

PRELIMINARY NOTICE OF ACCEPTANCE

regarding the

INVITATION TO TENDER DATED APRIL 20, 2026

made by

CITY OF CHICAGO

in connection with

**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**

Expiration Date: May 1, 2026

The purpose of this Preliminary Notice of Acceptance, dated May 4, 2026, is to provide notice of the preliminary determination of the City of Chicago (the “City”) to accept for purchase certain Target Bonds (as defined below).

Pursuant to the Invitation to Tender, dated April 20, 2026 (the “*Invitation*”), the City invited the beneficial owners (the “*Holder*” or “*Bondholders*”) of (i) 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 the Invitation (the “*Target Bonds*”) to tender such Bonds for cash. All capitalized terms used herein and not otherwise defined are used as defined in the Invitation.

In order to participate in the Invitation, Bondholders were required to tender the Target Bonds by not later than 5:00 p.m., New York City time, on May 1, 2026 (the “*Expiration Date*”), which date has not been extended. The following page reflects the Target Bonds that the City has preliminarily determined to accept for purchase and the Target Bonds that are still being considered by the City for purchase. On or about May 6, 2026, the City will make a final acceptance of the Target Bonds that the City will purchase, subject to the terms of the Invitation. The City is under no obligation to purchase any Target Bond that the City has preliminarily determined to accept, and the City will determine in its sole discretion if it will purchase any Target Bonds. The purchase of any Target Bonds tendered pursuant to the Invitation is also contingent on, among other things, the Financing Conditions, which remain applicable through the Settlement Date.

If the City accepts any Target Bonds tendered for purchase, the principal amount thereof and any premium will be paid in cash from the proceeds of the Series 2026C Bonds. The City has no other funds for such purpose. 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. The Series 2026C Bonds are expected to be issued on or about May 21, 2026, subject to the satisfaction of certain customary purchase and delivery conditions. However, no assurance can be provided that the Series 2026C Bonds will be issued.

Any questions should be directed to the Information Agent and Tender Agent at (212) 227-9622.

Target Bonds

The table below provides the Target Bonds of each Series and maturity that have been preliminarily accepted for purchase by the City.

**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**

TARGET BONDS - TENDERED BONDS

Series	CUSIP* (167736)	Maturity (November 1)	Interest Rate	Outstanding Principal Amount	Principal Amount Tendered	Principal Amount Preliminarily Accepted ⁺
2000	E29	2028	5.00%	\$33,000,000	\$ 60,000	\$ 60,000
2000	E37	2029	5.00	33,000,000	90,000	90,000
2000	E45	2030	5.00	34,000,000	3,205,000	3,205,000
2004	F77	2027	5.00	33,345,000	645,000	645,000
2016A-1	G43	2027	5.00	6,545,000	240,000	240,000
2016A-1	G50	2028	5.00	6,870,000	430,000	430,000
2016A-1	G68	2029	5.00	7,215,000	0	0
2016A-1	G76	2030	5.00	7,575,000	0	0
2016A-1	G84	2031	5.00	7,955,000	250,000	250,000
2017	K71	2029	5.00	22,490,000	4,615,000	4,615,000
2017	K89	2030	5.25	8,265,000	6,425,000	6,425,000
2017	K97	2031	5.25	8,700,000	4,585,000	4,585,000
2017	L21	2032	5.25	9,160,000	7,005,000	7,005,000
2017	L39	2033	5.25	9,635,000	4,920,000	4,920,000
2017	L47	2034	5.25	10,145,000	2,510,000	2,510,000
2017	L54	2035	5.25	10,680,000	2,800,000	2,800,000
2017	L62	2036	5.00	11,240,000	6,790,000	6,790,000
2017-2	P27	2030	5.00	15,030,000	12,370,000	12,370,000
2017-2	P35	2031	5.00	15,780,000	12,655,000	12,655,000
2017-2	P43	2032	5.00	16,570,000	7,700,000	7,700,000
2017-2	P50	2033	5.00	17,400,000	8,100,000	8,100,000
2017-2	P68	2034	5.00	18,275,000	13,380,000	13,380,000
2017-2	P76	2035	5.00	19,185,000	13,775,000	13,775,000
2017-2	P84	2036	5.00	20,145,000	6,500,000	6,500,000
2017-2	P92	2037	5.00	21,145,000	15,560,000	15,560,000
2017-2	Q26	2038	5.00	22,205,000	9,985,000	9,985,000

* 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.

+ Preliminary; decision to accept or reject Tendered Bonds is subject to change.