Dealer Manager, and the Information Agent and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

AVAILABLE INFORMATION

Certain information relating to the Target Bonds and the City may be obtained by contacting the Dealer Manager or the Information Agent and Tender Agent at the contact information set forth on the page preceding APPENDIX A to this Invitation. Such information is limited to this Invitation, including the information regarding the City included herein by specific reference as set forth in APPENDIX A.

ADDITIONAL CONSIDERATIONS

None of the City, the Dealer Manager or the Information Agent and Tender Agent make any recommendation that any Bondholder tender or refrain from tendering all or any portion of the Target Bonds. Each Bondholder must make its decision and should read this Invitation, including the Appendix, and consult with its broker, account executive, financial advisor and/or other financial professional in making such decision.

In deciding whether to participate in the Tender Offer, each Bondholder should consider carefully, in addition to the other information contained in this Invitation, the following:

- In the event that the Series 2026C Bonds are not issued and sold or the other conditions to purchase are not met, tendered Target Bonds accepted for purchase are not required to be purchased by the City and in such event, Bondholders will continue to hold their respective tendered Target Bonds.
- Even if the City does not purchase any tendered Target Bonds, the City shall have the right now or in the future to refund all or any portion of such Target Bonds or may in the future invite Bondholders to tender such Target Bonds for purchase by the City.

- The City in its sole discretion will select which, if any, Target Bonds to purchase based on its determination of the economic benefit from such purchase. The City’s purchase of Target Bonds is subject to sufficient authorization pursuant to the ordinance duly adopted by the City Council of the City on April 15, 2026, as described in the Series 2026 POS.

The City May Later Acquire Bonds at More Favorable Prices Than Those Offered Pursuant to this Invitation

The City reserves the right to, and may in the future decide to, acquire some or all of the Target Bonds not purchased pursuant to the Tender Offer through open market purchases, privately negotiated transactions, subsequent tender offers, forward deliveries, exchange offers or otherwise, upon such terms and at such prices as such parties may determine, which may be more or less than the consideration offered pursuant to the Tender Offer set forth in this Invitation, which could be cash or other consideration. Any future acquisition or exchange of Target Bonds may be on the same terms or on terms that are more or less favorable to Bondholders than the terms of the Tender Offer described in this Invitation. The decision to make future purchases or exchanges by the City, and the terms of such future transactions will depend on various factors existing at that time. There can be no assurance as to which of these alternatives, if any, the City, will ultimately choose to pursue in the future.

Timeliness of Offers

The Tender Offer will expire at 5:00 p.m., New York City time, on the Expiration Date (currently scheduled for May 1, 2026), unless such date is extended or terminated. Target Bonds tendered for purchase as described in this Invitation after 5:00 p.m., New York City time, on the Expiration Date will not be considered.

Preliminary Acceptance Date and Final Acceptance Date

The City will be preliminarily accepting tender offers on or before 5:00 p.m., New York City time, on May 4, 2026 (the “*Preliminary Acceptance Date*”). The City will finalize its acceptance of the Tender Offers on or before 5:00 p.m., New York City time, on May 6, 2026 (the “*Final Acceptance Date*”). Notification of preliminary acceptance of Target Bonds tendered pursuant to the Tender Offer will be given on or before 5:00 p.m., New York City time, on the Preliminary Acceptance Date (currently scheduled for May 4, 2026) through publication of the Preliminary Notice of Acceptance and notification of final acceptance of Target Bonds tendered pursuant to the Tender Offer will be given on or before 5:00 p.m., New York City time, on the Final Acceptance Date (currently scheduled for May 6, 2026), unless the Expiration Date is extended or the Tender Offer is terminated through the City’s publication of the Final Notice of Acceptance. See “TERMS OF THE TENDER OFFER – Acceptance of Tenders for Purchase” herein.

SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following summary is based on the Internal Revenue Code of 1986 (the “*Code*”) and other United States (“*U.S.*”) federal income tax laws, regulations, rulings, and decisions in effect or available on the date of this Invitation. All of the foregoing is subject to change, which change may apply retroactively and could affect the continued validity of this summary.

This U.S. federal income tax discussion is included for general information only and should not be construed as either a tax opinion or tax advice issued by the City, or the Dealer Manager (or any of their respective counsel, advisors, or agents), and Bondholders therefore should not rely upon such discussion. Tendering Bondholders should note that no rulings have been or will be sought from the Internal Revenue

Service (the “*IRS*”) and no assurance can be given that the IRS will not take contrary positions with respect to any of the U.S. federal income tax consequences discussed below. Accordingly, prospective tendering investors should consult their own tax advisors as to U.S. federal income tax consequences of the tender of their Target Bonds, and the possible application of state, local, foreign, or other tax laws.

The following is a general summary of the U.S. federal income tax consequences for holders that are U.S. persons (as defined under section 7701(a)(30) of the Code) who are tendering Target Bonds for cash. No assurances can be given that future changes in U.S. federal income tax laws will not alter the conclusions reached herein. This summary does not discuss all aspects of U.S. federal income taxation (such as any alternative minimum tax consequences) that may be relevant to a particular investor in the Target Bonds in light of the investor’s particular circumstances nor to holders subject to special treatment under U.S. federal income tax laws, including individuals who are neither citizens nor residents of the United States; foreign corporations, trusts and estates, in each case, as defined for U.S. federal income tax purposes; insurance companies, tax-exempt organizations, financial institutions, brokers-dealers, partnerships and other entities classified as partnerships for U.S. federal income tax purposes; persons who have hedged the risk of owning the Target Bonds, certain U.S. expatriates, banks, real estate investment trusts, regulated investment companies, dealers or traders in securities or currencies, S corporations, investors that hold their Target Bonds; other than as capital assets or as part of a hedge, straddle or an integrated or conversion transaction; investors whose “functional currency” is not the U.S. dollar; and certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies.

This discussion does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, (iii) the indirect effects on persons who hold equity interests in a holder, or (iv) the taxation of the Target Bonds under state, local or non-U.S. tax laws.

Bondholders of Target Bonds who do not tender their Target Bonds will not be subject to any U.S. federal income tax consequences in connection with the Tender Offer.

PROSPECTIVE TENDERING BONDHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE TENDER OF THE TARGET BONDS PURSUANT TO THE TENDER OFFER.

Tendering Holders

A Bondholder who tenders Target Bonds for cash pursuant to the Tender Offer generally will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between (1) the amount of cash received by the Bondholder (except to the extent attributable to Accrued Interest on the tendered Target Bond, which will be excluded from gross income to the same extent that it would have been excluded absent such tender and otherwise taxed as ordinary interest income), and (2) the Bondholder’s adjusted U.S. federal income tax basis in the tendered Target Bonds (generally, the purchase price paid by the Holder for the tendered Target Bond, decreased by any amortized premium, and increased by the amount of accrued original issue discount, if any, and by the amount of any market discount previously included in income by such Holder with respect to such tendered Target Bond).

Any gain or loss arising in connection with a tender for cash pursuant to the Tender Offer will generally be capital gain or loss (either long-term or short-term, depending on the Bondholder’s holding period for the tendered Target Bonds). In the case of a Target Bond acquired with market discount, gain up to the amount of accrued market discount not previously included in income will be ordinary income.

Non-corporate holders may be eligible for reduced rates of U.S. federal income tax on long-term capital gains. The deductibility of capital losses is subject to various limitations.

Backup Withholding

Amounts paid to Bondholders may be subject to backup withholding by reason of the events specified by Section 3406 of the Code, which events include failure of a Bondholder to supply the broker, dealer, commercial bank, or trust company acting on behalf of such Bondholder with such Bondholder's taxpayer identification number certified under penalty of perjury. Certification can be made by completing a substitute IRS Form W-9, a copy of which is available from the Information Agent and Tender Agent. Backup withholding may also apply to Bondholders who are otherwise exempt from such backup withholding if such Bondholders fail to properly document their status as exempt recipients.

DEALER MANAGER

The City has retained Mesirow Financial, Inc. ("*Mesirow*") to act on its behalf as Dealer Manager for the Tender Offer. The City has agreed to pay the Dealer Manager customary fees for its services and to reimburse the Dealer Manager for its reasonable out-of-pocket costs and expenses relating to the Tender Offer. References in this Invitation to the Dealer Manager are to Mesirow only in its capacity as the Dealer Manager. The compensation of the Dealer Manager is based upon the amount of Target Bonds tendered to and accepted by the City.

The Dealer Manager may contact Bondholders regarding the Tender Offer and may request brokers, dealers, custodian banks, depositories, trust companies and other nominees to forward this Invitation to beneficial owners of the Target Bonds.

The Dealer Manager and its respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Dealer Manager and its affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the City for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Dealer Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities and financial instruments which may include bank loans and/or credit default swaps) for their own account and for the accounts of their respective customers and may at any time hold long and short positions in such securities and instruments. Such investment securities activities may involve securities and instruments of the City, including the Target Bonds. The Dealer Manager may tender such Target Bonds pursuant to this Invitation.

Mesirow may own a portion of the Target Bonds for its own account. Affiliates of the Dealer Manager may have holdings of the Target Bonds that they are unable to disclose for legal or regulatory reasons.

In addition to its role as Dealer Manager for the Target Bonds, Mesirow is also serving as the senior managing underwriter for the Series 2026 Bonds, as described in the Series 2026 POS.

The Dealer Manager is not acting as financial or municipal advisor to the City in connection with the Tender Offer.

INFORMATION AGENT AND TENDER AGENT

The City has retained Globic Advisors Inc. to serve as Information Agent and Tender Agent for the Tender Offer. The City has agreed to pay the Information Agent and Tender Agent customary fees for its services and to reimburse the Information Agent and Tender Agent for its reasonable out-of-pocket costs and expenses relating to the Tender Offer.

CITY INSTRUCTION OF PRIORITY ALLOCATIONS OF SERIES 2026 BONDS

The City has instructed the underwriting syndicate for the Series 2026 Bonds that any Bondholder who tenders any Target Bonds pursuant to this Invitation, which tender offer is accepted by the City, and who also submits an order to purchase Series 2026 Bonds will, subject to the following sentence, have a preference of allocation for the Series 2026 Bonds up to the principal amount of Target Bonds that such Bondholder is tendering and that is accepted by the City. The City has the discretion to alter its instructions. The Dealer Manager will notify the underwriting syndicate for the Series 2026 Bonds of any change in the City's instructions. As such, Bondholders are advised that such priority allocation may not ultimately be possible.

Bondholders seeking an allocation priority must provide the following information to the Dealer Manager to the email provided in the Invitation: (i) the name of account or fund seeking allocation priority, (ii) the CUSIPs of the Target Bonds tendered, (iii) the principal amount of the Target Bonds tendered by CUSIP, (iv) the name of the applicable DTC Participant, and (v) DTC participant number. The requested information should be provided no later than 5:00 p.m., New York City time, on the next business day following the Expiration Date.

MISCELLANEOUS

No one has been authorized by the City, the Dealer Manager, or the Information Agent and Tender Agent to recommend to any Bondholder whether to tender Target Bonds pursuant to the Tender Offer or the amount of Target Bonds to tender. No one has been authorized to give any information or to make any representation in connection with the Tender Offer other than those contained in this Invitation. Any recommendations, information and representations given or made cannot be relied upon as having been authorized by the City, the Dealer Manager or the Information Agent and Tender Agent.

None of the City, the Dealer Manager, or the Information Agent and Tender Agent makes any recommendation that any Bondholder tender or refrain from tendering all or any portion of the principal amount of such Bondholder's Target Bonds. Bondholders must make their own decisions and should read this Invitation carefully and consult with their broker, account executive, financial advisor, attorney and/or other professional in making these decisions.

Investors with questions about the Tender Offer should contact the Dealer Manager or the Information Agent and Tender Agent. The contact information for the Dealer Manager and the Information Agent and Tender Agent is as follows:

The Dealer Manager for the Tender Offer is:

Mesirow Financial, Inc.
353 North Clark Street
Chicago, Illinois 60654
Attention: Todd Waldrop
Tel: 312-595-6242
Email: todd.waldrop@mesirow.com

The Information Agent and Tender Agent for the Tender Offer is:

Globic Advisors
477 Madison Avenue, 6th Floor
New York, New York 10022
Tel: (212) 227-9622
Attention: Robert Stevens
Email: rstevens@globic.com
Document Website: <https://www.globic.com/cityofchicago>

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APPENDIX A

WATER SYSTEM INFORMATION INCLUDED BY SPECIFIC REFERENCE

On April 20, 2026, the City delivered its Preliminary Official Statement (the “*Series 2026 POS*”) relating to its Water Revenue Bonds, Project Series 2026A (the “*Series 2026A Bonds*”), Water Revenue Bonds, Refunding Series 2026B (Forward Delivery) (the “*Series 2026B Bonds*”) and Water Revenue Bonds, Refunding Series 2026C (the “*Series 2026C Bonds*”) and together with the Series 2026A Bonds and the Series 2026B Bonds, the “*Series 2026 Bonds*”). The Series 2026 POS was prepared in connection with the offering of the Series 2026 Bonds and not with the intent to provide disclosure concerning the Invitation. The information set forth in the sections and the appendices of the Series 2026 POS identified below are included herein by specific reference in order to provide information concerning the conditions of the Water System (as defined in the Series 2026 POS). A copy of the Series 2026 POS is available at: <http://www.munios.com/e/ENBG6>.

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- Purposes
- Authorization
- Amendment to the Master Indenture
- Designation of the Bonds
- Lien Status and Security for the Bonds
- Rate Covenant
- City of Chicago Water System
- Water System Rates

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- Flow of Funds
- Additional Bonds and Obligations Subordinated to the Bonds
- Deficiencies and Excesses
- Cash and Investments
- Investment of Funds Held Under the Indenture
- No Debt Service Reserve Account or Qualified Reserve Account Credit Instrument

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- Interest Rate Swaps

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- Organization and Staffing

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- Chicago Water and Sewer Tax-Unified Billing
- Utility Billing Relief Program
- Distribution of Revenues by Type of Account
- Annual Budget Review and Implementation of Annual Budget
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- Historical and Projected Financial Operations
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- Water Conservation

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APPENDIX B - SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX C - CITY OF CHICAGO DEPARTMENT OF WATER MANAGEMENT WATER FUND ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2024

APPENDIX E - INFORMATION REGARDING CITY OF CHICAGO ECONOMY AND DEMOGRAPHICS

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