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COPY



**JOURNAL of the PROCEEDINGS
of the
CITY COUNCIL
of the
CITY of CHICAGO, ILLINOIS**

Regular Meeting—Wednesday, December 12, 1984

at 10:00 A.M.

(Council Chamber—City Hall—Chicago, Illinois)

OFFICIAL RECORD.

HAROLD WASHINGTON
Mayor

WALTER S. KOZUBOWSKI
City Clerk

Attendance at Meeting.

Present -- Honorable Harold Washington, Mayor, and Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone.

Absent -- None.

Call to Order.

On Wednesday, December 12, 1984 at 11:17 A.M. (the hour appointed for the meeting was 10:00 A.M.) Honorable Harold Washington, Mayor, called the City Council to order. Honorable Walter S. Kozubowski, City Clerk, called the roll of members and it was found that there were present at that time: Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

Quorum present.

Invocation.

Reverend Joseph J. Rainey, Christian Fellowship M. B. Church, opened the meeting with prayer.

CONGRATULATIONS EXTENDED KATRINA ADAMS AS ILLINOIS STATE HIGH SCHOOL TENNIS CHAMPION FOR 1983 AND 1984.

Honorable Harold Washington, Mayor, on behalf of himself and all the members of the City Council, presented the following proposed resolution:

WHEREAS, Katrina Adams has held the title of Illinois State High School Tennis Champion for 1983 and 1984; and

WHEREAS, Ms. Adams started playing tennis at the early age of 6 years old and since then has gained excellent tennis ability and has competed in countless tournaments; and

WHEREAS, Katrina is the 1984 U.S.T.A. National Hard Courts Champion and she placed first in singles and doubles in the Western Closed in Indianapolis, Indiana; and

WHEREAS, Katrina is also the current Chicago District Tennis Champion for girls 16 and under and ranked number one in the Western Section; and

WHEREAS, Katrina ranks number 6 in singles and number 1 in doubles for girls 16 and under nationally and she also took 4th place in the Women's Winter Circuit competing with women from 28 countries; and

WHEREAS, Katrina is an exceptional athlete and an outstanding student and serves as an inspiration to her peers and we are proud to have her represent the City of Chicago; now, therefore,

Be It Resolved, That the Mayor of the City of Chicago, and the members of the City Council assembled this 12th day of December, 1984, do hereby recognize Katrina Adams' outstanding tennis talent and congratulate her wholeheartedly for being State Champion for two consecutive years; and

Be It Further Resolved, That a suitable copy of this resolution be prepared and forwarded to the Adams family.

Alderman D. Davis moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed*.

On motion of Alderman D. Davis, seconded by Aldermen Humes, W. Davis, Volini and Smith, the foregoing proposed resolution was *Adopted* unanimously.

Honorable Harold Washington, Mayor, introduced Katrina and her proud parents to the Council. He presented Katrina with a trophy and congratulated her on her achievement. Katrina thanked the Mayor and the City Council for being so honored, and stated that she was glad she could bring the State Championship to Chicago. Katrina was warmly applauded by all members of the City Council and assembled guests.

CONGRATULATIONS EXTENDED DANIEL POLK FOR
ONE-MAN COMMUNITY CLEAN-UP CAMPAIGN.

Honorable Harold Washington, Mayor, on behalf of himself and all the members of the City Council, presented the following proposed resolution.

WHEREAS, Mr. Daniel Polk, an exemplary senior citizen residing in Chicago's great Fourth Ward, for many years has conducted his own personal clean-up campaign in the blocks surrounding his residence at 4939 S. Forrestville; and

WHEREAS, This outstanding south side community benefits immeasurably from Mr. Polk's almost daily dedication to the cleanliness and upkeep of the neighborhood; and

WHEREAS, Working singlehandedly at first, Mr. Polk has inspired countless of his neighbors to help him in the arduous task of maintaining the area in a spotless condition, earning him the title of "Mr. Sandman" throughout the grateful community; and

WHEREAS, The leaders of this great City have always been proud and grateful of such outstanding citizenship as displayed by Daniel "Sandman" Polk; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this 12th day of December, 1984, A. D., do hereby express our extreme gratitude to Daniel "Sandman" Polk on his esteemed contribution to the maintenance of his Fourth Ward community, and congratulate this outstanding Chicagoan for his dedicated citizenship; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Mr. Daniel Polk.

Alderman Evans moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed*.

On motion of Alderman Evans, seconded by Alderman Tillman, the foregoing proposed resolution was *Adopted*, unanimously.

Honorable Harold Washington, Mayor, presented a parchment copy of the said resolution to Mr. Daniel Polk and congratulated him on his very worthy efforts.

REPORTS AND COMMUNICATIONS FROM CITY OFFICERS.

***Referred* - CREATION OF SPECIAL SERVICE AREA NUMBER SIX.**

Honorable Harold Washington, Mayor, submitted the following communication, which was, together with the proposed ordinance transmitted therewith, *Referred to the Committee on Finance*.

OFFICE OF THE MAYOR CITY OF CHICAGO

December 12, 1984.

To the Honorable, The City Council of the City of Chicago:

LADIES AND GENTLEMEN -- At the request of the Commissioner of the Department of Public Works, on behalf of the Special Service Area Number Six Commission, I transmit herewith an ordinance providing for the creation of Special Service Area Number Six, for the calendar year beginning January 1, 1985.

Your favorable consideration of this ordinance will be appreciated.

Very truly yours,
(Signed) HAROLD WASHINGTON,
Mayor.

**City Council Informed As To Miscellaneous
Documents Filed Or Received In City
Clerk's Office.**

Honorable Walter S. Kozubowski, City Clerk, informed the City Council that documents have been filed or received in his office relating to the respective subjects designated as follows:

ACCEPTANCE AND BOND UNDER ORDINANCE.

An acceptance and bond of C. H. Hanson Company, under an ordinance passed on September 6, 1984 (loading device); filed on December 7, 1984.

City Council Informed As To Publication Of Journal.

The City Clerk informed the City Council that all those ordinances, etc. which were passed by the City Council on December 7, 1984, and which were required by statute to be published in book or pamphlet form or in one or more newspapers, were published in pamphlet form on December 12, 1984, by being printed in full text in printed pamphlet copies of the Journal of the Proceedings of the City Council of the regular meeting held on December 7, 1984, published by authority of the City Council in accordance with the provisions of Section 5-5 of the Municipal Code of Chicago, as passed on December 22, 1947, which printed pamphlet copies were delivered to the City Clerk on December 12, 1984.

**Miscellaneous Communications, Reports, Etc., Requiring
Council Action (Transmitted To City Council
By City Clerk).**

The City Clerk transmitted communications, reports, etc., relating to the respective subjects listed below, which were acted upon by the City Council in each case in the manner noted, as follows:

**LEVY OF TAXES TO PROVIDE FOR ISSUANCE OF GENERAL
OBLIGATION SCHOOL ASSISTANCE BONDS,
SERIES E (1984).**

A communication from Lawrence Block, Secretary, Chicago School Finance Authority, transmitting additional certified copies of the Chicago School Finance Authority's Bond

Resolution and Series E Resolution, as Exhibits A and B of the tax levy ordinance -- *Referred to the Committee on Finance.*

RECOMMENDATIONS BY COMMISSIONER OF DEPARTMENT OF
PLANNING AND ACTING ZONING ADMINISTRATOR.

A communication signed by Elizabeth Hollander, Commissioner of Planning, under date of December 6, 1984, showing the recommendations of the Commissioner and Acting Zoning Administrator concerning map amendments for which public hearings were held December 4, 1984, in accordance with provisions of Section 11.9-4 of the Chicago Zoning Ordinance as passed by the City Council on January 31, 1969. -- *Placed on File.*

ZONING RECLASSIFICATION OF PARTICULAR AREA.

Also, an application (in triplicate) together with the proposed ordinance for amendment of the Chicago Zoning Ordinance, as amended, for the purpose of reclassifying a particular area. -- *Referred to the Committee on Zoning, as follows:*

Leslie Bibbs -- to classify as a B2-1 Restricted Retail District instead of an R3 General Residence District the area shown on Map No. 18-G bounded by

W. 73rd Street; the alley next east of and parallel to S. Green Street; a line 23.71 feet south of and parallel to W. 73rd Street; and S. Green Street.

Referred -- REQUEST FOR AMENDMENT OF CHAPTER 25 OF
MUNICIPAL CODE CONCERNING CITY EMPLOYEES.

Also, a communication and proposed ordinance from Thomas Quinn, requesting that the City Council consider amending the Municipal Code of Chicago, Chapter 25, Section 25-5, to prohibit City employees from serving on any other public payroll. -- *Referred to the Committee on Administration, Reorganization and Personnel.*

REPORTS OF COMMITTEES.

COMMITTEE ON FINANCE.

EXECUTION OF LOAN AND SECURITY AGREEMENT
AUTHORIZED FOR G.M. SPECIALTIES,
INCORPORATED, PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a loan and security agreement with G.M. Specialties, Incorporated in the amount of \$25,000 for a project located at 4107 West Lake Street.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuller, Volini, Orr, Stone -- 45.

Nays -- None.

Alderman Stemberk moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The Department of Economic Development of the City of Chicago has as its primary purpose the creation of additional employment opportunities in the City of Chicago through the attraction and expansion of economic development activity in the City; and

WHEREAS, The State of Illinois has made available to the City of Chicago, through the federal Community Services Block Grant Program, a grant in the amount of \$656,000 to be used to make low interest loans to start-up and expanding businesses; and

WHEREAS, G.M. Specialties, Inc., an Illinois corporation has made application to the Department of Economic Development to borrow \$25,000 for purposes of purchasing machinery and equipment, rehabbing property and working capital, which will result, among other things, in the creation of an estimated 10 new permanent job opportunities for low and moderate income persons residing in the City; and

WHEREAS, The Economic Development Commission has approved the application of G.M. Specialties, Inc.; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Commissioner of Economic Development is authorized to enter into and execute, subject to review as to form and legality by the Corporation Counsel, a Loan and Security Agreement with G.M. Specialties, Inc., pursuant to which the City will loan \$25,000 to G.M. Specialties, Inc., to assist G.M. Specialties, Inc. to expand its manufacturing of food storage systems operations, said Loan and Security Agreement to be substantially in the form attached hereto as Exhibit A.

SECTION 2. The Commissioner of Economic Development is further authorized to enter into and execute such other documents as may be necessary and proper to implement the terms of the Loan and Security Agreement.

SECTION 3. This ordinance shall be effective by and from the date of its passage.

The Loan and Security Agreement attached to this ordinance reads as follows:

Agreement made in Chicago, Illinois, as of the _____ day of _____, 19____, between the City of Chicago, Illinois, an Illinois municipal corporation ("City"), by and through its Department of Economic Development ("DED"), having its offices at 20 North Clark Street, Chicago, Illinois 60602, and G. M. Specialties, Inc., an Illinois corporation, having its principal offices at 4107 West Lake Street, Chicago, Illinois 606____.

Recitals.

Whereas, DED has as its primary purpose the creation of additional employment opportunities in the City of Chicago through the attraction and expansion of economic development in the City; and

Whereas, the State of Illinois has made available to the City grant funds in the amount of \$656,000 to make low cost loans to start-up and expanding businesses, and known as the Illinois Fixed Rate Loan Fund Program; and

Whereas, Borrower desires to expand its existing manufacturing business located at 4107 West Lake Street, Chicago, Illinois, which will allow Borrower to create new employment opportunities; and

Whereas, Borrower has made application to DED to borrow \$25,000 under the Illinois Fixed Rate Loan Fund Program ("City Loan"); and

Whereas, in response to said application, DED has recommended the Economic Development Commission approve Borrower's application upon which approval, DED will loan Borrower \$25,000; and

Whereas, Borrower desires to borrow said amount from the City, and the City is willing, subject to the terms and conditions herein, to lend said amount to Borrower;

Now, Therefore, the parties hereto agree as follows:

Section I. Consideration.

In consideration of the City and Borrower entering into and executing this Agreement, and agreeing to perform their respective obligations as set forth in Exhibit A attached hereto and made a part hereof.

Section II. Loan.

The City shall make a loan to Borrower and Borrower shall borrow from the City an amount and upon terms and conditions as set forth in Exhibit B attached hereto and made a part hereof. The Loan shall be secured and guaranteed as set forth in Exhibit C attached hereto and made a part hereof.

Section III. Borrower's Covenants.

3.1. Borrower shall proceed diligently to carry out its development pursuant to Exhibit A.

3.2. Borrower shall use its best efforts to effect 10 new, permanent hirings to its work force within 12 months after final disbursement of the Loan proceeds, said hirings to be made pursuant to the First Source Agreement to be executed between the City and Borrower as a condition precedent to initial disbursement of any Loan proceeds, a copy of which is attached hereto and made a part hereof as Exhibit D.

3.3. Borrower shall provide evidence of private financing as set forth in Exhibit D attached hereto and made a part hereof.

3.4. The time frame for the beginning and completion of the Borrower's development plans shall be as specified in Exhibit E attached hereto and made a part hereof.

Section IV. Inspection and Review.

4.1. Books and Records. Borrower shall keep and maintain such books, records and other documents as may be reasonably necessary to reflect and disclose fully the amount and disposition of proceeds of the Loan, the total cost of the activities paid for, in whole or in part, with proceeds of the Loan, and the amount and nature of all investments related to such activities which are supplied or to be supplied by other sources. All such books, records and other documents shall be available at the offices of Borrower for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the City.

4.2. Site Visits. Any duly authorized representative of the City shall, at all reasonable times, have access to all portions of the Borrower's business facility.

4.3. Duration of Inspection Rights. The rights of access and inspection provided in this Section IV shall continue until the completion of all close-out procedures respecting the City Loan and until the final settlement and conclusion of all issues arising thereunder.

Section V. Amendment of this Agreement.

During the term of this Agreement, it shall not be amended without the prior written approval of DED.

Section VI. Disclaimer of Relationship.

Nothing contained in this Agreement, nor any act of the City, shall be deemed or construed by any of the parties, or by third persons, to create any relationship of third-party beneficiary, or of principal or agent, or of limited or general partnership, or of joint venture, or of any association or relationship involving the City.

Section VII. Time of the Essence.

Time is of the essence of this Agreement.

Section VIII. Restrictions on Use.

During the term of the Loan, Borrower shall devote the Property solely for purposes of conducting its business.

Section IX. No Waiver of Default.

Except as otherwise set forth herein, any delay by the City in instituting or prosecuting any action or proceeding or otherwise asserting its rights shall not, so long as the breach or default by another party shall be continuing, operate as a waiver of such rights or to deprive it of, or limit such rights in any way, nor shall any waiver in fact made by the City with respect to any specific default by Borrower under this Agreement be considered or treated as a waiver of the rights of the City with respect to any other defaults by Borrower under this Agreement, or with respect to the particular default, except to the extent specifically waived in writing.

Section X. Conflict of Interest.

No member, official or employee of the City shall have any personal interest, direct or indirect, in this Borrower's business; nor shall any such member, official or employee participate in any decision relating to Borrower's business which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

Section XI. Limitation of Liability.

Borrower expressly agrees that no member, official, employee or agent of City shall be individually or personally liable to Borrower, their successors or assigns in the event of any default or breach by the City under this Agreement.

Section XII. Equal Employment Opportunity.

Borrower and its successors and assigns, agree that during the term of the Loan:

12.1. Borrower will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin. Borrower will take affirmative action to ensure the applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation, and selection for training, including apprenticeship. Borrower agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

12.2. Borrower will, in all solicitations of, or advertisements for, employees placed by or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex or national origin.

12.3. Discrimination as used herein shall be interpreted in accordance with federal law as construed by court decisions. This covenant may be enforced solely by the City and solely against the party which breaches this covenant.

Section XIII. Additional Provisions.

13.1. All notices, certificates or other communications shall be sufficiently given and shall be deemed to have been given on the second day following the day on which the same have been mailed by registered or certified mail, postage and fees prepaid, addressed as follows:

If to City:

City of Chicago, Illinois
City Hall - Room 511
121 N. LaSalle Street
Chicago, Illinois 60602
Attention: Corporation Counsel

If to Borrower:

G.M. Specialties, Inc.
4107 Lake Street
Chicago, Illinois
Attention: Mr. John Schirico

With a copy to:

The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

13.2. If any provision hereof is held invalid or unenforceable by any court of competent jurisdiction, such provision shall be deemed severed from this Agreement to the extent of such invalidity or unenforceability, and the remainder hereof will not be affected thereby, each of the provisions hereof being severable in any such instance.

13.3. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

In Witness Whereof, the City of Chicago and Borrower have caused this Agreement to be duly executed and delivered as of the date first above written.

[Signature forms omitted for printing purposes.]

Exhibit A

To Loan And Security Agreement

1. The City shall lend Borrower \$25,000 which loan shall constitute no more than 25% of the total cost of its development plans.
2. Borrower agrees to do the following:
 - (a) Borrower shall expand its business for a total of \$125,000.

- (b) Borrower shall borrow from Community Bank of Lawndale at least \$100,000, which loan shall be guaranteed by the United States Small Business Administration.

Exhibit B

To Loan And Security Agreement

The terms and conditions of the City Loan are as follows:

1. The term of the City Loan shall be 7 years.
2. The principal amount of the City Loan shall be \$25,000.
3. Interest at the rate of 3% per annum shall be charged on the principal City Loan amount.
4. No disbursement of City Loan proceeds shall be made unless and until Borrower shall have:
 - (a) Granted the City an interest in such of its assets as the City shall require as security for repayment of the Loan. City shall subordinate its security interest, at Borrower's request, to security interests of other lenders, their assigns and/or guarantors in an amount not to exceed \$100,000.
 - (b) Unless and until Borrower shall have furnished to City a Builder's Risk and Fire Insurance policy or policies duly endorsed to indicate City as insured lender.
 - (c) Executed a First Source Agreement for hiring with the City as set forth in Exhibit D.
5. Repayment shall be in 84 equal installments of principal and interest, commencing on the 1st day of the 1st month following final disbursement City Loan proceeds, and on the 1st day of each month thereafter until the City Loan is paid in full.
6. As an incentive to achieve and maintain hiring levels as set forth in this Agreement, Borrower may earn credit for interest paid on the City Loan as follows:
 - (a) If Borrower achieves its employment levels pursuant to Section 3.2 of this Loan and Security Agreement, it shall accrue credit for interest paid from initial disbursement date of the City Loan through the end of the calendar year in which the aforesaid employment level is met.
 - (b) For each calendar year up to 5 years after achieving its employment levels Borrower maintains said levels, Borrower shall accrue one year's credit on interest paid in that year on the City Loan.

- (c) Credit accrued pursuant to (a) and (b) above shall be paid to Borrower by dividing the accrued credits into 9 equal amounts and deducting said amounts from each of the final 9 payments of the City Loan term as due and owing.
 - (d) In the event Borrower elects to prepay the City Loan pursuant to Section 8 of this Exhibit B, any accrued credit shall be a setoff of the City Loan payoff amount, and any accrued credit remaining after such setoff shall be paid to Borrower within 60 days after the date the City Loan is prepaid.
 - (e) The parties expressly agree that accrued credit shall be calculated on actual interest paid by Borrower on the City Loan, and any interest earned thereon shall belong exclusively to the City.
7. The following shall be required of Borrower as Conditions Precedent to disbursement of loan proceeds:
- (a) Borrower shall certify to City that Borrower has sufficient funds on hand or irrevocably available to it to complete its obligations under the Agreement and has identified the sources of said funds;
 - (b) Borrower shall have furnished to City, duly executed financial statements to be filed by the City, with the Secretary of State of Illinois and Cook County Recorder of Deeds, respectively;
 - (c) Borrower shall have furnished to City insurance policies indicating that Borrower, at its sole cost and expense, shall keep and maintain the Collateral insured for the full replacement value against loss or damage by fire, theft, explosion, sprinklers and all other hazards and risks ordinarily insured against by other owners or users of such properties in similar businesses. Said policy or policies shall be duly endorsed identifying the City as a loss payee, as its interests appear;
 - (d) Borrower if appropriate shall have furnished to City, duly executed Certificates of Inspection and Acceptance, certifying that the equipment described in the Loan and Security Agreement has been installed, inspected, and is in place and in good working condition;
 - (e) Original executed Waivers of Mechanics Liens, Contractors and/or Subcontractors, sworn statements of work completed to date;
 - (f) Certification by Borrower's architect of work completed to date in accordance with approved plans and specifications on A.I.A. forms or reasonable equivalents thereof;
 - (g) Personal Guarantee
 - (h) Consent of Senior Lender to City's Loan, and security interest.

*Exhibit C**To Loan and Security Agreement*

As security for the City Loan to be made pursuant to this Agreement, Borrower agrees as follows:

1. Grant of Security Interest in Personality. Borrower hereby grants to City a security interest in:
 - (a) All machinery, furnishings and equipment now owned or hereby acquired; and
 - (b) All accounts, accounts receivable, notes, chattel paper, or writings evidencing a monetary obligation, contract rights and other creditors' interests now or hereafter existing in favor of or owned or acquired by Borrower and all goods hereafter sold by Borrower and thereafter returned reclaimed or repossessed; and
 - (c) All inventory used or consumed in Borrower's business or held for sale or lease (including without limitation raw materials, work-in- process and finished goods) now owned or hereafter acquired, and all products thereof; and
 - (d) Proceeds, including insurance proceeds, of any and all of the foregoing (hereinafter collectively "Collateral").

City's aforesaid security interest is subordinate to the security interest in favor of Community Bank of Lawndale (the "Senior Lender").

2. Warranties and Covenants of Borrower. Borrower hereby warrants and covenants that:
 - (a) The Collateral is used primarily for business use;
 - (b) Borrower's chief place of business is in the State of Illinois;
 - (c) The Collateral will be kept at 4107 West Lake Street, Chicago, Illinois;
 - (d) Borrower will promptly notify City of any change in the location of the Collateral within said State;
 - (e) Borrower will not remove the Collateral from said State without the prior written consent of City except Collateral sold in the ordinary course of Borrower's business;
 - (f) Except for the security interest granted hereby, and security interests in favor of the Senior Lender, Borrower is the owner of the Collateral free

from any adverse lien, security interest or encumbrance; and Borrower will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein;

- (g) Except with respect to the Senior Lender, no financing statement covering any of the Collateral or any proceeds thereof is on file in any public office. The Borrower shall immediately notify City in writing of any change in address from that shown in this Agreement and shall also, upon demand, furnish City such further information and shall execute and deliver to City such financing statements and other documents in form satisfactory to City and shall do all such acts and things as City may, at any time or from time to time, reasonably maintain a perfected security interest in the Collateral as security for the obligations, subject to no adverse liens or encumbrances except with respect to the Senior Lender; and Borrower will pay the cost of filing the same or filing or recording this Agreement in all public offices wherever filing or recording is deemed by City to be necessary or desirable;
 - (h) Borrower will not sell or offer to sell, assign, pledge, lease or otherwise transfer or encumber the Collateral or any interest therein, without the prior written consent of City;
 - (i) Borrower shall keep the Collateral at all times insured against risks of loss or damage by fire (including so-called extended coverage), theft and such other casualties as City may reasonably require, including collision in the case of any motor vehicle, all in such amounts, under such forms of policies, upon such terms, for such periods and written by such companies or underwriters as City may approve, losses in all cases to be payable to City and Borrower as their interests may appear. All policies of insurance shall provide for at least thirty (30) days' prior written notice of cancellation to City. Borrower shall furnish City with certificates of such insurance or other evidence satisfactory to City as to compliance with the provisions of this subparagraph. City may act as attorney for Borrower in making, adjusting and settling claims under and canceling such insurance and endorsing Borrower's name on any drafts drawn by insurers of the Collateral;
 - (j) Borrower will keep the Collateral free from any adverse lien, security interest or encumbrance, other than that of the Senior Lender, and in good order and repair, shall not waste or destroy the Collateral or any part thereof, and shall not use the Collateral in violation of any statute, ordinance or policy of insurance thereon. City may examine and inspect the Collateral at any reasonable time or times, wherever located;
 - (k) Borrower will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement or upon any note or notes evidencing the obligations.
3. Additional Rights of Parties. At its option, City may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the

Collateral, may place and pay for insurance on the Collateral upon failure by the Borrower after having been requested to do so, to provide insurance satisfactory to the City, and may pay for the maintenance, repair and preservation of the Collateral. To the extent permitted by applicable law, Borrower agrees to reimburse City on demand for any payment made, or any expense incurred by City pursuant to the foregoing authorization. Until default, Borrower may have possession of the Collateral and use it in any lawful manner not inconsistent with this Agreement and not inconsistent with any policy of insurance thereon.

4. Events of Default. Borrower shall be in default under this Agreement upon the occurrence of any of the following events or conditions, namely: (a) default in the payment or performance of any of the obligations or of any covenants or liabilities contained or referred to herein, or in any of the obligations; (b) any warranty, representation or statement made or furnished to City by or on behalf of Borrower proving to have been false in any material respect when made or furnished; (c) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; (d) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against, Borrower or any guarantor of surety for Borrower, default to the Senior Lender.
5. Remedies. Upon such default (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted), and at any time thereafter (that such not having previously been cured), City, at its option, may declare all obligations secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code of Illinois, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Borrower can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Uniform Commercial Code of Illinois) and City shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Borrower's right of redemption in satisfaction of Borrower's obligations as provided in the Uniform Commercial Code of Illinois. City, without removal, may render the Collateral unusable and dispose of the Collateral on the Borrower's premises. City may require Borrower to assemble the Collateral and make it available to City for possession at a place to be designated by City which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, City will give Borrower at least five (5) days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Borrower shown at the beginning of this Agreement at least five (5) days before the time of the sale or disposition. City may buy at any public sale, and if the Collateral is of a type customarily sold on a recognized market or is of a

type which is the subject of widely distributed standard price quotations, it may buy at private sale. The net proceeds realized upon any such disposition, after deduction for the expenses or retaking, holding, preparing for sale, selling or the like, and the reasonable attorneys' fees and legal expenses incurred by City in connection therewith, shall be applied in satisfaction of the obligations secured hereby. City will account to Borrower for any surplus realized on such disposition and Borrower shall remain liable for any deficiency.

The remedies of the City hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Uniform Commercial Code of Illinois shall not be construed as a waiver of any of the other remedies of City so long as any part of the Borrower's obligations remain unsatisfied.

6. General.

- (a) No waiver by City of any default shall operate as a waiver of any other default or of the same default on a future occasion. All rights of City hereunder shall inure to the benefit of its successors and assigns; and all obligations of Borrower shall bind its heirs, executors or administrators or its successors or assigns. This Agreement shall become effective when it is signed by Borrower.
- (b) All rights of City to and under this Agreement and in and to the Collateral shall pass to any may be exercised by any assignee thereof. Borrower agrees that if City gives notice to Borrower of any assignment of said rights, upon such notice, the liability of Borrower to the assignee shall be immediate and absolute. Borrower will not set up any claim against City as a defense, counterclaim or setoff to any action brought by any such assignee for the unpaid balance owed hereunder or for possession of the Collateral, provided that Borrower shall not waive hereby any right of action to the extent that waiver thereof is expressly made unenforceable under applicable law.
- (c) The terms and provisions contained herein shall, unless the context otherwise requires, have the meanings and be construed as provided in the Uniform Commercial Code of Illinois.

7. Additional Security. Collateral assignment of all leases and rents necessary for the operational success of Borrower's business.

8. Guarantee. The repayment of the Loan shall be unconditionally and irrevocably guaranteed by John Schirico.

Exhibit D

First Source Agreement

The First Source Agreement for recruitment, referral, and placement is between the City of Chicago, Mayor's Office of Employment and Training, (hereinafter referred to as the "Agency"), and _____, (hereinafter referred to as

"Employer"). Under this First Source Agreement Employer will use the Agency as its first source for recruitment, referral and placement of covered positions.

Recitals.

Whereas, the Agency wishes to assure continuing employment opportunities for economically disadvantaged City residents with employers located within the City limits.

Whereas, the Employer agrees to use the Agency as a first source for recruitment, referral and placement of employees in covered positions as consideration for the Department of Economic Development (DED) making a loan to Employer under the Illinois Fixed Rate Loan Program.

Now, Therefore; the parties hereto agree as follows:

Section I. The above recitals are expressly incorporated and made a part hereof.

Section II. Consideration. In consideration of Agency and Employer entering into and executing this Agreement and agreeing to be bound by the terms and conditions hereof, and for other good and valuable consideration, Agency and Employer agree as hereinafter set forth.

Section III. Term. This Agreement shall take effect when signed by the parties below and shall be in full force and effect for a period of five (5) years.

This Agreement shall not be construed as a loan agreement. If, for any reason, the City Loan above should be withdrawn or cancelled by DED, this Agreement will be null and void.

IV. Recruitment.

- A. The Agency and Employer agree that for purposes of this agreement, "covered positions" include all of Employer's entry level job openings and any other negotiated positions created as a result of the City Loan. These may include job vacancies made available after internal promotions and terminations or openings created by an expansion of the Employer's workforce all of which will be negotiated. Nothing in this agreement will release the Employer from his obligation to fill entry level positions with persons referred by the Agency except as stated below in items V (Referral) and VI (Hiring).
- B. No later than seven (7) working days after approval of the loan to Employer, Employer will submit to the Agency, a First Source Prospect Notification. (Attachment A)
- C. At least eighteen (18) working days prior to the anticipated hiring dates, the Employer will notify the Agency of its needs for new employees in covered positions by completing a "Job Order Form" (Attachment E) for each job title. This form is to be completed in consultation with an Agency representative. Applicants who meet these quantifiable and objective minimum job qualifications will be deemed to be "qualified persons" for purposes of this Agreement.

- D. The Employer will also notify the Agency of all position vacancies which are not "covered positions" as described in Sections IV A, B and C, above as they occur. Notification should include qualifications, the rate of pay and the anticipated hiring dates. The Employer will also notify the Agency of the date by which the Agency must refer qualified applicants to the Employer for management, technical and professional vacancies.
- E. Job openings to be filled by internal promotion from within the Employer's local workforce need not be referred to the Agency for referral and hiring. If, however, a job opening is created as a result of an internal promotion, the provisions of Section IV A above shall apply.

V. Referral

- A. The Agency will refer eligible job applicants to the Employer in response to the notification of need for new employees described in Section IV above. It will be the responsibility of the Agency to refer only qualified applicants who meet the profile of the Employer as detailed in the Job Order Form. (Attachment B)
- B. The Agency will screen applicants according to the qualifications agreed upon with the Employer.
- C. The Agency will notify Employer of all intended referrals no later than ten (10) working days prior to the anticipated hiring date, and will effect all referrals no later than five (5) working days prior to the anticipated hiring date. The Agency will make every reasonable effort to refer at least one qualified person for each job opening.
- D. In the event the Agency cannot refer the total number of qualified personnel requested, the Employer will be free to directly fill remaining positions for which no qualified applicants have been referred. In this event, the Employer will make a best effort to hire unemployed Chicago residents.
- E. In the event that the Employer does not hire referred personnel the Employer should, at a minimum, indicate in writing the reasons for not hiring.

VI. Hiring

- A. The Employer will make all decisions on hiring new employees. However, the Employer agrees to make a best effort to hire from referrals made.
- B. The Agency will tract job retention of employees hired under this Agreement for 120 days following hiring. The Employer agrees to cooperate in the Agency's follow-up efforts.
- C. The Agency is required to monitor Employer's adherence to this Agreement. Employer will cooperate in the Agency's monitoring efforts and will submit Quarterly Hiring Summaries in accordance with Attachment "C".

- D. After the Employer has selected its employees, the Agency will not be responsible for the employees' actions and the Employer hereby releases the Agency of any liability for their actions.

VII. Training

- A. The Employer will not discontinue job and workplace orientation due to this Agreement.
- B. The Agency and the Employer may agree to develop additional on-the-job or customized training programs through the Job Training Partnership Act; the training specifications and costs for such training will be mutually agreed upon by the Employer and the Agency and will be covered in a separate training agreement.

VIII. Controlling Regulations and Laws

- A. If this agreement conflicts with any labor laws or other government regulations, the laws or regulations shall prevail.
- B. The Employer will provide the Agency with written documentation that the Employer has provided the representative of any involved collective bargaining unit with a copy of this Agreement and has requested comments or objections. If the representative has any comments or objections, the Employer will provide them to the Agency.
- C. The Employer will not discriminate against any applicant for employment because of race, religion, age, handicap, color, sex, national origin, citizenship, or political affiliation.

IX. Indemnity

The Employer will indemnify the Agency for and hold the Agency harmless from any claims or liabilities asserted against the Agency by applicants for employment employed by the Employer or any other claims asserted with respect to this limitation, all nature of claims asserted against the Agency as well as the costs and attorneys fees incurred by the Agency in defending against any such claim. If, in the best judgment of the Agency and its legal counsel, any such claims should be settled for a reasonable sum, the Employer will also indemnify the Agency for the settlement amount and costs incurred by the Agency in effectuating the settlement.

[Signature forms omitted for printing purposes.]

AUTHORITY GRANTED FOR EXECUTION OF LOAN AND
SECURITY AGREEMENT WITH DALLAS BEECHER
CONSTRUCTION, INCORPORATED FOR
BUSINESS EXPANSION.

(Continued on page 11661)

FIRST SOURCE PROSPECT NOTIFICATION

Date of Referral:

Address: _____ (Zip) _____

Contact Person: _____ Title: _____

Telephone No. of Contact: _____

Referring Department: _____

Department FSP Coordinator: _____

Telephone No. of Coordinator: _____

Type of Agreement Being Negotiated: _____

Description of Agreement:

Status of Agreement: _____

Anticipated Date for Finalizing Agreement: _____

Potential Employment Opportunities for Unemployed Persons:

[illegible]

12/12/84

REPORTS OF COMMITTEES

11657

Additional Comments:

Received: ____/____/____

By: _____

JOB ORDER FORM

MAYOR'S OFFICE OF EMPLOYMENT AND TRAINING

1. Employer _____ 2. Date _____
3. Job Title _____ 4. Number of Openings _____
5. Job Location _____
6. Contact Person _____ Phone _____
7. Supervisor _____ 8. Beginning date _____ Ending _____
9. Starting salary \$ _____ per _____ Salary after training \$ _____ per _____
10. Benefits: _____
11. Days to be worked _____ 12. Hours _____
13. Will union membership be required? Yes _____ No _____
If yes, which union and Local # _____
14. If this job involved on-the-job training to be subsidized by the City, how long will that training period be? _____ (attach specific training plan)
15. Specific Duties _____

16. NECESSARY QUALIFICATIONS:
Skill _____
_____ (level of experience or training required to enter progr
(include licenses and/or certificates necessary)

17. Is a valid Illinois Drivers' License required? Yes _____ No _____
18. Are your employees in this position expected to provide any necessary tools involved the job (s)? Yes _____ No _____
If yes, please attach an itemized list (with prices) of tools required for each posit
19. Education level needed to perform this job (If any) _____

(Over)

Is there a possibility for promotion from this job? Yes _____ No _____
 If yes, to what position(s)? _____

Environmental Conditions

a. Working Environment

Inside _____
 Outside _____

YES NO

b. Extreme Cold with
 or without temperature changes _____

c. Extreme heat with
 or without temperature changes _____

d. Wet and/or Humid _____

e. Vibration _____

f. Hazards
 Mechanical _____
 Electrical _____
 Burns _____
 Explosives _____
 Radioactivity _____
 Other _____

g. Atmospheric Conditions

Fumes _____
 Dusts _____
 Mists _____
 Gases _____
 Poor Ventilation _____
 Other _____

h. Noise

Estimated maximum
 no. of Decibels _____

23. Physical Demands

a. Strength - % time job will require

Standing _____
 Walking _____
 Sitting _____

Weight (no. lbs)

Lifting _____
 Carrying _____
 Pushing _____
 Pulling _____

YES NO

b. Climbing _____
 Balancing _____

Stooping _____
 Kneeling _____
 Crouching _____
 Crawling _____

Reaching _____
 Handling _____
 Fingering _____
 Feeling _____

Talking _____

Hearing
 Ordinary Conversation _____
 Other Sounds _____

Seeing
 Acuity, Near _____
 Acuity, Far _____
 Depth Perception _____
 Color Vision _____
 Field of Vision _____

a. Could a person with limited English speaking skills perform this job?

Yes _____ No _____

b. Could a person with limited English reading/writing skills perform this job?

Yes _____ No _____

Is public transportation easily accessible? Yes _____ No _____

Does the job require shift work or other than traditional hours? Yes _____ No _____

(If yes, please clarify) _____

11660

JOURNAL--CITY COUNCIL--CHICAGO

12/12/84

SAMPLE

QUARTERLY HIRING SUMMARY

FOR QUARTER ENDING : _____

COMPANY NAME _____

Listed below are the position(s) in your firm which are covered under the First Source Agreement with the City. Please list the total number of hires for this quarter and return this form to the Mayor's Office of Employment and Training within 30 days following the close of that quarter.

Position TitleTotal New Hires

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

I certify that the above information is true and accurate.

Authorized Signature_____
Title_____
Date

Please return this form to: Mayor's Office of Employment and Training
180 N. LaSalle 3th Floor
Chicago, Illinois 60601

(Continued from page 11655)

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a loan and security agreement with Dallas Beecher Construction, Incorporated in the amount of \$35,000.00 for project located at 1813 West 87th Street.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 45.

Nays -- None.

The following is said ordinance as passed:

WHEREAS, The Department of Economic Development of the City of Chicago has as its primary purpose the creation of additional employment opportunities in the City of Chicago through the attraction and expansion of economic development activity in the City; and

WHEREAS, The State of Illinois has made available to the City of Chicago, through the federal Community Services Block Grant Program, a grant in the amount of \$656,000 to be used to make low interest loans to start up and expand businesses; and

WHEREAS, Dallas Beecher Construction, Inc., an Illinois corporation has made application to the Department of Economic Development to borrow \$35,000 for purposes of purchasing machinery and equipment, working capital and consolidating demand note, which will result, among other things, in the creation of an estimated 4 new permanent job opportunities for low and moderate income persons residing in the City; and

WHEREAS, The Economic Development Commission has approved the application of Dallas Beecher Construction, Inc.; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Commissioner of Economic Development is authorized to enter into and execute, subject to review as to form and legality by the Corporation Counsel, a Loan and Security Agreement with Dallas Beecher Construction, Inc., pursuant to which the City will loan \$35,000 to Dallas Beecher Construction, Inc. to assist Dallas Beecher Construction, Inc., to expand its construction business operations, said Loan and Security Agreement to be substantially in the form attached hereto as Exhibit A.

SECTION 2. The Commissioner of Economic Development is further authorized to enter into and execute such other documents as may be necessary and proper to implement the terms of the Loan and Security Agreement.

SECTION 3. This ordinance shall be effective by and from the date of its passage.

The Loan and Security Agreement attached to this ordinance reads as follows:

Agreement made in Chicago, Illinois, as of the _____ day of _____, 19____, between the City of Chicago, Illinois, an Illinois Municipal corporation ("City"), by and through its Department of Economic Development ("DED"), having its offices at 20 North Clark Street, Chicago, Illinois 60602, and Dallas Beecher Construction, Inc. an Illinois corporation, having its principal offices at 1813 West 87th Street, Chicago, Illinois 606____.

Recitals.

Whereas, DED has as its primary purpose the creation of additional employment opportunities in the City of Chicago through the attraction and expansion of economic development in the City; and

Whereas, the State of Illinois has made available to the City grant funds in the amount of \$656,000 to make low cost loans to start-up and expanding businesses, and known as the Illinois Fixed Rate Loan Fund Program; and

Whereas, Borrower desires to expand its existing construction business located at 1813 West 87th Street, Chicago, Illinois, which will allow Borrower to create new employment opportunities; and

Whereas, Borrower has made application to DED to borrow \$35,000 under the Illinois Fixed Rate Loan Fund Program ("City Loan"); and

Whereas, in response to said application, DED has recommended the Economic Development Commission approve Borrower's application upon which approval, DED will loan Borrower \$35,000; and

Whereas, Borrower desires to borrow said amount from the City, and the City is willing, subject to the terms and conditions herein, to lend said amount to Borrower;

Now, Therefore, the parties hereto agree as follows:

Section I. Consideration.

In consideration of the City and Borrower entering into and executing this Agreement, and agreeing to perform their respective obligations as set forth in Exhibit A attached hereto and made a part hereof.

Section II. Loan.

The City shall make a loan to Borrower and Borrower shall borrow from the City an amount and upon terms and conditions as set forth in Exhibit B attached hereto and made a part hereof. The Loan shall be secured and guaranteed as set forth in Exhibit C attached hereto and made a part hereof.

Section III. Borrower's Covenants.

3.1. Borrower shall proceed diligently to carry out its development pursuant to Exhibit A.

3.2. Borrower shall use its best efforts to effect 10 new, permanent hirings to its work force within 12 months after final disbursement of the Loan proceeds, said hirings to be made pursuant to the First Source Agreement to be executed between the City and Borrower as a condition precedent to initial disbursement of any Loan proceeds, a copy of which is attached hereto and made a part hereof as Exhibit D.

3.3. Borrower shall provide evidence of private financing as set forth in Exhibit D attached hereto and made a part hereof.

3.4. The time frame for the beginning and completion of the Borrower's development plans shall be as specified in Exhibit E attached hereto and made a part hereof.

Section IV. Inspection and Review.

4.1. Books and Records. Borrower shall keep and maintain such books, records and other documents as may be reasonably necessary to reflect and disclose fully the amount and disposition of proceeds of the Loan, the total cost of the activities paid for, in whole or in part, with proceeds of the Loan, and the amount and nature of all investments related to such activities which are supplied or to be supplied by other sources. All such books, records and other documents shall be available at the offices of Borrower for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the City.

4.2. Site Visits. Any duly authorized representative of the City shall, at all reasonable times, have access to all portions of the Borrower's business facility.

4.3. Duration of Inspection Rights. The rights of access and inspection provided in this Section IV shall continue until the completion of all close-out procedures respecting the City Loan and until the final settlement and conclusion of all issue arising thereunder.

Section V. Amendment of this Agreement.

During the term of this Agreement, it shall not be amended without the prior written approval of DED.

Section VI. Disclaimer of Relationship.

Nothing contained in this Agreement, nor any act of the City, shall be deemed or construed by any of the parties, or by third persons, to create any relationship of third-party beneficiary, or of principal or agent, or of limited or general partnership, or of joint venture, or of any association or relationship involving the City.

Section VII. Time of the Essence.

Time is of the essence of this Agreement.

Section VIII. Restrictions on Use.

During the term of the Loan, Borrower shall devote the property solely for purposes of conducting its business.

Section IX. No Waiver of Default.

Except as otherwise set forth herein, any delay by the City in instituting or prosecuting any action or proceeding or otherwise asserting its rights shall not, so long as the breach or default by another party shall be continuing, operate as a waiver of such rights or to deprive it of, or limit such rights in any way, nor shall any waiver in fact made by the City with respect to any specific default by Borrower under this Agreement be considered or treated as a waiver of the rights of the City with respect to any other defaults by Borrower under this Agreement, or with respect to the particular default, except to the extent specifically waived in writing.

Section X. Conflict of Interest.

No member, official or employee of the City shall have any personal interest, direct or indirect, in this Borrower's business; nor shall any such member, official or employee participate in any decision relating to Borrower's business which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

Section XI. Limitation of Liability.

Borrower expressly agrees that no member, official, employee or agent of City shall be individually or personally liable to Borrower, their successors or assigns in the event of any default or breach by the City under this Agreement.

Section XII. Equal Employment Opportunity.

Borrower and its successors and assigns, agree that during the term of the Loan:

12.1. Borrower will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin. Borrower will take affirmative action to ensure the applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation, and selection for training, including apprenticeship. Borrower agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

12.2. Borrower will, in all solicitations of, or advertisements for, employees placed by or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex or national origin.

12.3. Discrimination as used herein shall be interpreted in accordance with federal law as construed by court decisions. This covenant may be enforced solely by the City and solely against the party which breaches this covenant.

Section XIII. Additional Provisions.

13.1. All notices, certificates or other communications shall be sufficiently given and shall be deemed to have been given on the second day following the day on which the same have been mailed by registered or certified mail, postage and fees prepaid, addressed as follows:

If to City: City of Chicago, Illinois
City Hall - Room 511
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Corporation Counsel

If to Borrower: Dallas Beecher Construction, Inc.
1813 West 87th Street
Chicago, Illinois
Attention: Mr. Dallas Beecher

With a copy to:

The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

13.2. If any provision hereof is held invalid or unenforceable by any court of competent jurisdiction, such provision shall be deemed severed from this Agreement to the extent of such invalidity or unenforceability, and the remainder hereof will not be affected thereby, each of the provisions hereof being severable in any such instance.

13.3. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

In Witness Whereof, the City of Chicago and Borrower have caused this Agreement to be duly executed and delivered as of the date first above written.

[Signature forms omitted for printing purposes.]

Exhibits A, B, C, and D attached to the Loan and Security Agreement read as follows:

Exhibit A

To Loan and Security Agreement.

1. The City shall lend Borrower \$35,000 which loan shall constitute no more than 25% of the total cost of its development plans.
2. Borrower agrees to do the following:
 - (a) Borrower shall expand its business for a total of \$175,000.
 - (b) Borrower shall borrow from Independence Bank at least \$140,000, which loan shall be guaranteed by the United States Small Business Administration.

Exhibit B

To Loan and Security Agreement.

The terms and conditions of the City Loan are as follows:

1. The term of the City Loan shall be 7 years.
2. The principal amount of the City Loan shall be \$35,000.
3. Interest at the rate of 3% per annum shall be charged on the principal City Loan amount.
4. No disbursement of City Loan proceeds shall be made unless and until Borrower shall have:
 - (a) Granted the City an interest in such of its assets as the City shall require as security for repayment of the Loan. City shall subordinate its security interest, at Borrower's request, to security interests of other lenders, their assigns and/or guarantors in an amount not to exceed \$140,000.
 - (b) Unless and until Borrower shall have furnished to City a Builder's Risk and Fire Insurance policy or policies duly endorsed to indicate City as insured lender.
 - (c) Executed a First Source Agreement for hiring with the City as set forth in Exhibit D.
5. Repayment shall be in 84 equal installments of principal and interest, commencing on the 1st day of the 1st month following final disbursement of City Loan proceeds, and on the 1st day of each month thereafter until the City Loan is paid in full.
6. As an incentive to achieve and maintain hiring levels as set forth in this Agreement, Borrower may earn credit for interest paid on the City Loan as follows:
 - (a) If Borrower achieves its employment levels pursuant to Section 3.2 of this Loan and Security Agreement, it shall accrue credit for interest paid for

initial disbursement date of the City Loan through the end of the calendar year in which the aforesaid employment level is met.

- (b) For each calendar year up to 5 years after achieving its employment levels. Borrower maintains said levels, Borrower shall accrue one year's credit on interest paid in that year, on the City Loan.
 - (c) Credit accrued pursuant to (a) and (b) above shall be paid to Borrower by dividing the accrued credits into 9 equal amounts and deducting said amounts from each of the final 9 payments of the City Loan term as due and owing.
 - (d) In the event Borrower elects to prepay the City Loan pursuant to Section 8 of this Exhibit B, any accrued credit shall be setoff of the City Loan payoff amount, and any accrued credit remaining after such setoff shall be paid to Borrower within 60 days after the date the City Loan is prepaid.
 - (e) The parties expressly agree that accrued credit shall be calculated on actual interest paid by Borrower on the City Loan, and any interest earned thereon shall belong exclusively to the City.
7. The following shall be required of Borrower as Conditions Precedent to disbursement of loan proceeds:
- (a) Borrower shall certify to City that Borrower has sufficient funds on hand or irrevocably available to it to complete its obligations under the Agreement and has identified the sources of said funds;
 - (b) Borrower shall have furnished to City, duly executed financial statements to be filed by the City, with the Secretary of State of Illinois and Cook County Recorder of Deeds, respectively;
 - (c) Borrower shall have furnished to City insurance policies indicating that Borrower, at its sole cost and expense, shall keep and maintain the Collateral insured for the full replacement value against loss or damage by fire, theft, explosion, sprinklers and all other hazards and risks ordinarily insured against by other owners or users of such properties in similar businesses. Said policy or policies shall be duly endorsed identifying the City as a loss payee, as its interests appear;
 - (d) Borrower if appropriate shall have furnished to City, duly executed Certificates of Inspection and Acceptance, certifying that the equipment described in the Loan and Security Agreement has been installed, inspected, and is in place and in good working condition;
 - (e) Original executed Waivers of Mechanics Liens, Contractors and/or Subcontractors, sworn statements of work completed to date;
 - (f) Certification by Borrower's architect of work completed to date in accordance with approved plans and specifications on A.I.A. forms or reasonable equivalents thereof;

- (g) Personal guarantee;
- (h) Consent of Senior Lender to City's Loan, and security interest;

Exhibit C

To Loan and Security Agreement

As security for the City Loan to be made pursuant to this Agreement, Borrower agrees as follows:

1. Grant of Security Interest in Personality. Borrower hereby grants to City a security interest in:
 - (a) All machinery, furnishings and equipment now owned or hereafter acquired; and
 - (b) All accounts, accounts receivable, notes, chattel paper, or writings evidencing a monetary obligation, contract rights and other creditors' interests now or hereafter existing in favor of or owned or acquired by Borrower and all goods hereafter sold by Borrower and thereafter returned, reclaimed or repossessed; and
 - (c) All inventory used or consumed in Borrower's business or held for sale or lease (including without limitation raw materials, work-in- process and finished goods) now owned or hereafter acquired, and all products thereof; and
 - (d) Proceeds, including insurance proceeds, of any and all of the foregoing (hereinafter collectively "Collateral").

City's aforesaid security interest is subordinate to the security interest in favor of Independence Bank (the "Senior Lender").

2. Warranties and Covenants of Borrower. Borrower hereby warrants and covenants that:
 - (a) The Collateral is used primarily for business use;
 - (b) Borrower's chief place of business is in the State of Illinois;
 - (c) The Collateral will be kept at 1813 West 87th Street, Chicago, Illinois;
 - (d) Borrower will promptly notify City of any change in the location of the Collateral within said State;
 - (e) Borrower will not remove the Collateral from said State without the prior written consent of City except Collateral sold in the ordinary course of Borrower's business;

- (f) Except for the security interest granted hereby, and security interests in favor of the Senior Lender, Borrower is the owner of the Collateral free from any adverse lien, security interest or encumbrance; and Borrower will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein;
- (g) Except with respect to the Senior Lender, no financing statement covering any of the Collateral or any proceeds thereof is on file in any public office. The Borrower shall immediately notify City in writing of any change in address from that shown in this Agreement and shall also, upon demand, furnish City such further information and shall execute and deliver to City such financing statements and other documents in form satisfactory to City and shall do all such acts and things as City may, at any time or from time to time, reasonably maintain a perfected security interest in the Collateral as security for the obligations, subject to no adverse liens or encumbrances except with respect to the Senior Lender; and Borrower will pay the cost of filing the same or filing or recording this Agreement in all public offices wherever filing or recording is deemed by City to be necessary or desirable;
- (h) Borrower will not sell or offer to sell, assign, pledge, lease or otherwise transfer or encumber the Collateral or any interest therein, without the prior written consent of City;
- (i) Borrower shall keep the Collateral at all times insured against risks of loss or damage by fire (including so-called extended coverage), theft and such other casualties as City may reasonably require, including collision in the case of any motor vehicle, all in such amounts, under such forms of policies, upon such terms, for such periods and written by such companies or underwriters as City may approve, losses in all cases to be payable to City and Borrower as their interest may appear. All policies of insurance shall provide for at least thirty (30) days' prior written notice of cancellation to City. Borrower shall furnish City with certificates of such insurance or other evidence satisfactory to City as to comply with the provisions of this subparagraph. City may act as attorney for Borrower in making, adjusting and settling claims under and canceling such insurance and endorsing Borrower's name on any drafts drawn by insurers of the Collateral;
- (j) Borrower will keep the Collateral free from any adverse lien, security interest or encumbrance, other than that of the Senior Lender, and in good order and repair, shall not waste or destroy the Collateral or any part thereof, and shall not use the Collateral in violation of any statute, ordinance or policy of insurance thereon. City may examine and inspect the Collateral at any reasonable time or times, wherever located;
- (k) Borrower will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement or upon any note or notes evidencing the obligations.

3. **Additional Rights of Parties.** At its option, City may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may place and pay for insurance on the Collateral upon failure by the Borrower after having been requested to do so, to provide insurance satisfactory to the City, and may pay for the maintenance, repair and preservation of the Collateral. To the extent permitted by applicable law, Borrower agrees to reimburse City on demand for any payment made, or any expense incurred by City pursuant to the foregoing authorization. Until default, Borrower may have possession of the Collateral and use it in any lawful manner not inconsistent with this Agreement and not inconsistent with any policy of insurance thereon.
4. **Events of Default.** Borrower shall be in default under this Agreement upon the occurrence of any of the following events or conditions, namely: (a) default in the payment or performance of any of the obligations or of any covenants or liabilities contained or referred to herein, or in any of the obligations; (b) any warranty, representation or statement made or furnished to City by or on behalf of Borrower proving to have been false in any material respect when made or furnished; (c) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; (d) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against, Borrower or any guarantor or surety for Borrower, default to the Senior Lender.
5. **Remedies.** Upon such default (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted), and at any time thereafter (such default not having previously been cured), City, at its option, may declare all obligations secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code of Illinois, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Borrower can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Uniform Commercial Code of Illinois) and City shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Borrower's right of redemption in satisfaction of Borrower's obligations as provided in the Uniform Commercial Code of Illinois. City, without removal, may render the Collateral unusable and dispose of the Collateral on the Borrower's premises. City may require Borrower to assemble the Collateral and make it available to City for possession at a place to be designated by City which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, City will give Borrower at least five (5) days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of

reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Borrower shown at the beginning of this Agreement at least five (5) days before the time of the sale or disposition. City may buy at any public sale, and if the Collateral is of a type customarily sold on a recognized market or is a type which is the subject of widely distributed standard price quotations, it may buy at private sale. The net proceeds realized upon any such disposition, after deduction for the expenses or retaking, holding, preparing for sale, selling or the like, and the reasonable attorneys' fees and legal expenses incurred by City in connection therewith, shall be applied in satisfaction of the obligations secured hereby. City will account to Borrower for any surplus realized on such disposition and Borrower shall remain liable for any deficiency.

The remedies of the City hereunder are cumulative and the exercise of any one of the remedies provided for herein or under the Uniform Commercial Code of Illinois shall not be construed as a waiver of any of the other remedies of City so long as any part of the Borrower's obligations remain unsatisfied.

6. General.

- (a) No waiver by City of any default shall operate as a waiver of any other default or of the same default on a future occasion. All rights of City hereunder shall inure to the benefit of its successors and assigns; and all obligations of Borrower shall bind its heirs, executors or administrators or its successors or assigns. This Agreement shall become effective when it is signed by Borrower.
- (b) All rights of City to and under this Agreement and in and to the Collateral shall pass to any may be exercised by any assignee thereof. Borrower agrees that if City gives notice to Borrower of an assignment of said rights, upon such notice, the liability of Borrower to the assignee shall be immediate and absolute. Borrower will not set up any claim against City as a defense, counterclaim or setoff to any action brought by any such assignee for the unpaid balance owed hereunder or for possession of the Collateral, provided that Borrower shall not waive hereby any right of action to the extent that waiver thereof is expressly made unenforceable under applicable law.
- (c) The terms and provisions contained herein shall, unless the context otherwise requires, have the meanings and be construed as provided in the Uniform Commercial Code of Illinois.

7. Additional Security. Collateral assignment of all leases and rents necessary for the operational success of Borrower's business.

8. Guarantee. The repayment of the Loan shall be unconditionally and irrevocably guaranteed by Dallas Beecher.

Exhibit D

First Source Agreement

The First Source Agreement for recruitment, referral, and placement is between the City of Chicago, Mayor's Office of Employment and Training, (hereinafter referred to as the "Agency"), and _____, (hereinafter referred to as "Employer"). Under this First Source Agreement Employer will use the Agency as its first source for recruitment, referral and placement of covered positions.

Recitals.

Whereas, the Agency wishes to assure continuing employment opportunities for economically disadvantaged city residents with employers located within the city limits.

Whereas, the Employer agrees to use the Agency as a first source for recruitment, referral and placement of employees in covered positions as consideration for the Department of Economic Development (DED) making a loan to Employer under the Illinois Fixed Rate Loan Program.

Now, Therefore; the parties hereto agree as follows:

Section I. The above recitals are expressly incorporated and made a part hereof.

Section II. Consideration. In consideration of Agency and Employer entering into and executing this Agreement and agreeing to be bound by the terms and conditions hereof, and for other good and valuable consideration, Agency and Employer agree as hereinafter set forth.

Section III. Term. This Agreement shall take effect when signed by the parties below and shall be in full force and effect for a period of five (5) years.

This Agreement shall not be construed as a loan agreement. If, for any reason, the City Loan above should be withdrawn or cancelled by DED, this Agreement will be null and void.

IV. Recruitment.

- A. The Agency and Employer agree that for purposes of this agreement, "covered positions" include all of Employer's entry level job openings and any other negotiated positions created as a result of the City Loan. These may include job vacancies made available after internal promotions and terminations or openings created by an expansion of the Employer's workforce all of which would be negotiated. Nothing in this agreement will release the Employer from his obligation to fill entry level positions with persons referred by the Agency except as stated below in items V (Referral) and VI (Hiring).
- B. No later than seven (7) working days after approval of the loan to Employer, Employer will submit to the Agency, a First Source Prospect Notification. (Attachment A)
- C. At least eighteen (18) working days prior to the anticipated hiring dates, the Employer will notify the Agency of its need for new employees in covered positions by completing a "Job Order Form" (Attachment E) for each job title. This form is to be completed in consultation with an Agency representative. Applicants who

meet these quantifiable and objective minimum job qualifications will be deemed to be "qualified persons" for purposes of this agreement.

- D. The Employer will also notify the Agency of all position vacancies which are not "covered positions" as described in Sections IV A, B, and C, above as they occur. Notification should include qualifications, the rate of pay and the anticipated hiring dates. The Employer will also notify the Agency of the date by which the Agency must refer qualified applicants to the Employer for management, technical and professional vacancies.
- E. Job openings to be filled by internal promotion from within the Employer's local workforce need not be referred to the Agency for referral and hiring. If, however, a job opening is created as a result of an internal promotion, the provisions of Section IV A above shall apply.

V. Referral.

- A. The Agency will refer eligible job applicants to the Employer in response to the notification of need for new employees described in Section IV above. It will be the responsibility of the Agency to refer only qualified applicants who meet the profile of the Employer as detailed in the Job Order Form. (Attachment B)
- B. The Agency will screen applicants according to the qualifications agreed upon with the Employer.
- C. The Agency will notify Employer of all intended referrals no later than ten (10) working days prior to the anticipated hiring date, and will effect all referrals no later than five (5) working days prior to the anticipated hiring date. The Agency will make every reasonable effort to refer at least one qualified person for each job opening.
- D. In the event the Agency cannot refer the total number of qualified personnel requested, the Employer will be free to directly fill remaining positions for which no qualified applicants have been referred. In this event, the Employer will make a best effort to hire unemployed Chicago residents.
- E. In the event that the Employer does not hire referred personnel the Employer should, at a minimum, indicate in writing the reasons for not hiring.

VI. Hiring.

- A. The Employer will make all decisions on hiring new employees. However, the Employer agrees to make a best effort to hire from referrals made.
- B. The Agency will track job retention of employees hired under this agreement for 120 days following hiring. The Employer agrees to cooperate in the Agency's follow-up efforts.
- C. The Agency is required to monitor Employer's adherence to this agreement. Employer will cooperate in the Agency's monitoring efforts and will submit Quarterly Hiring Summaries in accordance with Attachment "C".

- D. After the Employer has selected its employees, the Agency will not be responsible for the employees' actions and the Employer hereby releases the Agency of any liability for their actions.

VII. Training.

- A. The Employer will not discontinue job and workplace orientation due to this agreement.
- B. The Agency and the Employer may agree to develop additional on-the-job or customized training programs through the Job Training Partnership Act; the training specifications and costs for such training will be mutually agreed upon by the Employer and the Agency and will be covered in a separate training agreement.

VIII. Controlling Regulations and Laws.

- A. If this agreement conflicts with any labor laws or other government regulations, the laws or regulations shall prevail.
- B. The Employer will provide the Agency with written documentation that the Employer has provided the representative of any involved collective bargaining unit with a copy of this agreement and has requested comments or objections. If the representative has any comments or objections, the Employer will provide them to the Agency.
- C. The Employer will not discriminate against any applicant for employment because of race, religion, age, handicap, color, sex, national origin, citizenship, or political affiliation.

IX. Indemnity.

The Employer will indemnify the Agency for and hold the Agency harmless from any claims or liabilities asserted against the Agency by applicants for employment employed by the Employer or any other claims asserted with respect to this limitation, all nature of claims asserted against the Agency as well as the costs and attorneys fees incurred by the Agency in defending against any such claim. If, in the best judgment of the Agency and its legal counsel, any such claims should be settled for a reasonable sum, the Employer will also indemnify the Agency for the settlement amount and costs incurred by the Agency in effectuating the settlement.

[Signature forms omitted for printing purposes.]

EXECUTION OF LOAN AND SECURITY AGREEMENT AUTHORIZED
FOR BRIGHT METALS FINISHING, INCORPORATED.

(Continued on page 11680)

11675

City of Chicago
Mayor's Office of Employment & Training

Potential Employment Opportunities for Unemployed Persons:

[illegible]

11676

JOURNAL--CITY COUNCIL--CHICAGO

12/12/84

Additional Comments: _____

Received: ____/____/____

By: _____

12/12/84

REPORTS OF COMMITTEES

11677

JOB ORDER FORM

MAYOR'S OFFICE OF EMPLOYMENT AND TRAINING

1. Employer _____ 2. Date _____
3. Job Title _____ 4. Number of Openings _____
5. Job Location _____
6. Contact Person _____ Phone _____
7. Supervisor _____ 8. Beginning date _____ Ending _____
9. Starting salary \$ _____ per _____ Salary after training \$ _____ per _____
10. Benefits: _____
11. Days to be worked _____ 12. Hours _____
13. Will union membership be required? Yes _____ No _____
If yes, which union and Local # _____
14. If this job involved on-the-job training to be subsidized by the City, how long will that training period be? _____ (attach specific training plan)
15. Specific Duties _____

16. NECESSARY QUALIFICATIONS:

Skill	Level of experience or training required to enter progr. (include licenses and/or certificates necessary)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
17. Is a valid Illinois Drivers' License required? Yes _____ No _____
18. Are your employees in this position expected to provide any necessary tools involved in the job (s)? Yes _____ No _____
If yes, please attach an itemized list (with prices) of tools required for each position.
19. Education level needed to perform this job (If any) _____

(Over)

Is there a possibility for promotion from this job? Yes _____ No _____
 If yes, to what position(s)? _____

Environmental Conditions

a. Working Environment

Inside _____
 Outside _____

YES NO

b. Extreme Cold with
 or without temperature changes

c. Extreme heat with
 or without temperature changes

d. Wet and/or Humid

e. Vibration

f. Hazards

Mechanical

Electrical

Burns

Explosives

Radioactivity

Other

g. Atmospheric Conditions

Fumes

Dusts

Mists

Gases

Poor Ventilation

Other

h. Noise

Estimated maximum

no. of Decibels

23. Physical Demands

a. Strength - % time job will require

Standing _____

Walking _____

Sitting _____

Weight (no. lbs)

Lifting _____

Carrying _____

Pushing _____

Pulling _____

YES NO

b. Climbing

Balancing

Stooping

Kneeling

Crouching

Crawling

Reaching

Handling

Fingering

Feeling

Talking

Hearing

Ordinary Conversation

Other Sounds

Seeing

Acuity, Near

Acuity, Far

Depth Perception

Color Vision

Field of Vision

a. Could a person with limited English speaking skills perform this job?

Yes _____ No _____

b. Could a person with limited English reading/writing skills perform this job?

Yes _____ No _____

Is public transportation easily accessible? Yes _____ No _____

Does the job require shift work or other than traditional hours? Yes _____ No _____

(If yes, please clarify) _____

12/12/84

REPORTS OF COMMITTEES

11679

ATTACHMENT C

SAMPLE

QUARTERLY HIRING SUMMARY

FOR QUARTER ENDING : _____

COMPANY NAME _____

Listed below are the position(s) in your firm which are covered under the First Source Agreement with the City. Please list the total number of hires for this quarter and return this form to the Mayor's Office of Employment and Training within 30 days following the close of that quarter.

Position Title

Total New Hires

I certify that the above information is true and accurate.

Authorized Signature

Title

Date

Please return this form to: Mayor's Office of Employment and Training
130 N. LaSalle 8th Floor
Chicago, Illinois 60601

(Continued from page 11674)

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a loan and security agreement with Bright Metals Finishing, Incorporated, an Illinois corporation, in the amount of \$60,000 for a project located at 3905 West Armitage Avenue.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 45.

Nays -- None.

The following is said ordinance as passed:

WHEREAS, The Department of Economic Development of the City of Chicago has as its primary purpose the creation of additional employment opportunities in the City of Chicago through the attraction and expansion of economic development activity in the City; and

WHEREAS, The State of Illinois has made available to the City of Chicago, through the federal Community Services Block Grant Program, a grant in the amount of \$656,000 to be used to make low interest loans to start-up and expanding businesses; and

WHEREAS, Bright Metals Finishing, Inc., an Illinois corporation has made application to the Department of Economic Development to borrow \$60,000 for purposes of purchasing the assets of Alum-Anodics and working capital, which will result, among other things, in the creation of an estimated 27 new permanent job opportunities for low and moderate income persons residing in the City; and

WHEREAS, The Economic Development Commission has approved the application of Bright Metals Finishing, Inc.; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Commissioner of Economic Development is authorized to enter into and execute, subject to review as to form and legality by the Corporation Counsel, a Loan and Security Agreement with Bright Metals Finishing, Inc., pursuant to which the City will loan \$60,000 to Bright Metals Finishing, Inc., to assist Bright Metals Finishing, Inc., to expand its Aluminum Finishing Business operations, said Loan and Security Agreement to be substantially in the form attached hereto as Exhibit A.

SECTION 2. The Commissioner of Economic Development is further authorized to enter into and execute such other documents as may be necessary and proper to implement the terms of the Loan and Security Agreement.

SECTION 3. This ordinance shall be effective by and from the date of its passage.

The Loan and Security Agreement attached to this ordinance reads as follows:

Agreement made in Chicago, Illinois, as of the _____ day of _____, 19____, between the City of Chicago, Illinois, an Illinois municipal corporation ("City"), by and through its Department of Economic Development ("DED"), having its offices at 20 North Clark Street, Chicago, Illinois 60602, and Bright Metals Finishing, Inc., an Illinois corporation, having its principal offices at 3905 West Armitage Avenue, Chicago, Illinois 606____.

Recitals.

Whereas, DED has as its primary purpose the creation of additional employment opportunities in the City of Chicago through the attraction and expansion of economic development in the City; and

Whereas, the State of Illinois has made available to the City grant funds in the amount of \$656,000 to make low cost loans to start up and expand businesses, and known as the Illinois Fixed Rate Loan Fund Program; and

Whereas, Borrower desires to expand its existing metals finishing business located at 3905 West Armitage Avenue, Chicago, Illinois, which will allow Borrower to create new employment opportunities; and

Whereas, Borrower has made application to DED to borrow \$60,000 under the Illinois Fixed Rate Loan Fund Program ("City Loan"); and

Whereas, in response to said application, DED has recommended the Economic Development Commission approve Borrower's application upon which approval, DED will loan Borrower \$60,000; and

Whereas, Borrower desires to borrow said amount from the City, and the City is willing, subject to the terms and conditions herein, to lend said amount to Borrower;

Now, Therefore, the parties hereto agree as follows:

Section I. Consideration.

In consideration of the City and Borrower entering into and executing this Agreement, and agreeing to perform their respective obligations as set forth in Exhibit A attached hereto and made a part hereof.

Section II. Loan.

The City shall make a loan to Borrower and Borrower shall borrow from the City an amount and upon terms and conditions as set forth in Exhibit B attached hereto and made a part hereof. The Loan shall be secured and guaranteed as set forth in Exhibit C attached hereto and made a part hereof.

Section III. Borrower's Covenants.

3.1. Borrower shall proceed diligently to carry out its development pursuant to Exhibit A.

3.2. Borrower shall use its best efforts to effect 10 new, permanent hirings to its work force within 12 months after final disbursement of the Loan proceeds, said hirings to be made pursuant to the First Source Agreement to be executed between the City and Borrower as a condition precedent to initial disbursement of any Loan proceeds, a copy of which is attached hereto and made a part hereof as Exhibit D.

3.3. Borrower shall provide evidence of private financing as set forth in Exhibit D attached hereto and made a part hereof.

3.4. The time frame for the beginning and completion of the Borrower's development plans shall be as specified in Exhibit E attached hereto and made a part hereof.

Section IV. Inspection and Review.

4.1. Books and Records. Borrower shall keep and maintain such books, records and other documents as may be reasonably necessary to reflect and disclose fully the amount and disposition of proceeds of the Loan, the total cost of the activities paid for, in whole or in part, with proceeds of the Loan, and the amount and nature of all investments related to such activities which are supplied or to be supplied by other sources. All such books, records and other documents shall be available at the offices of Borrower for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the City.

4.2. Site Visits. Any duly authorized representative of the City shall, at all reasonable times, have access to all portions of the Borrower's business facility.

4.3. Duration of Inspection Rights. The rights of access and inspection provided in this Section IV shall continue until the completion of all close-out procedures respecting the City Loan and until the final settlement and conclusion of all issues arising thereunder.

Section V. Amendment of this Agreement.

During the term of this Agreement, it shall not be amended without the prior written approval of DED.

Section VI. Disclaimer of Relationship.

Nothing contained in this Agreement, nor any act of the City, shall be deemed or construed by any of the parties, or by third persons, to create any relationship of third-party beneficiary, or of principal or agent, or of limited or general partnership, or of joint venture, or of any association or relationship involving the City.

Section VII. Time of the Essence.

Time is of the essence of this Agreement.

Section VIII. Restrictions on Use.

During the term of the Loan, Borrower shall devote the Property solely for purposes of conducting its business.

Section IX. No Waiver of Default.

Except as otherwise set forth herein, any delay by the City in instituting or prosecuting any action or proceeding or otherwise asserting its rights shall not, so long as the breach or default by another party shall be continuing, operate as a waiver of such rights or to deprive it of, or limit such rights in any way, nor shall any waiver in fact made by the City with respect to any specific default by Borrower under this Agreement be considered or treated as a waiver of the rights of the City with respect to any other defaults by Borrower under this Agreement, or with respect to the particular default, except to the extent specifically waived in writing.

Section X. Conflict of Interest.

No member, official or employee of the City shall have any personal interest, direct or indirect, in this Borrower's business; nor shall any such member, official or employee participate in any decision relating to Borrower's business which affects his personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

Section XI. Limitation of Liability.

Borrower expressly agrees that no member, official, employee or agent of City shall be individually or personally liable to Borrower, their successors or assigns in the event of any default or breach by the City under this Agreement.

Section XII. Equal Employment Opportunity.

Borrower and its successors and assigns, agree that during the term of the Loan:

12.1. Borrower will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin. Borrower will take affirmative action to ensure the applicants are employed, and that employees are treated during employment, without regard to race, color, religion, sex or national origin. Such action shall include, but not be limited to, the following: employment upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation, and selection for training, including apprenticeship. Borrower agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

12.2. Borrower will, in all solicitations of, or advertisements for, employees placed by or on its behalf, state that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex or national origin.

12.3. Discrimination as used herein shall be interpreted in accordance with federal law as construed by court decisions. This covenant may be enforced solely by the City and solely against the party which breaches this covenant.

Section XIII. Additional Provisions.

13.1. All notices, certificates or other communications shall be sufficiently given and shall be deemed to have been given on the second day following the day on which the same have been mailed by registered or certified mail, postage and fees prepaid, addressed as follows:

If to City:

City of Chicago, Illinois
City Hall - Room 511
121 N. LaSalle Street
Chicago, Illinois 60602
Attention: Corporation Counsel

If to Borrower:

Bright Metals Finishing, Inc.
3905 West Armitage Avenue
Chicago, Illinois
Attention: Mr. David E. Jacob

With a copy to:

The parties, by notice given hereunder, may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

13.2. If any provision hereof is held invalid or unenforceable by any court of competent jurisdiction, such provision shall be deemed severed from this Agreement to the extent of such invalidity or unenforceability, and the remainder hereof will not be affected thereby, each of the provisions hereof being severable in any such instance.

13.3. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

In Witness Whereof, the City of Chicago and Borrower have caused this Agreement to be duly executed and delivered as of the date first above written.

[Signature forms omitted for printing purposes.]

Exhibits A, B, C, and D attached to the foregoing agreement read as follows:

Exhibit A

To Loan and Security Agreement

1. The City shall lend Borrower \$60,000 which loan shall constitute no more than 25% of the total cost of its development plans.
2. Borrower agrees to do the following:
 - (a) Borrower shall expand its business for a total of \$300,000.
 - (b) Borrower shall borrow from Mid City National Bank at least \$140,000, which loan shall be guaranteed by the United States Small Business Administration, and shall provide not less than \$50,000 in equity for the project.

Exhibit B

To Loan and Security Agreement

The terms and conditions of the City Loan are as follows:

1. The term of the City Loan shall be 7 years.
2. The principal amount of the City Loan shall be \$60,000.
3. Interest at the rate of 3% per annum shall be charged on the principal City Loan amount.
4. No disbursement of City Loan proceeds shall be made unless and until Borrower shall have:
 - (a) Granted the City an interest in such of its assets as the City shall require as security for repayment of the Loan. City shall subordinate its security interest, at Borrower's request, to security interests of other lenders, their assigns and/or guarantors in an amount not to exceed \$140,000.
 - (b) Unless and until Borrower shall have furnished to City a Builder's Risk and Fire Insurance policy or policies duly endorsed to indicate City as insured lender.
 - (c) Executed a First Source Agreement for hiring with the City as set forth in Exhibit D.
5. Repayment shall be in 84 equal installments of principal and interest, commencing on the 1st day of the 1st month following final disbursement City Loan proceeds, and on the 1st day of each month thereafter until the City Loan is paid in full.
6. As an incentive to achieve and maintain hiring levels as set forth in this Agreement, Borrower may earn credit for interest paid on the City Loan as follows:
 - (a) If Borrower achieves its employment levels pursuant to Section 3.2 of this Loan and Security Agreement, it shall accrue credit for interest paid from

initial disbursement date of the City Loan through the end of the calendar year in which the aforesaid employment level is met.

- (b) For each calendar year up to 5 years after achieving its employment levels Borrower maintains said levels, Borrower shall accrue one year's credit on interest paid in that year on the City Loan.
- (c) Credit accrued pursuant to (a) and (b) above shall be paid to Borrower by dividing the accrued credits into 9 equal amounts and deducting said amounts from each of the final 9 payments of the City Loan term as due and owing.
- (d) In the event Borrower elects to prepay the City Loan pursuant to Section 8 of this Exhibit B, any accrued credit shall be a setoff of the City Loan payoff amount, and any accrued credit remaining after such setoff shall be paid to Borrower within 60 days after the date the City Loan is prepaid.
- (e) The parties expressly agree that accrued credit shall be calculated on actual interest paid by Borrower on the City Loan, and any interest earned thereon shall belong exclusively to the City.

The following shall be required of Borrower as Conditions Precedent to disbursement of loan proceeds:

- (a) Borrower shall certify to City that Borrower has sufficient funds on hand or irrevocably available to it to complete its obligations under the Agreement and has identified the sources of said funds;
- (b) Borrower shall have furnished to City, duly executed financial statements to be filed by the City, with the Secretary of State of Illinois and Cook County Recorder of Deeds, respectively;
- (c) Borrower shall have furnished to City insurance policies indicating that Borrower, at its sole cost and expense, shall keep and maintain the Collateral insured for the full replacement value against loss or damage by fire, theft, explosion, sprinklers and all other hazards and risks ordinarily insured against by other owners or users of such properties in similar businesses. Said policy or policies shall be duly endorsed identifying the City as a loss payee, as its interests appear;
- (d) Borrower if appropriate shall have furnished to City, duly executed Certificates of Inspection and Acceptance, certifying that the equipment described in the Loan and Security Agreement has been installed, inspected, and is in place and in good working condition;
- (e) Original executed Waivers of Mechanics Liens, Contractors and/or Subcontractors, sworn statements of work completed to date;
- (f) Certification by Borrower's architect of work completed to date in accordance with approved plans and specifications on A.I.A. forms or reasonable equivalents thereof;

- (g) Personal guarantee;
- (h) Consent of Senior Lender to City's Loan, and security interest.

Exhibit C

To Loan and Security Agreement

As security for the City Loan to be made pursuant to this Agreement, Borrower agrees as follows:

1. Grant of Security Interest in Personality. Borrower hereby grants to City a security interest in:
 - (a) All machinery, furnishings and equipment now owned or hereafter acquired; and
 - (b) All accounts, accounts receivable, notes, chattel paper, or writings evidencing a monetary obligation, contract rights and other creditors' interests now or hereafter existing in favor of or owned or acquired by Borrower and all goods hereafter sold by Borrower and thereafter returned reclaimed or repossessed; and
 - (c) All inventory used or consumed in Borrower's business or held for sale or lease (including without limitation raw materials, work-in- process and finished goods) now owned or hereafter acquired, and all products thereof; and
 - (d) Proceeds, including insurance proceeds, of any and all of the foregoing (hereinafter collectively "Collateral").

City's aforesaid security interest is subordinate to the security interest in favor of Mid City National Bank (the "Senior Lender").

2. Warranties and Covenants of Borrower. Borrower hereby warrants and covenants that:
 - (a) The Collateral is used primarily for business use;
 - (b) Borrower's chief place of business is in the State of Illinois;
 - (c) The Collateral will be kept 3905 West Armitage Ave., Chicago, Illinois;
 - (d) Borrower will promptly notify City of any change in the location of the Collateral within said State;
 - (e) Borrower will not remove the Collateral from said State without the prior written consent of City except Collateral sold in the ordinary course of Borrower's business;

- (f) Except for the security interest granted hereby, and security interests in favor of the Senior Lender, Borrower is the owner of the Collateral free from any adverse lien, security interest or encumbrance; and Borrower will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein;
- (g) Except with respect to the Senior Lender, no financing statement covering any of the Collateral or any proceeds thereof is on file in any public office. The Borrower shall immediately notify City in writing of any change in address from that shown in this Agreement and shall also, upon demand, furnish City such further information and shall execute and deliver to City such financing statements and other documents in form satisfactory to City and shall do all such acts and things as City may, at any time or from time to time, reasonably maintain a perfected security interest in the Collateral as security for the obligations, subject to no adverse liens or encumbrances except with respect to the Senior Lender; and Borrower will pay the cost of filing the same or filing or recording this Agreement in all public offices wherever filing or recording is deemed by City to be necessary or desirable;
- (h) Borrower will not sell or offer to sell, assign, pledge, lease or otherwise transfer or encumber the Collateral or any interest therein, without the prior written consent of City;
- (i) Borrower shall keep the Collateral at all times insured against risks of loss or damage by fire (including so-called extended coverage), theft and such other casualties as City may reasonably require, including collision in the case of any motor vehicle, all in such amounts, under such forms of policies, upon such terms, for such periods and written by such companies or underwriters as City may approve, losses in all cases to be payable to City and Borrower as their interests may appear. All policies of insurance shall provide for at least thirty (30) days' prior written notice of cancellation to City. Borrower shall furnish City with certificates of such insurance or other evidence satisfactory to City as to compliance with the provisions of this subparagraph. City may act as attorney for Borrower in making, adjusting and settling claims under and canceling such insurance and endorsing Borrower's name on any drafts drawn by insurers of the Collateral;
- (j) Borrower will keep the Collateral free from any adverse lien, security interest or encumbrance, other than that of the Senior Lender, and in good order and repair, shall not waste or destroy the Collateral or any part thereof, and shall not use the Collateral in violation of any statute, ordinance or policy of insurance thereon. City may examine and inspect the Collateral at any reasonable time or times, wherever located;
- (k) Borrower will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement or upon any note or notes evidencing the obligations.

3. **Additional Rights of Parties.** At its option, City may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may place and pay for insurance on the Collateral upon failure by the Borrower after having been requested to do so, to provide insurance satisfactory to the City, and may pay for the maintenance, repair and preservation of the Collateral. To the extent permitted by applicable law, Borrower agrees to reimburse City on demand for any payment made, or any expense incurred by City pursuant to the foregoing authorization. Until default, Borrower may have possession of the Collateral and use it in any lawful manner not inconsistent with this Agreement and not inconsistent with any policy of insurance thereon.
4. **Events of Default.** Borrower shall be in default under this Agreement upon the occurrence of any of the following events or conditions, namely: (a) default in the payment or performance of any of the obligations or of any covenants or liabilities contained or referred to herein, or in any of the obligations; (b) any warranty, representation or statement made or furnished to City by or on behalf of Borrower proving to have been false in any material respect when made or furnished; (c) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon; (d) death, dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against, Borrower or any guarantor of surety for Borrower, default to the Senior Lender.
5. **Remedies.** Upon such default (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted), and at any time thereafter (such defaults not having previously been cured), City, at its option, may declare all obligations secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code of Illinois, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Borrower can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Uniform Commercial Code of Illinois) and City shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Borrower's right of redemption in satisfaction of Borrower's obligations as provided in the Uniform Commercial Code of Illinois. City, without removal, may render the Collateral unusable and dispose of the Collateral on the Borrower's premises. City may require Borrower to assemble the Collateral and make it available to City for possession at a place to be designated by City which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, City will give Borrower at least five (5) days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements

of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Borrower shown at the beginning of this Agreement at least five (5) days before the time of the sale or disposition. City may buy at any public sale, and if the Collateral is of a type customarily sold on a recognized market or is of a type which is the subject of widely distributed standard price quotations, it may buy at private sale. The net proceeds realized upon any such disposition, after deduction for the expenses or retaking, holding, preparing for sale, selling or the like, and the reasonable attorneys' fees and legal expenses incurred by City in connection therewith, shall be applied in satisfaction of the obligations secured hereby. City will account to Borrower for any surplus realized on such disposition and Borrower shall remain liable for any deficiency.

The remedies of the City hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Uniform Commercial Code of Illinois shall not be construed as a waiver of any of the other remedies of City so long as any part of the Borrower's obligations remain unsatisfied.

6. General.

- (a) No waiver by City of any default shall operate as a waiver of any other default or of the same default on a future occasion. All rights of City hereunder shall inure to the benefit of its successors and assigns; and all obligations of Borrower shall bind its heirs, executors or administrators or its successors or assigns. This Agreement shall become effective when it is signed by Borrower.
- (b) All rights of City to and under this Agreement and in and to the Collateral shall pass to any may be exercised by any assignee thereof. Borrower agrees that if City gives notice to Borrower of any assignment of said rights, upon such notice, the liability of Borrower to the assignee shall be immediate and absolute. Borrower will not set up any claim against City as a defense, counterclaim or setoff to any action brought by any such assignee for the unpaid balance owed hereunder or for possession of the Collateral, provided that Borrower shall not waive hereby any right of action to the extent that waiver thereof is expressly made unenforceable under applicable law.
- (c) The terms and provisions contained herein shall, unless the context otherwise requires, have the meanings and be construed as provided in the Uniform Commercial Code of Illinois.

7. Additional Security. Collateral assignment of all leases and rents necessary for the operational success of Borrower's business.

8. Guarantee. The repayment of the Loan shall be unconditionally and irrevocably guaranteed by Joseph D. Jacob.

Exhibit D

First Source Agreement

The First Source Agreement for recruitment, referral, and placement is between the City of Chicago, Mayor's Office of Employment and Training, (hereinafter referred to as the "Agency"), and _____, (hereinafter referred to as "Employer"). Under this First Source Agreement Employer will use the Agency as its first source for recruitment, referral and placement of covered positions.

Recitals.

Whereas, the Agency wishes to assure continuing employment opportunities for economically disadvantaged city residents with employers located within the city limits.

Whereas, the Employer agrees to use the Agency as a first source for recruitment, referral and placement of employees in covered positions as consideration for the Department of Economic Development (DED) making a loan to Employer under the Illinois Fixed Rate Loan Program.

Now, Therefore; the parties hereto agree as follows:

Section I. The above recitals are expressly incorporated and made a part hereof.

Section II. Consideration. In consideration of Agency and Employer entering into and executing this Agreement and agreeing to be bound by the terms and conditions hereof, and for other good and valuable consideration, Agency and Employer agree as hereinafter set forth.

Section III. Term. This Agreement shall take effect when signed by the parties below and shall be in full force and effect for a period of five (5) years.

This Agreement shall not be construed as a loan agreement. If, for any reason, the City Loan above should be withdrawn or cancelled by DED, this Agreement will be null and void.

IV. Recruitment.

- A. The Agency and Employer agree that for purposes of this agreement, "covered positions" include all of Employer's entry level job openings and any other negotiated positions created as a result of the City Loan. These may include job vacancies made available after internal promotions and terminations or openings created by an expansion of the Employer's workforce all of which would be negotiated. Nothing in this agreement will release the Employer from his obligation to fill entry level positions with persons referred by the Agency except as stated below in items V (Referral) and VI (Hiring).
- B. No later than seven (7) working days after approval of the loan to Employer, Employer will submit to the Agency, a First Source Prospect Notification. (Attachment A)
- C. At least eighteen (18) working days prior to the anticipated hiring dates, the Employer will notify the Agency of its need for new employees in covered positions by completing a "Job Order Form" (Attachment E) for each job title. This form is

to be completed in consultation with an Agency representative. Applicants who meet these quantifiable and objective minimum job qualifications will be deemed to be "qualified persons" for purposes of this agreement.

- D. The Employer will also notify the Agency of all position vacancies which are not "covered positions" as described in Sections IV A, B, and C, above as they occur. Notification should include qualifications, the rate of pay and the anticipated hiring dates. The Employer will also notify the Agency of the date by which the Agency must refer qualified applicants to the Employer for management, technical and professional vacancies.
- E. Job openings to be filled by internal promotion from within the Employer's local workforce need not be referred to the Agency for referral and hiring. If, however, a job opening is created as a result of an internal promotion, the provisions of Section IV A above shall apply.

V. Referral.

- A. The Agency will refer eligible job applicants to the Employer in response to the notification of need for new employees described in Section IV above. It will be the responsibility of the Agency to refer only qualified applicants who meet the profile of the Employer as detailed in the Job Order Form. (Attachment B)
- B. The Agency will screen applicants according to the qualifications agreed upon with the Employer.
- C. The Agency will notify Employer of all intended referrals no later than ten (10) working days prior to the anticipated hiring date, and will effect all referrals no later than five (5) working days prior to the anticipated hiring date. The Agency will make every reasonable effort to refer at least one qualified person for each job opening.
- D. In the event the Agency cannot refer the total number of qualified personnel requested, the Employer will be free to directly fill remaining positions for which no qualified applicants have been referred. In this event, the Employer will make a best effort to hire unemployed Chicago residents.
- E. In the event that the Employer does not hire referred personnel the Employer should, at a minimum, indicate in writing the reasons for not hiring.

VI. Hiring.

- A. The Employer will make all decisions on hiring new employees. However, the Employer agrees to make a best effort to hire from referrals made.
- B. The Agency will track job retention of employees hired under this agreement for 120 days following hiring. The Employer agrees to cooperate in the Agency's follow-up efforts.

- C. The Agency is required to monitor Employer's adherence to this agreement. Employer will cooperate in the Agency's monitoring efforts and will submit Quarterly Hiring Summaries in accordance with Attachment "C".
- D. After the Employer has selected its employees, the Agency will not be responsible for the employees' actions and the Employer hereby releases the Agency of any liability for their actions.

VII. Training.

- A. The Employer will not discontinue job and workplace orientation due to this agreement.
- B. The Agency and the Employer may agree to develop additional on-the-job or customized training programs through the Job Training Partnership Act; the training specifications and costs for such training will be mutually agreed upon by the Employer and the Agency and will be covered in a separate training agreement.

VIII. Controlling Regulations and Laws.

- A. If this agreement conflicts with any labor laws or other government regulations, the laws or regulations shall prevail.
- B. The Employer will provide the Agency with written documentation that the Employer has provided the representative of any involved collective bargaining unit with a copy of this agreement and has requested comments or objections. If the representative has any comments or objections, the Employer will provide them to the Agency.
- C. The Employer will not discriminate against any applicant for employment because of race, religion, age, handicap, color, sex, national origin, citizenship, or political affiliation.

IX. Indemnity.

The Employer will indemnify the Agency for and hold the Agency harmless from any claims or liabilities asserted against the Agency by applicants for employment or employees employed by the Employer or any other claims asserted with respect to this limitation, all nature of claims asserted against the Agency as well as the costs and attorneys fees incurred by the Agency in defending against any such claim. If, in the best judgment of the Agency and its legal counsel, any such claims should be settled for a reasonable sum, the Employer will also indemnify the Agency for the settlement amount and costs incurred by the Agency in effectuating the settlement.

[Signature forms omitted for printing purposes.]

City of Chicago
Mayor's Office of Employment & Training

Job Title	Yearly Salary	No. of Positions	Training Needed

12/12/84

REPORTS OF COMMITTEES

11695

Additional Comments: _____

Received: ____/____/____

By: _____

JOB ORDER FORM

MAYOR'S OFFICE OF EMPLOYMENT AND TRAINING

1. Employer _____ 2. Date _____
3. Job Title _____ 4. Number of Openings _____
5. Job Location _____
6. Contact Person _____ Phone _____
7. Supervisor _____ 8. Beginning date _____ Ending _____
9. Starting salary \$ _____ per _____ Salary after training \$ _____ per _____
10. Benefits: _____
11. Days to be worked _____ 12. Hours _____
13. Will union membership be required? Yes _____ No _____
If yes, which union and Local # _____
14. If this job involved on-the-job training to be subsidized by the City, how long will that training period be? _____ (attach specific training plan)
15. Specific Duties _____

16. NECESSARY QUALIFICATIONS:
Skill _____ Level of experience or training required to enter progr
(include licenses and/or certificates necessary)

17. Is a valid Illinois Drivers' License required? Yes _____ No _____
18. Are your employees in this position expected to provide any necessary tools involved the job (s)? Yes _____ No _____
If yes, please attach an itemized list (with prices) of tools required for each posit
19. Education level needed to perform this job (If any) _____

(Over)

Is there a possibility for promotion from this job? Yes _____ No _____
 If yes, to what position(s)? _____

Environmental Conditions

a. Working Environment

Inside _____
 Outside _____

YES NO

b. Extreme Cold with
 or without temperature changes

c. Extreme heat with
 or without temperature changes

d. Wet and/or Humid

e. Vibration

f. Hazards

Mechanical

Electrical

Burns

Explosives

Radioactivity

Other

g. Atmospheric Conditions

Fumes

Dusts

Mists

Gases

Poor Ventilation

Other

h. Noise

Estimated maximum

no. of Decibels

23. Physical Demands

a. Strength - % time job will require

Standing

Walking

Sitting

Weight (no. lbs)

Lifting

Carrying

Pushing

Pulling

YES NO

b. Climbing

Balancing

Stooping

Kneeling

Crouching

Crawling

Reaching

Handling

Fingering

Feeling

Talking

Hearing

Ordinary Conversation

Other Sounds

Seeing

Acuity, Near

Acuity, Far

Depth Perception

Color Vision

Field of Vision

a. Could a person with limited English speaking skills perform this job?

Yes _____ No _____

b. Could a person with limited English reading/writing skills perform this job?

Yes _____ No _____

Is public transportation easily accessible? Yes _____ No _____

Does the job require shift work or other than traditional hours? Yes _____ No _____

(If yes, please clarify) _____

11698

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ATTACHMENT C

SAMPLE

QUARTERLY HIRING SUMMARY

FOR QUARTER ENDING : _____

COMPANY NAME _____

Listed below are the position(s) in your firm which are covered under the First Source Agreement with the City. Please list the total number of hires for this quarter and return this form to the Mayor's Office of Employment and Training within 30 days following the close of that quarter.

Position TitleTotal New Hires

I certify that the above information is true and accurate.

Authorized SignatureTitleDate

Please return this form to: Mayor's Office of Employment and Training
130 N. LaSalle 5th Floor
Chicago, Illinois 60601

EXECUTION OF LOAN AND SECURITY AGREEMENT
AUTHORIZED FOR K-DEL INDUSTRIES,
INCORPORATED PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a loan and security agreement with K-Del Industries, Incorporation, an Illinois Corporation, in the amount of \$30,000 for a project located at 4127 West Kinzie Avenue.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 45.

Nays -- None.

The following is said ordinance as passed:

WHEREAS, The Department of Economic Development of the City of Chicago has as its primary purpose the creation of additional employment opportunities in the City of Chicago through the attraction and expansion of economic development activity in the City; and

WHEREAS, The United States Department of Housing and Urban Development has made available to the City of Chicago, through the federal Community Development Block Grant Program, a grant in the amount of \$1,500,000 to be used to make low interest loans to start up and expanding businesses; and

WHEREAS, K-Del Industries, Inc., an Illinois corporation has made application to the Department of Economic Development to borrow \$30,000 for purposes of purchasing land and building which will result, among other things, in the creation of an estimated 3 new permanent job opportunities for low and moderate income persons residing in the City; and

WHEREAS, The Economic Development Commission has approved the application of K-Del Industries, Inc.; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Commissioner of Economic Development is authorized to enter into and execute, subject to review as to form and legality by the Corporation Counsel, a Loan and Security Agreement with K-Del Industries, Inc., pursuant to which the City will loan \$30,000 to K-Del Industries, Inc., to assist K-Del Industries, Inc., to expand its manufacturing of metal washers and stampings operations, said Loan and Security Agreement to be substantially in the form attached hereto as Exhibit A.

SECTION 2. The Commissioner of Economic Development is further authorized to enter into and execute such other documents as may be necessary and proper to implement the terms of the Loan and Security Agreement.

SECTION 3. This ordinance shall be effective by and from the date of its passage.

The Loan and Security Agreement attached to this ordinance reads as follows:

This Agreement is entered into and executed this _____ day of _____, 19_____, by and between the City of Chicago, Illinois a Municipal Corporation, by and through its Department of Economic Development ("Lender"), having its offices at 20 North Clark Street, Chicago, Illinois, and K- Del Industries, Inc., an Illinois corporation with principal offices at 4127 West Kinzie, Chicago, Illinois ("Borrower").

Recitals:

Whereas, Borrower has manufacturing plant located 4127 West Kinzie, Chicago; and

Whereas, Borrower desires to borrow and Lender desires to lend the sum of \$30,000 ("Loan") for business expansion purposes; and

Whereas, Borrower has agreed to provide adequate security to Lender.

Now, Therefore, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the parties agree as follows:

Section 1. The Recitals above are incorporated herein and made a part of this Agreement.

Section 2. Consideration.

Lender hereby agrees, in consideration of Borrower executing this Agreement and agreeing to be bound by its terms to make the Loan to Borrower.

In consideration of Lender making the above-mentioned Loan Borrower agrees for itself, its successors and assigns, to be bound by the terms of this Agreement.

Section 3. Loan.

Lender agrees to loan Borrower the sum of \$30,000 to be used for Borrower's manufacturing facility on the following terms and conditions.

A. The term of the Loan shall be for 5 years from execution date of this Agreement.

B. The Loan shall bear interest at the rate of 75% of the Prime Rate per annum simple interest on the principal balance outstanding from time to time.

C. Repayment shall be made as follows:

- (a) for months 1-60 equal monthly payments of principal and interest based upon a 60 month amortization schedule;
- (b) all payments shall be made on or before the 25th day of the month commencing the first full month after disbursement of Loan proceeds.

Section 4. Grant of Security Interest.

A. As security for the payment by Borrower of the Loan, its obligations hereunder and all other obligations of Borrower to Lender, Borrower hereby grants Lender a security interest in all personal and real property owned by Borrower. Lender's security position shall be subordinate to that of Northern Trust Company, the senior lender in an amount not to exceed \$20,000.

B. The aforesaid grant of security interest shall be a condition precedent to any disbursement of proceeds under the Loan.

Section 5. Representations and Warrants of Borrower.

Borrower represents and warrants to the Lender that:

A. Corporate Status. It is a corporation duly organized and validly existing in good standing under the laws of the jurisdiction of its incorporation, with the corporate power and authority to own its properties and to transact the business in which it is engaged.

B. Corporate Power and Authority. It has the corporate power and authority to execute, deliver and carry out the terms and provisions of this Agreement and the Note executed thereunder, and all necessary corporate action with respect to the execution of the Agreement and all documents and instruments called for therein has been taken.

C. Binding Agreements. This Agreement constitutes a legal, valid and binding obligation of Borrower enforceable in accordance with its terms; the Note will, when issued by the Borrower, constitute the legal, valid and binding obligation of the Borrower enforceable against Borrower in accordance with its terms.

D. No Violation of Agreements. It is not in default in any respect under any indenture, mortgage, deed of trust, agreement, or other instrument to which it is a party or by which it is bound. Neither the execution by Borrower of this Agreement or the Note issued hereunder, nor the consummation of this transaction, will violate any order or decree of any court or governmental instrumentality, or will conflict with or result in the breach of default of any indenture, mortgage, deed of trust, agreement or other instrument to which it is a party or by which it is bound or, except as contemplated by this Agreement, result in the creation or imposition of any lien, charge, or encumbrance upon any of its property thereunder.

E. The office where the Borrower keeps Borrower's books and records concerning the Secured Property and Borrower's chief place of business and chief executive office is and will be located at the address of Borrower set forth on the first page of this Agreement.

Section 6. Maintaining Records and Right to Inspect.

All Borrower's books, records and other documents relating directly to the receipt and disbursement of the Loan shall be subject to audit and examination by any duly authorized representative of the Lender. Such right shall extend until one year after the total amount of the Borrower Loan, including principal and all accrued interest, is repaid by Borrower to Lender.

Section 7. Reporting Requirements.

Borrower is required to submit to Lender its annual financial statements audited by an independent certified public accountant satisfactory to the Lender, or, in the event such audited financial statements have not been compiled, a statement certified by an officer of Borrower, until the period set forth in Section 6 of the Agreement.

Section 8. Access to Project.

Borrower agrees that for the period set forth in Section 6 of this Agreement, any duly authorized representatives of Lender shall have, during normal business hours, access to any portion of premises owned, leased or otherwise occupied by Borrower.

Section 9. Time of the Essence.

Time is of the essence under this Agreement.

Section 10. Prohibition Against Transfer of Property.

Borrower, until the full principal and all accrued interest of this loan is repaid, agrees not to make or create or suffer to be made any sale, assignment, conveyance or transfer of any of the property described at Section 4 of this Agreement or any interest therein, or agree to do any of the same without the prior written approval of Lender.

Section 11. Limitation Upon Encumbrance of Property.

During the term of the Loan, Borrower shall not engage in any additional financing or any other transaction creating any lien or other encumbrance upon the Secured Property, other than the lien granted pursuant to this Agreement.

Section 12. Events of Default.

A. Any of the following events shall constitute an Event of Default (whether any such event shall be voluntary or involuntary or come about or be effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body) unless waived by Lender:

(1) Borrower shall fail to make any payment of principal or interest on the Note when the same becomes due and payable and said failure shall continue for a period of ten days;

(2) If Borrower fails to perform or observe any covenant, agreement or condition contained in this Agreement or in the Note, and said failure shall continue for a period of 60 days after notice from Lender;

(3) If any representation or warranty of Borrower contained in or made in writing pursuant to this Agreement shall prove to have been false, incorrect or misleading in any material respect on the date of such representation or warranty was made or deemed to have been made;

(4) Other Indebtedness. Any indebtedness of Borrower is not paid at maturity or becomes due and payable prior to its expressed maturity by reason of any default by Borrower in the performance or observance of any obligation or condition;

(5) Insolvency. Borrower becomes insolvent or admits in writing its inability to pay its debts as they mature, or applies for, consents to, or acquiesces in the appointment of a trustee or receiver for Borrower or any property thereof; or, in the absence of such application, consent, or acquiescence, a trustee or receiver is appointed for Borrower or for a substantial part of the property of Borrower and is not discharged within 60 days; or any bankruptcy, reorganization, debt arrangement, or other proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding is instituted by or against the Company and if instituted against Borrower is consented to or acquiesced in by Borrower remains for 60 days undismissed; or any warrant of attachment is issued against any substantial portion of the property of Borrower which is not released within 60 days of service;

(6) The uninsured loss, substantial theft/damage, destruction of the sale or encumbrance of any of the Secured Property described in Section 4 of this Agreement; or the occurrence of a levy, seizure or attachment of such property;

(7) If any material statement, report or certificate made or delivered by Borrower or any of its officers, employees or agents, to Lender is not true and correct;

(8) If Borrower fails to pay any of its liabilities, when due and payable or declared due and payable;

(9) If Borrower is enjoined, restrained or in any way prevented by court order from conducting all of any material part of its business affairs, or if a petition under any chapter of the United States Bankruptcy Code of any similar law or regulation is filed against Borrower for its dissolution or liquidation;

(10) Except as may otherwise be permitted hereunder; if a notice of lien, levy or assessment is filed of record with respect to all or any of Borrower's assets by the United States or any department, agency or instrumentality thereof or by any state, county, municipal or other governmental agency.

B. No Waiver By Delay. Any delay by Lender in instituting or prosecuting any action or proceeding or otherwise asserting its rights shall not, as long as the breach or default by Borrower shall be continuing, operate as a waiver of such rights or deprive it of or limit such rights in any way (it being the intent of this provision that Lender should not be constrained, so as to avoid the risk of being deprived of or limited in the exercise of the remedies provided for in this Section because of concepts of waiver, laches, or otherwise

to exercise such remedy at a time when it may still hope to otherwise resolve the problems created by the default involved; nor shall any waiver in fact be made by Lender with respect to any specific default by Borrower under this Section be considered or treated as a waiver of the rights of Lender with respect to any other defaults or of the same default on a future occasion made by Borrower under this Section.

Section 13. Remedies Upon Default.

A. In the case of the occurrence of an Event of Default pursuant to Section 12 the Note shall, at the discretion of Lender, without notice to Borrower or any other person, immediately become due and payable in full, together with all interest accrued thereon.

B. In the event of the occurrence of any Event of Default pursuant to Section 12, Lender may exercise any one or more or all of the following remedies, all of which are cumulative and non-exclusive:

(1) Any remedy contained in this Agreement;

(2) Any rights and remedies available to a secured creditor under the Uniform Commercial Code as enacted in Illinois as of the date of this Agreement, and any other applicable law.

Section 14. Equal Employment Opportunity.

A. Borrower agrees, for itself, its successors and assign, that it will comply with Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 200d) and its regulations as promulgated in 15 CFR Subtitle A, part 8, and any amendments thereto; 42 U.S.C. 3123 and its regulations promulgated in 13 CFR 311 and any amendments thereto, as well as following the equal employment provisions outlined below for the period of time covered by this Agreement as set forth in Section 6.

B. Borrower will not discriminate against any employee or applicant for employment because of race, color, national origin, religion, handicap or sex. Borrower will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, national origin, religion, handicap or sex. Such action shall include but not be limited to the following: employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. Borrower agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

C. The word "discrimination" as used herein shall be interpreted in accordance with federal law as construed by court decisions. The covenant may be enforced solely by the City of Chicago and solely against the party who breaches this covenant.

Section 15. Environmental Considerations.

The company assured the EDC that it will comply with the federal environmental requirements as found in the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and the Council of Environmental Quality Guidelines (36 CFR 79, April 23, 1971).

Section 16. Location of Facilities.

Borrower pledges to Lender that its facilities which are either to be constructed and/or improved with the proceeds of this Loan are located at 4127 West Kinzie, Chicago, Illinois, and that in occupying these facilities they are not relocating from another labor area nor has Borrower discontinued, liquidated or curtailed during the past 24 months any production unit similar to that which will be located at the above address. Borrower's expansion into the above-described property is not being undertaken with the intention of closing down or curtailing any already existing operation(s).

Section 17. Governing Law.

This Agreement is executed and delivered and is to be performed in the State of Illinois, and shall be construed and enforced in accordance with and governed by the laws of the State of Illinois, including all matters of construction, validity and performance.

Section 18. Additional Covenants and Conditions.

A. Affirmative Covenants. Borrower will:

(1) Promptly notify Lender if and when any of Borrower's Equipment is placed in locations other than those identified in the Agreements.

(2) Maintain, preserve and keep its plants and properties in good repair, working order and condition.

(3) Promptly advise Lender in writing of the proposed opening of new places of business by Borrower or an affiliate of Borrower, or the closing of any existing places of business of Borrower or any affiliate of Borrower, of any changes in the name of Borrower or any affiliate of Borrower, or the use of any trade names by Borrower in its billing or any affiliate of Borrower, or of any material change in the condition of the Secured Property.

(4) Use all monies and other property obtained by Borrower from the Lender pursuant to this Agreement solely for business purposes of Borrower.

(5) Reimburse Lender on demand for all costs and expenses including reasonable Attorney's Fees, incurred by Lender in seeking to collect any Liabilities and to enforce any of Lender's rights under this Agreement.

(6) Notify Lender in writing, promptly upon its learning thereof, of any litigation affecting Borrower, whether or not the claim is considered by Borrower to be covered by insurance, and of the institution of any suit or administrative proceeding which may materially and adversely affect the operations, financial condition or business of Borrower's or Lender's security interest in the Secured Property.

Section 19. Severability.

Each covenant and agreement contained in this Agreement is intended to be, and shall be construed to be, a separate and independent covenant. If any term contained in this Agreement or in the Note or any application thereof shall be invalid and unenforceable, the

remainder of this Agreement and the Note and any other application of such term shall not be affected thereby.

In Witness Whereof, Borrower and Lender have caused this Agreement to be signed in their names and on their behalf as of the _____ day of _____, 19____.

[Signature forms omitted for printing purposes.]

ISSUANCE OF SPECIAL FACILITY REVENUE BONDS,
SERIES 1984, AUTHORIZED FOR CSX BECKETT
AVIATION, INCORPORATED.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the issuance of Special Facility Revenue Bonds Series 1984, in the amount of \$3,500,000 for CSX Beckett Aviation, Incorporated to be used for the construction of a hangar facility at Midway Airport.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 45.

Nays -- None.

Alderman Stemberk moved to reconsider the foregoing vote. The motion was lost.

Alderman Burke then requested that the record reflect the said passed ordinance was transmitted to the Mayor, who affixed his signature to the same at 11:46 A.M.

The following is said ordinance as passed:

WHEREAS, The City of Chicago, Illinois (the "Issuer") is a duly constituted and validly existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois, having a population in excess of 25,000 and is a home rule unit of government under Section 6(a) of Article VII of said Constitution; and

WHEREAS, The Issuer, as a home rule unit, is authorized and empowered to issue its revenue bonds to finance the costs of design, construction and equipping of certain facilities at Chicago Midway Airport ("Midway Airport"); and

WHEREAS, The Mayor of the City of Chicago has previously entered into a Memorandum of Agreement with CSX Beckett Aviation, Inc., a Virginia corporation (the "Company"), whereby the Company agreed to design, construct and equip a hangar,

terminal, ramp area and other related structures and associated site working serving the Company at Midway Airport (the "Project"); and

WHEREAS, The City Council of the Issuer did approve the form of said Memorandum of Agreement by ordinance duly adopted on May 9, 1984; and

WHEREAS, As a result of negotiations between the Issuer and the Company contracts have been entered into by the Company for the construction of the Project, and it is proposed that the Issuer shall enter into a Loan Agreement (the "Agreement") with the Company, pursuant to which the Issuer shall lend to the Company a sum sufficient, together with other moneys of the Company, to accomplish such construction, and the Issuer is willing to issue its airport special facility revenue bonds to finance the Project upon terms which will be sufficient to pay a portion of the cost of the construction of the Project as evidenced by such bonds, all as set forth in the details and provisions of the Agreement; and

WHEREAS, It is estimated that the costs of the Project, including costs relating to the preparation and issuance of said airport special facility revenue bonds, will be not more than \$3,500,000; and

WHEREAS, The Project will be of the character and will accomplish the purposes provided by Illinois Constitution Art. VIII, Section 1(a), and will create additional employment opportunities in the City of Chicago, Illinois; and

WHEREAS, The Issuer proposes to sell the floating rate monthly demand airport special facility revenue bonds thereafter authorized and designated "City of Chicago, Cook County, Illinois Floating Rate Monthly Demand Airport Special Facility Revenue Bonds (CSX Beckett Aviation, Inc. Project) Series 1984" to E. F. Hutton & Company, Inc. (the "Underwriter"); now, therefore,

Be It Ordained by the City Council of the City of Chicago:

Definitions.

SECTION 1. The following words and terms as used in this Ordinance shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Agreement" means the Loan Agreement dated as of December 1, 1984, by and between the Issuer and the Company, and any and all modifications, alterations, amendments and supplements thereto.

"Bank" means Barclays Bank International Limited, an English banking corporation, in its capacity as issuer of the Letter of Credit, its successors in such capacity and their assigns.

"Bonds" means the City of Chicago, Cook County, Illinois Floating Rate Monthly Demand Airport Special Facility Revenue Bonds (CSX Beckett Aviation, Inc. Project) Series 1984 of the Issuer, issued in the aggregate principal amount of \$3,500,000, pursuant to the Indenture and this Ordinance.

"Bond Purchase Agreement" means the Bond Purchase Agreement between the Issuer and the Underwriter.

"Code" means the Internal Revenue Code of 1954, as amended.

"Company" means CSX Beckett Aviation, Inc., a corporation duly organized and validly existing under the laws of the Commonwealth of Virginia and qualified to do business in the State of Illinois, its successors and their assigns.

"Guarantor" means CSX Corporation, a corporation organized and existing under the laws of the Commonwealth of Virginia, its successors and their assigns.

"Guaranty" means the Guaranty Agreement, dated as of December 1, 1984, between the Trustee and the Guarantor, and any and all modifications, alterations, amendments and supplements thereto.

"Indenture" means the Indenture of Trust, dated as of December 1, 1984, between the Issuer and the Trustee, and any and all modifications, alterations, amendments and supplements thereto.

"Indexing Agent" means the indexing agent appointed in accordance with Section 10.31 of the Indenture, initially Kenny Information Systems, a limited partnership in which Kenny Group, Inc. is the general partner.

"Issuer" means the City of Chicago, Cook County, Illinois, a municipality and a home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois, and any successor body to the duties or functions of the Issuer.

"Letter of Credit" means the irrevocable letter of credit issued by the Bank to the Trustee contemporaneously with the original issuance of the Bonds, except that, upon the issuance and delivery of any Alternate Letter of Credit in accordance with Section 5.03(a) of the Agreement, "Letter of Credit" shall mean such Alternate Letter of Credit, and upon the termination of the Letter of Credit, "Letter of Credit" shall mean any credit facility having terms substantially the same as those of the Letter of Credit held by the Trustee immediately prior to the receipt by the Trustee of such credit facility, in accordance with Section 5.03(b) of the Agreement.

"Ordinance" means this ordinance, as from time to time supplemented and amended.

"Project" means the hangar, terminal, ramp area and other related structures, all to be used by the Company at Midway Airport in the City of Chicago, Illinois, as defined and described in the Agreement and the preambles to this ordinance.

"Registrar" means the Paying Agent or any successor registrar appointed in accordance with Section 10.33 of the Indenture.

"Remarketing Agent" means the remarketing agent appointed in accordance with Section 10.22 of the Indenture.

Trustee" means Sovran Bank, N.A., Richmond, Virginia, and its successors in trust and their assigns.

"Underwriter" means E. F. Hutton & Company, Inc.

Authorization and Approval of the Project.

SECTION 2. In order to promote the general welfare of the City of Chicago, Illinois, and its inhabitants by relieving conditions of unemployment and encouraging and promoting the retention and expansion of existing commercial and industrial businesses within the City of Chicago, Illinois, the Project shall be and is hereby approved and authorized to be financed through the issuance of the Bonds as described herein. The action of the Commissioner of the Department of Aviation of the City of Chicago in publishing notice of a public hearing as required by Section 103(k) of the Code and the Memorandum of Agreement authorized by the City Council on May 9, 1984 is in all respects hereby ratified, confirmed and approved, and the holding of said public hearing by said Commissioner, or his designee, is hereby acknowledged, ratified, confirmed and approved. The estimated cost of the construction of the Project is not more than \$3,500,000, which will be provided by the issuance of the Bonds hereinafter authorized and the loan of the proceeds thereof to the Company. It is hereby found and declared that the financing of the Project and the use thereof by the Company as hereinbefore provided is necessary to accomplish the public purposes described in the preamble hereto, and that in order to secure the Bonds, the execution and delivery of the Agreement, the Indenture, the Letter of Credit and the Guaranty by the parties thereto, as hereinafter described, are necessary and proper.

Authorization and Payment of Bonds.

SECTION 3. For the purpose of financing a portion of the cost of the Project there shall be and there is hereby authorized to be issued by the Issuer its Floating Rate Monthly Demand Airport Special Facility Revenue Bonds (CSX Beckett Aviation, Inc. Project) Series 1984 in the aggregate principal amount of \$3,500,000. The Bonds shall be issuable in fully registered form without coupons; shall be issued in the denominations authorized in the Indenture; and shall be dated and numbered as provided in the Indenture.

The Bonds shall mature no later than December 15, 2014, and shall initially bear interest at a variable interest rate determined monthly as more fully set forth in Section 2.01 of the Indenture and thereafter at such other interest rate as may be established in accordance with the provisions of the Indenture, provided that in no event shall the Bonds bear interest at a rate in excess of twenty percent (20%) per annum. Upon certain circumstances, as set forth in Section 2.12 of the Indenture, the interest rate of the Bonds will be converted to a fixed interest rate until maturity.

The Bonds shall be subject to mandatory and optional redemption prior to maturity upon the terms and conditions set forth in the Indenture.

The principal of and premium, if any, on the Bonds shall be payable at the principal corporate trust office of the Trustee and at Morgan Guaranty Trust Company of New York, New York, as Co-Paying Agent. Payment of interest on the Bonds shall be made to the registered owner thereof and shall be paid by check mailed to the registered owner at his address as it appears on the registration books of the City kept by the Trustee at the close of

business on the record date which is the first day of the calendar month in which such interest payment date shall fall, or at such other address as is furnished to the Trustee in writing by such registered owner.

The form of Bond submitted to the City Council of the Issuer, subject to appropriate insertions and revisions in order to comply with the provisions of the Indenture, is hereby approved, and when the Bonds shall be executed on behalf of the Issuer in the manner contemplated by the Indenture and this ordinance in the principal amount of \$3,500,000, they shall represent the approved form of Bonds of the Issuer.

The Mayor of the Issuer is hereby authorized, empowered and directed to execute the Bonds by his manual or facsimile signature, the City Clerk of the Issuer is hereby authorized, empowered and directed to attest the bonds by his manual or facsimile signature and the official seal of the Issuer shall be affixed to or imprinted on the Bonds, all as provided in the Indenture, and the Mayor and the Clerk shall cause the Bonds, as so executed and attested, to be delivered to the Trustee for authentication.

Bonds are a Special, Limited Obligation.

SECTION 4. The Bonds, together with interest thereon, shall be a special, limited obligation of the Issuer, shall be secured by the Indenture, the Letter of Credit and the Guaranty, and shall be payable solely from the revenues and receipts derived from the Agreement and from monies payable pursuant to the Letter of Credit (except to the extent paid out of monies attributable to the Bond proceeds, the income from the temporary investment thereof or payments made pursuant to or derived from the Guaranty), and shall be a valid claim of the owner thereof only against the funds and other moneys held by the Trustee and the revenues and receipts derived from Section 5.01 of the Agreement and monies payable pursuant to the Letter of Credit; which revenues and receipts shall be used for no other purpose than to pay the principal of and interest on the Bonds, except as may be otherwise expressly authorized in this Ordinance, in the Indenture or in the Agreement. The Bonds and the obligation to pay interest thereon do not now and shall never constitute an indebtedness or a loan of credit of the Issuer, the State of Illinois or any political subdivision thereof, or a charge against the general credit or taxing powers of any of them, within the meaning of any constitutional or statutory provisions, but shall be secured as aforesaid, and are payable solely from the revenues and receipts derived from the Agreement and monies payable pursuant to the Letter of Credit (except as hereinbefore provided). No owner of the Bonds shall have the right to compel the taxing power of the Issuer, the State of Illinois or any political subdivision thereof to pay the principal of and interest on the Bonds.

Agreement and Guaranty.

SECTION 5. As security for the due and punctual payment of the principal of and interest on the Bonds hereby authorized, the Issuer will assign and pledge to the Trustee all revenues and receipts derived by the Issuer pursuant to Section 5.01 of the Agreement together with all right, title and interest of the Issuer in and to the Agreement (except any payment made pursuant to Section 5.05 of the Agreement relating to the duty of the Company to reimburse the Issuer for certain expenses of the Issuer, Section 5.06 of the Agreement relating to indemnification of the Issuer by the Company or Section 8.05 of the Agreement relating to the obligation of the Company to pay any necessary and properly

incurred attorneys' fees and expenses incurred by the Issuer upon the default of the Company thereunder), pursuant to the Indenture.

As further security for the payment of the principal of and interest on the Bonds, the Guarantor will execute and deliver the Guaranty and the Bank will execute and deliver the Letter of Credit. The securing of the Bonds by the Letter of Credit and the Guaranty are hereby approved by the City Council of the Issuer.

Sale of the Bonds; Execution and Acceptance of Documents.

SECTION 3. (a) The sale of the Bonds to the Underwriter, at a price of not less than 98.5% plus accrued interest, if any, and payment therefor in Federal or other immediately available funds on a closing date mutually acceptable to the Issuer and said Underwriter, at a place of closing mutually acceptable to the Issuer and said Underwriter, is hereby in all respects authorized and approved by the City Council of the Issuer. The use of the Official Statement in substantially the same form in which the same has been presented to the City Council of the Issuer in connection with the sale of the Bonds is hereby approved and the Underwriter is hereby authorized to use such Official Statement in connection with the sale of the Bonds.

(b) The Agreement, the Bond Purchase Agreement, the Indenture, the Guaranty and the Letter of Credit in substantially the same forms in which the same have been presented to the City Council of the Issuer are hereby approved by said City Council, and the Agreement, the Bond Purchase Agreement, the Indenture, the Guaranty and the Letter of Credit in such forms are in all respects authorized and approved by the City Council of the Issuer.

The Mayor or the Comptroller of the Issuer is hereby authorized, empowered and directed to execute the Agreement, the Bond Purchase Agreement and the Indenture for and on behalf of the Issuer, and the City Clerk or Deputy City Clerk of the Issuer is hereby authorized, empowered and directed to attest the same and to affix thereto the official seal of the Issuer, and the Mayor or the Comptroller and the City Clerk or Deputy City Clerk are hereby authorized, empowered and directed to deliver the Agreement, the Bond Purchase Agreement and the Indenture, such Agreement, the Bond Purchase Agreement and Indenture to be in substantially the same form as presented to and approved by the City Council of the Issuer, or with such changes therein as shall be approved by the officers of the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Agreement, the Bond Purchase Agreement and Indenture presented to and approved by the City Council of the Issuer.

Appointment of Trustee.

SECTION 7. The appointment of Sovran Bank, N.A., Richmond, Virginia, as Trustee, Paying Agent and Registrar under the Indenture, is hereby authorized and approved by the City Council of the Issuer.

Appointment of Remarketing Agent.

SECTION 8. The appointment of E.F. Hutton & Company Inc., as Remarketing Agent under the Indenture, is hereby authorized and approved by the City Council of the Issuer.

Appointment of Indexing Agent.

SECTION 9. The appointment of Kenney Information Systems, a limited partnership in which Kenny Group, Inc. is the general partner, as Indexing Agent under the Indenture, is hereby authorized and approved by the City Council of the Issuer.

Performance Provisions.

SECTION 10. The Mayor, the City Clerk or the Deputy City Clerk and the Comptroller of the Issuer for and on behalf of the Issuer be, and each of them hereby is, authorized, empowered and directed to do any and all things necessary to effect the performance of all obligations of the Issuer under and pursuant to this Ordinance, the advancement of the loan, the execution and delivery of the Bonds and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this ordinance. The Mayor, the City Clerk or Deputy City Clerk and the City Comptroller of the issuer be, and they are hereby, further authorized and directed for and on behalf of the Issuer, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this ordinance or to evidence said authority and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Issuer under the Agreement, the Bond Purchase Agreement and the Indenture and to discharge all of the obligations of the Issuer hereunder and thereunder.

Severability.

SECTION 11. If any section, paragraph, clause or provision of this ordinance shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions of this ordinance.

Captions.

SECTION 12. The captions or headings of this ordinance are for convenience only and in no way define, limit or describe the scope or intent of any provision of this ordinance.

Approval.

SECTION 13. This ordinance constitutes approval of the issue of the Bonds required pursuant to the Tax Equity and Fiscal Responsibility Act of 1983.

Provisions in Conflict Superseded.

SECTION 14. To the extent that any ordinances, resolutions, sections of the Municipal Code of Chicago and orders, or parts thereof, are in conflict with the provisions of this ordinance, the provisions of this ordinance shall be controlling and this ordinance shall be made available to the public by the City Clerk of the Issuer, in appropriate form, upon request, at the office of the City Clerk, City Hall, Chicago, Illinois. Copies are to be made available in the office of the City Clerk for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this ordinance.

This ordinance shall be in full force and effect immediately upon its passage.

[Bond Purchase Agreement, Letter of Credit, Indenture of Trust,
Guaranty Agreement, Loan Agreement and Preliminary
Officiate Statement omitted for printing purposes
but on file and available for public inspection
in the Office of the City Clerk.]

ISSUANCE OF SPECIAL FACILITY REVENUE BONDS,
SERIES 1984, AUTHORIZED FOR BUTLER
AVIATION-MIDWAY, INCORPORATED.

The Committee on Finance submitted a report recommending that the City Council pass the following proposed ordinance transmitted therewith, authorizing the issuance of Special Facility Revenue Bonds Series 1984, in the amount of \$3,000,000 for Butler Aviation-Midway, Incorporated to be used for the construction of a hangar facility at Midway Airport.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 45.

Nays -- None.

Alderman Stemberk moved to reconsider the foregoing vote. The motion was lost.

Alderman Burke then requested that the record reflect that said passed ordinance was transmitted to the Mayor, who affixed his signature to the same at 11:47 A.M.

The following is said ordinance as passed:

WHEREAS, The City of Chicago, Illinois (the "Issuer") is a duly constituted and validly existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois, having a population in excess of 25,000, and is a home rule unit of government under Section 6(a) of Article VII of said Constitution; and

WHEREAS, The Issuer, as a home rule unit, is authorized and empowered to issue its revenue bonds to finance the costs of design, construction and equipping of certain facilities at Chicago Midway Airport ("Midway Airport"); and

WHEREAS, The Mayor of the City of Chicago has previously entered into a Memorandum of Agreement with Butler Aviation-Midway, Inc., an Illinois corporation (the "Company"), whereby the Company agreed to design, construct and equip a hangar, terminal, ramp area and other related structures and associated site work serving the Company at Midway Airport (the "Project"); and

WHEREAS, The City Council of the Issuer did approve the form of said Memorandum of Agreement by ordinance duly adopted on April 13, 1984; and

WHEREAS, As a result of negotiations between the Issuer and the Company contracts have been entered into by the Company for the construction of the Project, and it is proposed that the Issuer shall enter into a Loan Agreement (the "Agreement") with the Company, pursuant to which the Issuer shall lend to the Company a sum sufficient, together with other moneys of the Company, to accomplish such construction, and the Issuer is willing to issue its airport special facility bond to finance the Project upon terms which will be sufficient to pay a portion of the cost of the construction of the Project as evidenced by such bond, all as set forth in the details and provisions of the Agreement; and

WHEREAS, It is estimated that the costs of the Project, including costs relating to the preparation and issuance of said revenue bonds, will be not more than \$3,000,000; and

WHEREAS, The Project will be of the character and will accomplish the purposes provided by Illinois Constitution Article VIII, Section 1(a), and will create additional employment opportunities in the City of Chicago, Illinois; and

WHEREAS, The Issuer proposes to sell the airport special facility revenue bond hereinafter authorized and designated "Airport Special Facility Revenue Bond, Series 1984 (Butler Aviation-Midway, Inc. Project)" upon a negotiated basis to Chemical Bank, New York, New York; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

Definitions.

SECTION 1. The following words and terms as used in this ordinance shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Agreement" means the Loan Agreement dated as of November 1, 1984, by and between the Issuer and the Company, as from time to time supplemented and amended.

"Bond" means the Airport Special Facility Revenue Bond, Series 1984 (Butler Aviation-Midway, Inc. Project) of the Issuer, issued in the aggregate principal amount of \$3,000,000, pursuant to the Indenture and this ordinance.

"Bond Purchase Agreement" means the Bond Purchase Agreement dated as of November 1, 1984 among the Issuer, the Company, the Guarantor and Chemical Bank, New York, New York, as purchaser.

"Code" means the Internal Revenue Code of 1954, as amended.

"Company" means Butler Aviation-Midway, Inc., a corporation duly organized and validly existing under the laws of the State of Illinois, and any surviving, resulting or transferee corporation as permitted by Section 5.2 of the Agreement.

"Guarantor" means Butler Aviation International, Inc., a corporation duly organized and validly existing under the laws of the State of Delaware, and any successor, surviving, resulting or transferee corporation.

"Guarantee" means the Guarantee Agreement dated as of November 1, 1984, from the Guarantor and the Company to the Trustee, as from time to time supplemented and amended.

"Indenture" means the Indenture of Trust dated as of November 1, 1984, from the Issuer to the Trustee, as from time to time supplemented and amended.

"Issuer" means the City of Chicago, Illinois, a municipality and a home rule unit of government duly organized and validly existing under the Constitution and the laws of the State of Illinois, and any successor body to the duties or functions of the Issuer.

"Note" means the Promissory Note of the Company delivered to the Issuer and endorsed by the Issuer to the Trustee pursuant to the agreement in order to evidence the obligation of the Company to pay amounts sufficient to pay the principal of, interest on and other amounts payable with respect to the Bond.

"Ordinance" means this ordinance, as from time to time supplemented and amended.

"Project" means the hangar, terminal, ramp area and other related structures, all to be used by the Company at Midway Airport in the City of Chicago, Illinois, as defined and described in the agreement and the preambles to this ordinance.

"Security Agreement" means the Security Agreement dated as of November 1, 1984 between the Company and the Issuer, as from time to time supplemented and amended.

"Trustee" means United Jersey Bank, Hackensack, New Jersey, and its successors in trust.

Authorization and Approval of the Project.

SECTION 2. In order to promote the general welfare of the City of Chicago, Illinois, and its inhabitants by relieving conditions of unemployment and encouraging and promoting the retention and expansion of existing commercial and industrial businesses within the City of Chicago, Illinois, the Project shall be and is hereby approved and authorized to be financed through the issuance of the Bond as described herein. The action of the Commissioner of the Department of Aviation of the City of Chicago in publishing notice of a public hearing as required by Section 103(k) of the Code and the Memorandum of Agreement authorized by the City Council on April 13, 1984 is in all respects hereby ratified, confirmed and approved, and the holding of said public hearing by said Commissioner, or his designee, is hereby acknowledged, ratified, confirmed and approved. The estimated cost of the construction of the Project is not more than \$3,000,000, which will be provided by the issuance of the Bond hereinafter authorized and the loan of the proceeds thereof to the Company. It is hereby found and declared that the financing of the Project and the use thereof by the Company as hereinbefore provided is necessary to accomplish the public purposes described in the preambles hereto, and that in order to secure the Bond, the execution and delivery of the Agreement, the Note, the Security Agreement, the

Indenture and the Guarantee by the parties thereto, as hereinafter described, are necessary and proper.

Authorization and Payment of Bond.

SECTION 3. For the purpose of financing a portion of the cost of the Project there shall be and there is hereby authorized to be issued by the Issuer its Airport Special Facility Revenue Bond, Series 1984 (Butler Aviation-Midway, Inc. Project) in the aggregate principal amount of \$3,000,000. The Bond shall be issued in the form and denomination set forth in the Indenture; shall be dated as set forth in the Indenture; shall be numbered as provided in the Indenture; shall mature in the amounts and on the dates and shall bear interest at the rates per annum, payable on the dates set forth in the Indenture; shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Indenture; and shall be in such form and have the other terms and provisions set forth in the Indenture (as executed and delivered). The form of Bond submitted to the City Council of the Issuer, subject to appropriate insertions and revisions in order to comply with the provisions of the Indenture, is hereby approved, and when the Bond shall be executed on behalf of the Issuer in the manner contemplated by the Indenture and this ordinance in the principal amount of \$3,000,000, it shall represent the approved form of Bond of the Issuer.

The Mayor of the Issuer is hereby authorized, empowered and directed to execute the Bond by his manual or facsimile signature, the City Clerk of the Issuer is hereby authorized, empowered and directed to attest the Bond by his manual or facsimile signature and the official seal of the Issuer shall be affixed to or imprinted on the Bond, all as provided in the Indenture, and the Mayor and the City Clerk shall cause the Bond, as so executed and attested, to be delivered to the Trustee for authentication.

Bond is a Special Limited Obligation.

SECTION 4. The Bond, together with interest thereon, shall be a special, limited obligation of the Issuer, shall be secured by the Indenture, the Security Agreement and the Guarantee, and shall be payable solely from the revenues and receipts derived from the Agreement and the Note (except to the extent paid out of moneys attributable to the Bond proceeds, the income from the temporary investment thereof or payments made pursuant to or derived from the Security Agreement and the Guarantee), and shall be a valid claim of the owner thereof only against the funds and other moneys held by the Trustee and the revenues and receipts derived from Section 4.2(a) of the Agreement and the Note, which revenues and receipts shall be used for no other purpose than to pay the principal of and interest on the Bond, except as may be otherwise expressly authorized in this ordinance, in the Indenture or in the Agreement. The Bond and the obligation to pay interest thereon do not now and shall never constitute an indebtedness or a loan of credit of the Issuer, the State of Illinois or any political subdivision thereof, or a charge against the general credit or taxing powers of any of them, within the meaning of any constitutional or statutory provisions, but shall be secured as aforesaid, and are payable solely from the revenues and receipts derived from the Agreement and the Note (except as hereinbefore provided). No owner of the Bond shall have the right to compel the taxing power of the Issuer, the State of Illinois or any political subdivision thereof to pay the principal of and interest on the Bond.

Agreement, Security Agreement and Guarantee.

SECTION 5. As a security for the due and punctual payment of the principal of and interest on the Bond hereby authorized, the Issuer will assign and pledge to the Trustee all revenues and receipts derived by the Issuer pursuant to Section 4.2 of the Agreement and the Note, together with all right, title and interest of the Issuer in and to the Agreement, the Note and the Security Agreement (except any payment made pursuant to Section 4.2(f) of the Agreement relating to the duty of the Company to reimburse the Issuer for certain expenses of the Issuer, Section 5.3 of the Agreement relating to indemnification of the Issuer by the Company or Section 6.3 of the Agreement relating to the obligation of the Company to pay any necessary and properly incurred attorneys' fees and expenses incurred by the Issuer upon the default of the Company thereunder), pursuant to the Indenture.

As further security for the payment of the Note and the principal of and interest on the Bond, the Company will execute and deliver the Security Agreement and the Guarantor and the Company will execute and deliver the Guarantee. The securing of the Bond by the Security Agreement and the Guarantee is hereby approved by the City Council of the Issuer.

Sale of the Bond; Execution and Acceptance of Documents.

SECTION 6. (a) The sale of the Bond to Chemical Bank, New York, New York, at a price of 100% of the principal amount thereof plus accrued interest, if any, and payment therefor in Federal or other immediately available funds on a closing date mutually acceptable to the Issuer and said purchaser at a place of closing mutually acceptable to the Issuer and said purchaser, is hereby in all respects authorized and approved by the City Council of the Issuer.

(b) The Agreement, the Security Agreement, the Bond Purchase Agreement and the Indenture in substantially the same forms in which the same have been presented to the City Council of the Issuer are hereby approved by said City Council, and the Agreement, the Security Agreement, the Bond Purchase Agreement and the Indenture in such forms are in all respects authorized and approved by the City Council of the Issuer.

The Mayor or the Comptroller of the Issuer is hereby authorized, empowered and directed to execute the Agreement, the Security Agreement, the Bond Purchase Agreement and the Indenture for and on behalf of the Issuer, and the City Clerk or Deputy City Clerk of the Issuer is hereby authorized, empowered and directed to attest the same and to affix thereto the official seal of the Issuer, and the Mayor or the Comptroller and the City Clerk are hereby authorized, empowered and directed to deliver the Agreement, the Security Agreement, the Bond Purchase Agreement and the Indenture, such Agreement, Security Agreement, the Bond Purchase Agreement and Indenture to be in substantially the same form as presented to and approved by the City Council of the Issuer, or with such changes therein as shall be approved by the officers of the Issuer executing the same, their execution thereof to constitute conclusive evidence of their approval of any and all changes or revisions therein from the form of Agreement, Security Agreement, the Bond Purchase Agreement and Indenture presented to and approved by the City Council of the Issuer.

Appointment of Trustee.

SECTION 7. The appointment of United Jersey Bank, Hackensack, New Jersey, as Trustee and Bond Registrar under the Indenture, is hereby authorized and approved by the City Council of the Issuer.

Performance Provisions.

SECTION 8. The Mayor, the City Clerk or the Deputy City Clerk and the Comptroller of the Issuer for and on behalf of the Issuer be, and each of them hereby is, authorized, empowered and directed to do any and all things necessary to effect the performance of all obligations of the Issuer under and pursuant to this ordinance, the advancement of the loan, the execution and delivery of the Bond and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this ordinance. The Mayor, the City Clerk or Deputy City Clerk and the Comptroller of the Issuer be, and they are hereby further authorized and directed for and on behalf of the Issuer, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this ordinance or to evidence said authority and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the Issuer under the Agreement, the Security Agreement, the Bond Purchase Agreement and the Indenture and to discharge all of the obligations of the Issuer hereunder and thereunder.

Severability.

SECTION 9. If any section, paragraph, clause or provision of this ordinance shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions of this ordinance.

Captions.

SECTION 10. The captions or headings of this ordinance are for convenience only and in no way define, limit or describe the scope or intent of any provision of this ordinance.

Approval.

SECTION 11. This ordinance constitutes approval of the issue of the Bond required pursuant to the Tax Equity and Fiscal Responsibility Act of 1983.

Provisions in Conflict Superseded.

SECTION 12. To the extent that any ordinances, resolutions, sections of the Municipal Code of Chicago and orders or parts thereof, are in conflict with the provisions of this ordinance the provisions of this ordinance shall be controlling and this ordinance shall be made available to the public by the City Clerk of the Issuer, in appropriate form, upon request, at the office of the City Clerk, City Hall, Chicago, Illinois. Copies are to be made available in the office of the City Clerk for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this ordinance.

This ordinance shall be in full force and effect immediately upon its passage.

[Bond Purchase Agreement, Guarantee Agreement, Indenture
of Trust, Loan Agreement and Security Agreement omitted
for printing purposes but on file and available for
public inspection in the Office of the City Clerk.]

APPROVAL GIVEN TO SUBMISSION OF APPLICATION FOR
RENTAL REHABILITATION GRANT FUNDS FOR CITY
OF CHICAGO'S RENTAL REHABILITATION
PROGRAM.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith giving approval of submission of application for Rental Rehabilitation Grant Funds to the United States Department of Housing and Urban Development for the City of Chicago's Rental Rehabilitation Program.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 45.

Nays -- None.

Alderman Stemberk moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago, a home rule unit of government under Section 6 (a), Article VII of the 1970 Constitution of the State of Illinois, has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing available to persons of low and moderate income; and

WHEREAS, The City has determined that the continuance of a shortage of rental housing affordable to persons of low and moderate income is harmful to the health, prosperity, economic stability and general welfare of the City; and

WHEREAS, The Government of the United States, pursuant to authority granted it in Section 17 of the United States Housing Act of 1937, as amended, has created the Rental Rehabilitation Program in Section 301 of the Housing and Urban Rural Recovery Act of 1983, which program among other things, provides for federal grants to local governments to help finance rehabilitation of privately owned residential structures devoted primarily to rental use and which units are eligible for rent subsidy programs so as to increase their accessibility to low and moderate income persons; and

WHEREAS, The United States Department of Housing and Urban Development has allocated the sum of \$5,319,000 of Rental Rehabilitation Program grant funds to the City, subject to the City submitting a proper request therefore; and

WHEREAS, In furtherance of the Public-Private Partnership goals of the City, the City intends to solicit financial participation by local lending institutions in the City's Rental

Rehabilitation Program, thereby significantly increasing the scope and benefits thereof to the City; and

WHEREAS, The Department of Housing has prepared a Program Description and appropriate certifications as required, to accompany the City's request to H.U.D. for grant funds allocated to it under the Rental Rehabilitation Program; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Mayor is authorized to submit, on behalf of the City of Chicago, an application to the United States Department of Housing and Urban Development to receive the City's allocation of \$5,319,000 under the Rental Rehabilitation Program.

SECTION 2. The Commissioner of Housing is authorized to submit such certification and assurances as may be required or requested in connection with the aforesaid application, including but not limited to a certification substantially in the form attached hereto as Exhibit A, and a Program Description substantially in the form attached hereto as Exhibit B.

SECTION 3. In the event the application is approved, the Commissioner of Housing is further authorized to enter into and execute such agreements, documents and understandings as are required or necessary to implement the terms of allocation of grant funds, including but not limited to an agreement with the Chicago Housing Authority substantially in the form attached hereto as Exhibit C.

SECTION 4. The execution of any contract in an amount of \$50,000 or more or loan in an amount of \$75,000 or more under this program shall be subject to review and approval by the City Council; provided that the City Council shall complete its review within 21 days after submission to the City Council; and that the City of Chicago shall not engage in discrimination based on race, color, religion, sex, national origin, handicap, sexual orientation, geographic location, or political affiliation or belief.

SECTION 5. Upon award of this grant to the City, the Department of Housing will execute no contract or loan or in any manner implement this program without returning to the City Council and fully explaining said program.

SECTION 6. This ordinance shall be in full force and effect by and from the date of its passage.

Exhibits A, B, and C attached to this ordinance read as follows:

Exhibit A.

Certifications.

The City of Chicago, through its Department of Housing does hereby certify and attest as follows:

1. That the submission of the Program Description of the Rental Rehabilitation Program of the City of Chicago to the U.S. Department of Housing and Urban Development and execution of same has been authorized by the City Council of

the City of Chicago through the passage of the attached ordinance on the
_____ day of _____.

2. That the Program Description was developed in consultation with the public through a public hearing held by the Department of Housing on June 18, 1984, and that the Program Description has been and is available to the public upon request.
3. That the City of Chicago, Department of Housing requests that the 100% lower income benefit standard be reduced to a 70% standard in order to enhance the successful implementation of the Rental Rehabilitation Program. It is further certified that this reduction is necessary to meet one or both of the following objectives.
 - a) To minimize the displacement of tenants in projects to be rehabilitated, and/or
 - b) To provide a reasonable margin for error due to unforeseen sudden changes in neighborhood rent; failure to complete rehabilitation of projects due to unanticipated circumstances; or other reasonable contingencies.
4. That a written tenant assistance policy conforming to the requirements of 24 CFR Part 511.10 (h) (2) has been adopted by the Department of Housing and is available to the public.
5. That having read and understood the rules and policies of 24 CFR Part 511.10, the City will conduct the Rental Rehabilitation Program therewith.
6. That the Rental Rehabilitation Program will be conducted and administered in accordance with all rules and requirements set forth in 24 CFR Part 511.

Brenda J. Gaines, Commissioner
Department of Housing

City of Chicago
Rental Rehabilitation Loan Program
Proposed Tenant Assistance Strategy.

1. Residential Tenants Permanently Displaced

Each residential tenant who earns less than 80 percent of the median income and who is required to move as a direct result of a project assisted under the Rental Rehabilitation Loan Program shall be entitled to assistance in accordance with the following policies.

- (a) Timely Information. The tenant shall be contacted personally and in writing and provided timely information that fully explains the reason for the displacement and the relocation assistance available to him/her.

- (b) **Moving Expenses.** The tenant shall be reimbursed for the reasonable cost of his/her moving and related expenses. The Department of Housing may elect to offer the tenant a choice between a payment based on actual documented expenses or a payment based on a reasonable schedule that does not require specific documentation.
- (c) **Advisory Services.** The tenant shall be provided appropriate advisory services necessary to minimize hardships in adjusting to the relocation.
- (d) **Replacement Housing Assistance.** No tenant earning less than 80 percent of median income shall be required to move unless he/she has been given a reasonable choice of opportunities to lease and move to a suitable replacement dwelling.
 - (1) **Section 8 Assistance.** Where possible, eligible tenants will be offered a Section 8 Existing Housing Certificate of Family Participation. The Certificate will reduce the monthly housing costs (rent and utilities) to these tenants to 30 percent of their adjusted income. Accordingly, those who receive a Certificate and a reasonable choice of opportunities to move to a suitable replacement dwelling that is available from an owner willing to participate in the program will not be entitled to a cash replacement housing payment.
 - (2) **Cash Assistance.** Tenants who do not receive Section 8 assistance and who can not afford suitable replacement housing (within 30 percent of gross income) shall be entitled to a lump sum payment computed in the following manner. The payment may be used to rent or buy a replacement dwelling.
 - (i) Monthly rent plus utility costs at actual replacement dwelling (or amount at available, suitable replacement dwelling, if less costly).
 - (ii) Thirty (30) percent of gross income of all members of the tenant household who are 18 years or older.
 - (iii) Line (i) minus line (ii).
 - (iv) Twenty-four (24) times amount on Line 3, or \$2,000, whichever is less.
- (e) **Advance Notice.** Unless there is an urgent need for the property (e.g., substantial danger to health or safety) or the tenant is evicted for cause, the tenant shall be given at least 60 days advance notice of the earliest date by which he/she must vacate the property.
- (f) **Definition of a Suitable Replacement Dwelling.** A suitable replacement dwelling shall be:
 - (1) Decent, safe and sanitary.

- (2) Available at a monthly housing cost (rent and utilities) that does not exceed 30 percent of the gross income of all members of the tenant's household who are 18 years of age or older.
- (3) In an area that is not subject to unreasonable adverse environmental conditions; is not generally less desirable than the location of the displaced person's dwelling with respect to public utilities, commercial and public facilities; and is reasonably accessible to the person's place of employment (or to sources of employment, if the person is unemployed, but seeking work).

2. Residential Tenants Offered Right to Continue in Occupancy

Any residential tenant-occupant with a gross income less than 80 percent of median income who is not required to move permanently shall be entitled to lease and occupy a suitable dwelling in the property after the rehabilitation is completed in accordance with the following policies:

(a) Basic Occupancy Protections

- (1) Section 8 Assistance. Where possible, eligible tenants will be offered a Section 8 Existing Housing Certificate of Family Participation. The Certificate will reduce the monthly housing costs (rent and utilities) to these tenants to 30 percent of their adjusted income. Accordingly, those who receive a Certificate will not be entitled to a cash replacement housing payment.
- (2) Cash Assistance. Tenants who do not receive Section 8 assistance and who can not afford after rehabilitation housing costs (within 30 percent of gross income) shall be entitled to a nondisplacement payment computed in the following manner:
 - (i) Monthly rate plus utility costs.
 - (ii) Thirty (30) percent of gross income of all members of the tenant household who are 18 years or older.
 - (iii) Line (i) minus line (ii).
 - (iv) Twenty-four (24) times amount on Line 3, or \$2,000, whichever is less.

This assistance may be:

- (i) Absorbed by the landlord;
- (ii) Paid by the locality as an up-front grant to the owner, after the differential has been discounted to present value at an appropriate rate;

- (iii) Shared by the locality and the owner; or
 - (iv) Paid as a rental subsidy to the tenant through a neighborhood based nonprofit organization using C.D.B.G. funds.
- (b) Temporary Relocation Housing. If temporary relocation is required in order to carry out the rehabilitation, the tenant shall be reimbursed for any increase in rent and utility costs in the temporary unit (the utility cost increase may be estimated), incurred in connection with the move. The housing offered for the temporary period shall be decent, safe and sanitary. If the temporary period will exceed one year, the tenant may ask the locality to provide permanent relocation assistance and the locality must consider such a request.
- (c) Moving Expenses. If the temporary relocation is required, or the tenant must move to another unit in the building, the tenant must be reimbursed for all reasonable out-of-pocket moving expenses.

Exhibit B.

Rental Rehabilitation Program.

The City of Chicago has lost an estimated 60,000 housing units over the past ten years through deterioration, demolition and arson. While the current vacancy rate is estimated to be less than 3%, the continued process of new household formation threatens to create a crisis situation because of the lack of decent affordable rental housing.

The City of Chicago through its Department of Housing will seek to continue to utilize the Rental Rehabilitation Program to preserve the City's existing housing and reverse the trend towards deterioration. The Rental Rehabilitation Program will concentrate on the improvement of the City's Multi-Unit buildings in those areas of the City where there is a concentration of low income families.

1. Program Activities

The overall goal of the Rental Rehab Program is to rehabilitate 1,000 units of substandard housing for occupancy by low income families. Only those projects in which at least 51% of the rental floor space is intended for residential rental purposes will be considered for funding. Funding will be in the form of low interest or deferred long term loans.

The U.S. Department of Housing and Urban Development has allocated \$5,319,000 to the City of Chicago for the Rental Rehab Program for fiscal 1985. The City's Department of Housing anticipates using these funds to leverage an additional 5 million dollars from the private sector. The First Chicago Corporation, the Harris Bank, Chicago United, and the Community Investment Corporation are currently participating in the City's M.U.L.T.I. program funded with Rental Rehab money. These financial institutions have collectively committed over \$235 million dollars toward the rehabilitation of the City's aging

housing stock. The City and these financial institutions are pledged to continue this successful public/private partnership during fiscal year 1985.

In order to ensure the availability of these rehabilitated housing units to lower income persons, the City will make available 1,000 existing Section 8 Certificates under this program. Rent levels in all rehabilitated units must be set at or below the Fair Market Rents as defined by 24 CFR part 888 for the Section 8 existing Housing Program. These rents are currently \$372 for a studio, \$448 for a one bedroom, \$521 for a two bedroom, \$644 for a three bedroom, and \$718 for a four bedroom unit. Under the Section 8 program tenants will pay no more than 30% of their adjusted income for rent.

In addition, the City, at its discretion, can provide additional funds out of C.D.B.G. monies to write down the capital cost of some rehabilitation projects. This will be done in cases where the per unit rehab costs exceed \$10,000 per unit and the project is demonstrated to be of particular benefit to lower income persons or important to the stability of a particular low income neighborhood.

2. Neighborhood Selection

In order to ensure that projects selected will benefit low income persons initially and for a longer period of at least 5-10 years, projects must be located in areas which meet the following criteria;

- a. The income for the particular neighborhood should not exceed 80% of the median income for the City. These incomes as calculated by H.U.D. (March 1, 1983), are as follows:

Family Size	80% of Median
1	\$17,600.00
2	\$20,100.00
3	\$22,600.00
4	\$25,100.00
5	\$26,700.00
6	\$28,250.00
7	\$29,850.00
8 or more	\$31,400.00

- b. The particular neighborhood should generally be an area which has a long history of housing low-to-moderate income persons. Rents in these areas should generally be at or below the fair market rents for the Section 8 existing program. In addition, the character of the neighborhood should be such that all present conditions would indicate that rent levels are not likely to change for the next 5 years.

In order to ensure that the above criteria are met in neighborhood selection, the City of Chicago's Department of Housing will rely on data available from the U.S. Census of 1980 and the Sanborne Study of current housing conditions in the City of Chicago. (See attached map)

3. Lower Income Benefit

To ensure that 70% of all Rental Rehabilitation Funds are used to benefit low income persons, the Department of Housing will require that 70% of all units assisted under this program be rented at "rents affordable to lower income families". Rents affordable to lower income families is defined as sum of the utility allowance and the rent payable monthly to the owner with respect to a unit which is at or below the applicable fair market rent under H.U.D.'s Regulations, 24 CFR Part 888, for the Section 8 Existing Housing Program. The Department of Housing will require all applicants to submit a proposed rent schedule after rehab as part of the application packet. Tenants whose income is such that over 30% of their monthly income is necessary to meet the above rent payments shall be eligible for Section 8 Existing Voucher and Certificates. The allocation of these Vouchers and Certificates shall be administered by the Chicago Housing Authority (C.H.A.). Eligible tenants may be drawn from families residing in projects prior to rehabilitation, families desiring to move into projects after rehabilitation, or families currently on C.H.A.'s waiting list for Section 8 Existing (24 CFR 888-209).

4. Use of Rental Rehabilitation Program for Family Housing

In order to ensure that Rental Rehabilitation funds are used to assist large families with children, the Department of Housing will, through its selection process and closely monitored controls, utilize not less than 70% of its total allocation to fund units containing two or more bedrooms. In addition, the Department of Housing has set a goal of utilizing 15% of its total allocation for the rehabilitation of units containing 3 or more bedrooms.

5. Use of Rental Rehabilitation Funds for Units in Substandard Condition that are Occupied by Very Low-Income Families

The Department of Housing of the City of Chicago will conduct an in-depth analysis of each project submitted under the Rental Rehabilitation Program. This analysis will include on-site inspections conducted by either the Rehab Construction Division of the Department of Housing or inspection staff of the participating private lenders. Only those projects which contain one or more substandard condition under the existing Building Codes of the City of Chicago, as verified by on-site inspections, will be funded under this program.

Applicants requesting funding under the Rental Rehabilitation Program will be required to submit a Tenant Profile for each unit in the building for which funding is requested that is currently occupied. This profile will contain the following information, current rent, estimated annual income, current rental terms, age of occupants, number of people in household and handicapped persons, if any. Priority will be given to those projects currently occupied by lower income persons.

6. Selection of Proposals

An overall goal of the City of Chicago's Department of Housing is to improve the quality and increase the quantity of available decent affordable rental housing

units. In order to ensure that the Rental Rehabilitation Program furthers this goal, priority will be given to projects which:

- a. Demonstrate the most efficient use of public funds. It is the goal of the Department of Housing to match no less than 1 to 1 public to private dollars.
- b. Demonstrate the greatest benefit to low income persons. This factor will be viewed in terms of the number of units in the projects with more than 2 bedrooms, the level of rents, the neighborhood in which the project is located, and the history of the developer both in terms of other projects which he has sponsored, the management of those projects, and the level of equity investment that the developer has in the project. Specific priority will be given to projects containing units with 3 or more bedrooms.
- c. Demonstrate the least amount of permanent displacement to lower income tenants.

7. Financial Feasibility

The staff from the City will conduct a complete review on each project based upon its standard underwriting documents. The City will make a determination regarding the feasibility of each project based on a financial analysis (operating income from the properties after rehabilitation must cover operating cost, amortization of loan(s) and a reasonable profit, the debt coverage ratio is 1.1 to 1) and whether the projects meet the program criteria. An equity investment of at least

ten percent (10%) by the owner will be required. A construction review will be conducted on each project to ensure that the proposed rehabilitation will bring the structure into compliance with the building codes of the City of Chicago. If the project is found to contain merit and is financially feasible, the City loan and the private loan will be jointly approved and "closed" using standard underwriting procedures. The City further anticipates monitoring construction, payouts, and occupancy for the duration of each project.

8. Neighborhood Preservation

The City of Chicago, through the Department of Housing, can significantly reverse Chicago's deteriorating neighborhoods through the Rental Rehabilitation Program. This program will concentrate on the improvement and code compliance of the City's multi-unit buildings in those areas where low income families reside. The direct impact that the Rental Rehabilitation Program will have on the City's neighborhoods includes:

Providing approximately 1000 units that are safe, sanitary, and decent through the program's code compliance goal;

Providing additional dwelling units through the program's goal of selecting partially vacant buildings;

Providing housing for families through its goal of rehabbing properties that contain at least 70% two or more bedrooms; and 15% three or more bedrooms.

Providing housing for low income families through the use of Section 8 Certificates and Vouchers.

9. Schedule for Committing Rental Rehabilitation Funds

The City's Department of Housing began accepting applications for the Rental Rehabilitation Program on November 1, 1984. The combination of funds allocated in fiscal year 1984 and 1985 with available private funds will total approximately 20 million dollars and will result in the rehabilitation of over 2000 units of housing affordable to low income persons. Anticipated Project Benchmarks are as follows:

February 1, 1985:	Completion of application input and marketing outreach.
March 15, 1985:	Completion of Department of Housing application review process and issuance of tentative commitment letters.
May 1, 1985:	Completion of private lender review and final loan closings.
November 30, 1985:	Construction completed on most projects.
February 1, 1986:	Completion of affirmative marketing and occupancy.

The quarterly projections of rental rehabilitation funds to specific projects after the execution of the grant agreement is as follows:

1st Quarter	10%
2nd Quarter	30%
3rd Quarter	50%
4th Quarter	100%

10. Need for Rental Housing Assistance -- Not Applicable

11. Nondiscrimination and Equal Opportunity

The City of Chicago, Department of Housing, in compliance with Title VI of the Civil Rights Act of 1964 and Title VIII of 1968 will provide each program applicant, for his/her review and signature, with the Department's "Nondiscrimination Statement" as part of the program's processing activities. This statement notifies the applicant that, "... pursuant to Title VI of the Civil Rights Act of 1964 to the effect that applicant, his successors and assignee shall not discriminate upon the basis of race, color, creed, age or national origin in the sale, lease or rental, or in the use of occupancy of the property that is rehabilitated with rehabilitation grant funds and/or rehabilitation loan funds".

Additionally, the Department will aggressively seek minority business enterprises to participate in the construction phase of the Rental Rehabilitation Program. To that end, the Department will provide "Contractor/Sub-Contractor Information" forms to program applicants that specifically defines a minority business enterprise as follows:

"A minority business enterprise is defined as a business in which at least 50 percent (50%) is owned by minority group members or, in the case of publicly owned business, at least 51 percent (51%) of the stock is owned by minority group members. Minority group members are Blacks, Spanish-speaking American persons, Women, American Orientals, American Indians, American Eskimos, and American Aleuts".

12. Policy Statement

The City of Chicago believe that individuals of similar economic levels should have available to them a like range of housing choices regardless of race, color, religion, sex, or national origin.

However, the City is fully cognizant of both the social and economic realities in Chicago which tend to concentrate certain ethnic and racial groups in certain geographic areas. Information about available housing opportunities is not widely shared without special outreach efforts. Thus, affirmative marketing must be undertaken to assure that such information is available to other ethnic and racial groups.

The City of Chicago and the Department of Housing support and are committed to the concepts of affirmative marketing. Those concepts will be implemented in the Rental Rehabilitation Program through a specific set of procedures involving obligations of property owners and staff of the Department of Housing, City of Chicago.

Objectives

The primary objectives of the affirmative marketing efforts will be to assure that individuals not normally likely to apply (minority and non-minority):

1. Know about the vacancies;
2. Feel welcome to apply;
3. Have the opportunity to rent.

Procedures

The regulations state that affirmative marketing procedures "will not apply to units rented to families with Section 8 Certificates and/or Vouchers". Because of the neighborhood selection criteria, it is anticipated that most tenants after rehabilitation will be Section 8 Certificate or Voucher holders. Therefore, the

procedures outlined below will have limited usage in the initial lease up, but will become more important as vacancies occur.

The Department of Housing, City of Chicago, will, in its Notification of Fund Availability for the Rental Rehabilitation Program and all subsequent media announcements, include the Equal Housing Opportunity logo, slogan, or statement. In the general meeting planned to explain program requirements, the affirmative marketing policies and procedures and fair housing laws were explained. A written description of the policy procedures and fair housing laws are included in all informational packets distributed to the public. The Department's Relocation Division will provide this information directly to tenants residing in buildings selected for participation in the program. All units vacant after rehabilitation or that later become vacant will be affirmatively marketed as outlined below.

Owners in the program will be required to inform and solicit applications for vacant units or units that become vacant from persons in the housing market who are least likely to apply for the rehabilitated housing without special outreach (i.e. persons who are not of the race/ethnicity of the residents of the neighborhood(s) in which the rental rehabilitation buildings are located).

Owners must:

1. Notify the Department of Housing, City of Chicago, and the Chicago Housing Authority that units will be available at least one month prior to the date the unit may be occupied. Note: The Department of Housing is a H.U.D. Certified housing counseling agency, a centralized relocation agency, and a fair housing agency.
2. Contact pre-selected churches, community groups, employment centers, fair housing groups and other appropriate agencies regarding the availability of housing units rehabilitated under this program.
3. Note the racial/ethnic characteristics of all applicants who actually look at units. When a lease is signed the owner will telephone Department of Housing staff and report these items, as well as the characteristics of the actual renters.
4. Advertise in pre-selected newspapers if the above outreach efforts fail to produce a tenant. (For buildings with twelve (12) or less units, the Department of Housing will assume the cost of newspaper advertising if the rehabilitated buildings cash flow is not adequate to cover the costs of advertisement).
5. Maintain records of affirmative marketing efforts for a period of eighteen (18) months. (This will assist the Department of Housing in its' annual assessment).

Beyond these efforts there will be no control on who the owner selects for tenants so long as tenants with Section 8 Certificates and/or Vouchers are not discriminated against.

The Department of Housing will maintain on-going contracts with local churches, community organizations, employment centers, fair housing groups, etc. who will be instrumental in making our affirmative marketing efforts successful. The Department will also notify the Chicago Housing Authority as necessary for referrals from their waiting list.

The Department will keep the following records:

1. Copies of all advertisement placed by the Department or the owners.
2. Copies of all information included in information packets to the public regarding affirmative marketing policies and procedures and fair housing laws.
3. Copies of all correspondence to owners, tenants, community groups, etc., regarding affirmative marketing and fair housing laws.
4. Tenant profiles including racial, ethnic and general characteristics of building occupants before rehabilitation and after rehabilitation.
5. Annual tenant information used in program assessment.
6. Relocation data for displaced households.

The Department's annual assessment of owners participating in the program will be to determine:

1. That those owners have made good faith efforts to carry out the procedures and requirements of the affirmative marketing program.
2. Objectives that have been met.
3. Corrective actions that are required.

The Department of Housing, City of Chicago, will require compliance with the affirmative marketing requirements as stated above by means of an agreement with each owner selected for participation in the program. The agreement will be applicable for a period of seven (7) years, beginning on the date on which all of the units in the project are completed.

To ensure that the agreement is legally enforceable, it will be included in the mortgage instruments that secures the Rental Rehabilitation Program subsidy. The entire amount of the rental rehabilitation grant assistance for the project will be a lien secured by the property repayable by the owners and any subsequent transferee upon a breach of the agreement, less ten percent (10%) for each full year after completion of the project units up to the time that the breach occurs. Such lien may not be subordinate to a lien in

favor of the Department of Housing, City of Chicago, or any person with whom the owner has business or family ties.

The City of Chicago, through its Department of Housing does hereby certify and attest as follows: That it will conduct and administer its Rental Rehabilitation Program, in conformity with the requirements of 24 CFR 511.10(m).

13. Application and Project Review Process

An interested individual/organization must file an application for financial assistance under the Rental Rehabilitation Program. The following form certifications, and other documents must be completed and submitted to the City:

- Program Application
- Tenant Profile
- Development Cost Schedule
- Contractor Proposal, Work write-up and cost estimate
- Contractor Information Form
- Building Deficiency Report
- Project Management Plan
- Relocation Plan
- Certificates
- Previous two years federal Income Tax Forms
- Evidence of Property Ownership or Site Control
- Personal Financial Statement

The Department of Housing will conduct a complete review of each project based on the above documents. The Department will make a determination regarding the feasibility of each project based on a financial analysis and whether or not the project meets other program criteria (stated in previous sections). In addition, a construction review will be conducted on each project to ensure that the proposed rehab plan will bring the building into compliance with existing Building Codes of the City of Chicago and that the minimum rehabilitation cost of \$600 per unit for code related items is met. If feasible, a City loan and the private loan will be jointly approved when construction is ready to commence. The City will monitor the construction, payouts, and occupancy for the duration of the project. Below is a step by step breakdown of the review process utilized by the Department of Housing in its analysis of projects submitted for funding under this program:

Processing Steps	Entity Responsible
1. Submission of Application	Multi-Family Unit of DOH
2. Initial Feasibility Study	Multi-Family Unit of DOH
3. Study of Compliance with Program Criteria	Senior Management of Multi-Family Unit
4. Approval	Senior Management of Multi-Family Unit
5. Applicant obtain private sector financing	Borrower
6. Construction Review	Construction Division and/or City's Agent (Private lender)
7. Closing	Multi-Family Unit
8. Monitoring of Rehabilitation Construction and Payout Authorization	Construction Division or City's Agent
9. Identification and Qualification of tenants eligible for Section 8	CHA
10. Affirmative Marketing of Units	Borrower and Multi-Family Units

Contact:

Bess Donaldson
Acting Deputy Commissioner
Department of Housing
City of Chicago
318 South Michigan Avenue
Chicago, Illinois 60604
(312) 922-7922, extension 683

Zirl Smith
Executive Director
Chicago Housing Authority
22 West Madison
Chicago, Illinois 60602
(312) 791-8500

*Exhibit C.**Memorandum of Understanding.*

This Agreement is made this __ day of _____, 19__ by and between the City of Chicago, Illinois a municipal corporation (the "City"), by and through its Department of Housing ("Department"), with offices at 318 South Michigan Avenue, Chicago, Illinois, and at the Chicago Housing Authority ("C.H.A.") a municipal corporation, with offices at 22 West Madison Street, Chicago, Illinois.

Recitals

Whereas, the United States Department of Housing and Urban Development ("H.U.D.") has allocated to the City the sum of \$5,319,000 under the Rental Rehabilitation Program ("Program"), subject to the City submitting a proper request therefore; and

Whereas, the City under the terms of the Program is authorized to utilize Section 8 Existing Certificates and Vouchers ("Section 8 Certificates") as authorized by the United States Housing Act of 1937 (the "ACT"), to provide greater access to low and moderate income persons by means of rent subsidies; and

Whereas, the C.H.A. issues Section 8 Certificates to eligible persons as determined by C.H.A. screening procedures; and

Whereas, the Housing Authorities Act of the State of Illinois authorizes the C.H.A. to enter into and execute agreements with governmental units for cooperative use of staff in providing essential services to housing programs for low and moderate income persons; and

Whereas, the City and C.H.A., both deem it in their mutual interests to cooperate in assuring maximum possible benefit is achieved in housing programs of each generally, and the City's rental rehabilitation program in particular;

Now and therefore, in consideration of entering into this Agreement, and for other good and valuable consideration receipt of which is hereby acknowledged, the parties agree as follows:

1. The above Recitals are hereby expressly incorporated herein and made a part of this Agreement.
2. The City, through the Department, shall submit an application to H.U.D. to receive its allocation of \$5,319,000 under the Program.
3. The City shall use its best efforts to obtain commitments from private lending institutions in the amount of \$5,000,000 to be used with Program grant funds to expand the scope and benefits of the Program to the City and C.H.A.
4. The Department shall select eligible projects to be financed with Program funds, and shall further be responsible for on-going review of said projects pursuant to 24 Code of Federal Regulations Part 511, as amended from time to time ("CFR").
5. The C.H.A. shall issue Section 8 Certificates to eligible persons in such a manner as to minimize displacement of such persons residing in projects selected for rehabilitation, to assist persons choosing or required to move from projects being rehabilitated, and to assist eligible persons choosing to move back to projects after rehabilitation is completed.
6. It is expressly agreed by the parties that C.H.A. upon due diligence in meeting its responsibilities under Paragraph 5 above, may then issue Section 8 Certificates to eligible persons from waiting lists maintained by C.H.A. for Section 8 housing programs, generally, who agree to move into rehabilitated projects.

7. It is expressly agreed by the parties, that this Agreement shall be subject to applicable portions of the Code of Federal Regulations as amended from time to time, including, but not limited to 24 Code of Regulations, Parts 209, 511 and 992.

8. It is further expressly agreed by the parties that any and all administrative costs incurred by either in carrying out the terms of this Agreement shall be borne solely by each party, respectively.

9. This Agreement shall remain in full force and effect until such time as the City shall discontinue activities authorized under this program.

10. It is expressly agreed by the Department of Housing (Department) of the City of Chicago and the Chicago Housing Authority (C.H.A.) that the C.H.A. will issue and utilize, on an interim basis, the Section 8 Certificates allocated by the Department of Housing and Urban Development (H.U.D.) for the Rental Rehabilitation Program.

11. It is expressly agreed by the parties that the C.H.A., without exception, will make Section 8 Certificates available to the Department on an as-needed basis in order to meet its responsibilities under this agreement.

The C.H.A. currently has a waiting list for Section 8 Certificates of about 40,000 families. On an interim basis, C.H.A. can issue and utilize certificates allocated for the Rental Rehabilitation Program from this waiting list. The C.H.A. Section 8 Existing Housing Program is experiencing a turnover rate of 16.8% per year (about 1,200 per year). At this rate of attrition, the C.H.A. will provide certificates to the Department on an as-needed basis to meet its responsibilities under paragraph 5 of the memorandum.

12. It is expressly agreed by the parties that the C.H.A. will not provide relocation benefits. It is further agreed by the parties that eligible families will be assisted by C.H.A. in strict conformance with all Section 8 regulations.

13. Any notices requested or required under this Agreement shall be in writing, and placed in the U.S. mails, first class postage, registered, returned receipt requested, prepaid, addressed as follows:

If to City:

Department of Housing of the City of
Chicago
318 South Michigan Avenue
Chicago, Illinois
Attention: Commissioner

If to C.H.A.:

Chicago Housing Authority
22 West Madison Street
Chicago, Illinois
Attention: Director

This Agreement is executed at Chicago, Illinois as of the date first appearing above.

[Signature forms omitted for printing purposes.]

AUTHORITY GRANTED TO EXECUTE CITY/STATE PROJECT
AGREEMENT CONCERNING TRAFFIC SIGNAL
MODERNIZATION AT INTERSECTION OF
SHEFFIELD, WRIGHTWOOD AND
LINCOLN AVENUES.

The Committee on Finance submitted a report recommending that the City Council pass the following proposed ordinance transmitted therewith:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Mayor is authorized to execute, the City Clerk to attest to and the Commissioner of Public Works and the City Comptroller to approve, upon review of the Corporation Counsel as to form and legality, a project agreement with the State of Illinois providing for the modernization of traffic signals at the intersection of Sheffield Avenue, Wrightwood Avenue and Lincoln Avenue described herein, said agreement to be substantially in the following form:

This Agreement, entered into this _____ day of _____, 1983, by and between the State of Illinois, acting through its Department of Transportation hereinafter called the "State", and the City of Chicago, acting through its Department of Public Works hereinafter called the "City".

Witnesseth:

Whereas, the Department of Transportation of the State of Illinois, under Chapter 121, Article 4-409 of the Illinois Revised Statutes (1981), as amended, may enter into a written contract with any other highway authority for the jurisdiction, maintenance, administration, engineering or improvement of any highway or portion thereof; and

Whereas, the State and the City, in the interest of the safe and efficient movement of vehicular traffic, find it necessary to modernize the traffic signals at the intersection of Sheffield Avenue, Wrightwood Avenue and Lincoln Avenue, hereinafter referred to as the "Project" and identified in Paragraph 11 of this Agreement; and

Whereas, the State and the City which to avail themselves, where possible, of Federal-Aid Urban System funds authorized by the Surface Transportation Act of 1982 or subsequent Federal legislation for the force account construction and the construction engineering/supervision of said project.

Now Be It Therefore Resolved, That City Agrees:

1. To prepare, or cause to be prepared, surveys, plans, specifications and estimates of cost for said Project improvements named and identified herein.
2. Upon approval from the State, to provide all force account construction and construction engineering/supervision, all in accordance with established procedures of the City, the State and the Federal Highway Administration.

3. To finance the work pending reimbursement, by the State, of the Federal share and Non-Federal (State) share, and to prepare a complete and accurate breakdown of costs for the project financed by the City.
4. To retain all Project records and to make them available for audit by State and Federal auditors during the Project development and construction stages, and for a period of three (3) years after final acceptance of the Project by the Parties hereto.
5. To comply with all applicable Executive Orders and Federal legislation pursuant to the Equal Employment Opportunity and Nondiscrimination Regulations.
6. That failure on the part of the City to fulfill the responsibilities assigned in Paragraphs 5 and 9 of this Agreement may render the City ineligible for future Federal participation in projects for which the City has similar responsibilities, until such failures are corrected.

Now Be It Therefore Resolved, The State Agrees:

7. To reimburse the City for the Federal share and Non-Federal (State) share of the costs incurred in connection with the force account construction and construction engineering/supervision of the improvement as hereinafter provided, upon receipt of a progressive billing supported by documentation as required by the State and Federal Highway Administration.
8. To review, without delay, all submittals including plans, specifications and estimates, and requests for authority to proceed with the force account construction.

Now Be It Therefore Resolved, The Parties Hereto Mutually Agree:

9. That, upon completion of the improvement, the City and the State shall maintain or cause to be maintained, in a satisfactory manner, their respective portions of the improvement in accordance with established jurisdictional authority.
10. That prior to initiation of work to be performed hereunder, the disposition of encroachments will be cooperatively determined by representatives of the City and State.
11. That this Project generally consists of the modernization of traffic signals at the intersection of Sheffield Avenue, Wrightwood Avenue and Lincoln Avenue. The existing outmoded traffic signals will be replaced with new signals which will conform to existing recommendations and agreements of the Illinois Manual on Uniform Traffic Control Devices.
12. That all prior Agreements, or portions thereof, between the City and the State which refer to the construction of this Project are superseded by this Agreement.
13. That the estimated costs of the signalization improvement project covered under this Agreement are:

Force Account Construction	\$146,000
Construction Engineering/Supervision	\$14,000
TOTAL:	\$160,000

and that based upon the current ratio of Federal to Non-Federal (State) funds for Federal-Aid Urban System projects, the estimated proportional participation for the Project will be:

Federal Share (FAU): (75.18% of \$160,000)	\$120,288
Non-Federal Share (State) (24.82% of \$160,000)	\$39,712
TOTAL:	\$160,000

and that based upon said ratio, State financial participation (referred to herein as the Non-Federal share) shall be limited to a maximum of \$43,682, with any Non-Federal share required in excess of that amount to be provided by the City or by amendment to this Agreement.

14. That standard Federal-Aid procedures and requirements apply to all phases of this Project.
15. That the Commissioner of Public Works is authorized to execute revisions to this Agreement relative to budgetary items, upon approval by Illinois Department of Transportation, as long as such revisions do not increase the total cost of the Project as stated in Paragraph 13.
16. That this Agreement and the covenants contained herein shall be void ab initio in the event the force account construction work contemplated herein is not awarded and/or authorized by July 1, 1987.
17. That the City shall be responsible for 100% of the cost of any work not eligible for Federal participation.

This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their successors and assigns.

In Witness Whereof, the City and State have caused this Agreement to be executed by their respective officials and attested to on the date hereinafter listed.

[Signature forms omitted for printing purposes.]

SECTION 2. That the City Clerk is hereby directed to transmit two (2) certified copies of this ordinance to the Division of Highways, Department of Transportation of the State of Illinois through the District Engineer of District 1 of said Division of Highways.

SECTION 3. That this ordinance shall be effective by and from the date of its passage.

On motion of Alderman Burke, the foregoing proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 45.

Nays -- None.

AUTHORITY GRANTED FOR EXECUTION OF CITY/STATE
PROJECT AGREEMENT FOR IMPROVEMENT OF
HAMLIN BOULEVARD BETWEEN CONGRESS
PARKWAY AND LAKE STREET.

The Committee on Finance submitted a report recommending that the City Council pass the following proposed ordinance transmitted therewith:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Mayor is authorized to execute, the City Clerk to attest to and the Commissioner of Public Works and the City Comptroller to approve, upon review of the Corporation Counsel as to form and legality, a project agreement with the State of Illinois providing for the improvement of Hamlin Boulevard between Congress Parkway and Lake Street, described therein, said agreement to be substantially in the following form:

This Agreement, entered into this _____ day of _____, 1984, by and between the State of Illinois, acting through its Department of Transportation hereinafter called the "State", and the City of Chicago, acting through its Department of Public Works hereinafter called the "City".

Witnesseth:

Whereas, the State and the City, in the interest of the safe and efficient movement of vehicular and pedestrian traffic, find it necessary to improve Hamlin Boulevard, hereinafter referred to as the "Project" and identified in Paragraph 11 of this Agreement; and

Whereas, the Department of Transportation of the State of Illinois, under Chapter 121, Article 4-409 of the Illinois Revised Statutes (1981), as amended, may enter into a written contract with any other highway authority for the jurisdiction, maintenance, administration, engineering or improvement of any highway or portion thereof; and

Whereas, the Federal Highway Administration and the Urban Mass Transportation Administration are authorized under 23 U.S.C. 103(e)(4) to approve the use of funds made available by the request for withdrawal of certain non-essential Interstate highway routes from the Interstate System for substitute highway or non-highway public mass transit project; and

Whereas, the State of Illinois and the City of Chicago have concurred on the use of such funds available from the Interstate System Withdrawal and Substitution Program; and

Whereas, the City is proceeding with studies and engineering required for the Project; and

Whereas, under the Federal regulations, certain written agreements for the Project may be required.

Now Be It Therefore Resolved, The State Agrees:

1. To reimburse the City for the Non-Federal (State) and Federal share of the costs incurred in connection with the contract construction, force account construction and construction engineering/supervision of the Project, as hereinafter provided, upon receipt of progressive billings supported by documentation as required by the State and Federal Highway Administration.
2. To review, approve and submit to the Federal Highway Administration without delay, all submittals which require Federal Highway Administration review, approval or other action.

Now Be It Therefore Resolved, The City Agrees:

3. To prepare, or cause to be prepared, studies, surveys, plans, specifications and estimates of cost for said Project.
4. Upon approval from the State and Federal Highway Administration to let and award the contract for the Project, and to provide all force account construction and construction engineering/supervision, all in accordance with established procedures of the City, the State and the Federal Highway Administration.
5. To finance the work pending progressive reimbursement by the State of the Federal and Non-Federal (State) shares of costs.
6. To comply with all applicable Executive Orders and Federal legislation pursuant to the Equal Employment Opportunity and Nondiscrimination Regulations.
7. That failure on the part of the City to fulfill the responsibilities assigned in Paragraphs 6 and 9 of this Agreement will render the City ineligible for future Federal participation in projects for which the City has similar responsibilities, until such failures are corrected.
8. To retain all Project records and to make them available for audit by State and Federal auditors during the Project development and construction stages, and for a period of three (3) years after final acceptance of the Project.

Now Be It Therefore Resolved, The Parties Hereto Mutually Agree:

9. That, upon completion of the improvement, the City and the State will maintain or cause to be maintained, in a satisfactory manner, their respective portions of the improvement in accordance with established jurisdictional authority.
10. That prior to initiation of work to be performed hereunder, the disposition of encroachments will be cooperatively determined by representatives of the City and State.
11. That said Project generally consists of the reconstruction and/or resurfacing of Hamlin Boulevard between Congress Parkway and Lake Street.

Hamlin Boulevard will be completely reconstructed between Congress Parkway and Madison Street. The existing pavement and pavement base will be removed and replaced in their entirety and the roadway will be realigned.

Between Washington Boulevard and Lake Street, Hamlin Boulevard will be resurfaced. The existing bituminous surface will be removed and a new driving surface will be applied.

The intersections of Hamlin Boulevard with Congress Parkway, with Madison Street and with Washington Boulevard will be improved to facilitate traffic flow, and traffic signals will be modernized at the intersection of Hamlin Boulevard with Washington Boulevard.

This project will also include the repair or replacement of curbs, gutters and sidewalks where necessary; the installation of sidewalk ramps for the handicapped and pavement markings; adjustment of utility structures; repair or reconstruction of catch basins as necessary; and installation of replacement lighting. All other appurtenances necessary to complete this project will also be provided.

12. That all prior Agreements, or portions thereof, between the City and the State which refer to the construction of this Project are superseded by this Agreement.
13. That the estimated costs of the Project covered and described by this Agreement are:

Contract Construction	\$2,200,000
Force Account Construction	\$650,000
Construction Engineering/Supervision	\$285,000
TOTAL:	\$3,135,000

and that based upon the current ratio of Federal to Non-Federal (State) funds for Interstate Road Substitution projects, the proportional participation for the Project will be:

Federal-Aid Share (IX)	
(85% of \$3,135,000)	\$2,664,750

Non-Federal Share (State)
(15% of \$3,135,000)

\$470,250

TOTAL: \$3,135,000

and that based upon said ratio, State financial participation (referred to herein as the Non-Federal share) shall be limited to a maximum of \$517,275, with any Non-Federal share required in excess of that amount to be provided by the City.

14. That the City shall be responsible for 100% of the cost of any work not eligible for Federal participation.
15. That standard Federal-Aid procedures and requirements shall apply to all phases of this Project.
16. That the Commissioner of Public Works is authorized to execute subsequent revisions to this Agreement relative to budgetary items, upon approval by the Illinois Department of Transportation, as long as such revisions do not increase the total cost of the Project as stated in Paragraph 13.
17. That this Agreement and the covenants contained herein shall be void ab initio in the event the contract covering the construction work contemplated herein is not awarded and/or the force account construction work is not authorized by December 1, 1987.

This Agreement shall be binding upon and inure to the benefit of the Parties hereto, their successors and assigns.

In Witness Whereof, the City and State have caused this Agreement to be executed by their respective officials and attested to on the date hereinafter listed.

[Signature forms omitted for printing purposes.]

SECTION 2. That the City Clerk is hereby directed to transmit two (2) certified copies of this ordinance to the Division of Highways, Department of Transportation of the State of Illinois through the District Engineer of District 1 of said Division of Highways.

SECTION 3. That this ordinance shall be effective by and from the date of its passage.

On motion of Alderman Burke, the foregoing proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuller, Volini, Orr, Stone -- 45.

Nays -- None.

*AUTHORITY GRANTED FOR ISSUANCE OF FREE PERMITS
FOR CERTAIN CHARITABLE, EDUCATIONAL AND
RELIGIOUS INSTITUTIONS.*

The Committee on Finance to which had been referred (December 7, 1984) sundry proposed ordinances transmitted therewith to authorize the issuance of free permits for certain charitable, educational and religious institutions, submitted separate reports recommending that the City Council pass said proposed ordinances.

On separate motions made by Alderman Burke, *each* of the said proposed ordinances was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 45.

Nays -- None.

Said ordinances as passed read respectively as follows (the italic heading in each case not being a part of the ordinance):

Saint Ignatius College Prep.

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Commissioner of Inspectional Services, the Commissioner of Public Works, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, and the Commissioner of Water are hereby directed to issue all necessary permits, free of charge, notwithstanding other ordinances of the City to the contrary, to Saint Ignatius College Prep for renovation of existing structure on the premises known as 1076 W. Roosevelt Road.

Said building shall be used exclusively for educational and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

Saint Mary of Nazareth Hospital Center.

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Commissioner of Inspectional Services, the Commissioner of Public Works, the Commissioner of Streets and Sanitation, the Commissioner of Sewers, and the Commissioner of Water are hereby directed to issue all necessary permits, free of

charge, notwithstanding other ordinances of the City to the contrary, to Saint Mary of Nazareth Hospital Center for the construction of an Emergency Medical Helipad on the premises known as the southwest corner of W. Division Street and N. Leavitt Street.

Said building shall be used exclusively for emergency medical and related purposes and shall not be leased or otherwise used with a view to profit, and the work thereon shall be done in accordance with plans submitted.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

CITY COMPTROLLER AUTHORIZED AND DIRECTED TO CANCEL
WARRANTS FOR COLLECTION ISSUED AGAINST
CERTAIN CHARITABLE, EDUCATIONAL
AND RELIGIOUS INSTITUTIONS.

The Committee on Finance to which had been referred on December 7, 1984, sundry proposed orders for cancellation of specified warrants for collection issued against certain charitable, educational and religious institutions, submitted reports recommending that the City Council pass the following substitute proposed order:

Ordered, That the City Comptroller is hereby authorized and directed to cancel specified warrants for collection issued against certain charitable, educational and religious institutions, as follows:

Name and Address	Warrant Number and Type of Inspection	Amount
Augustana Hospital 409 West Dickens Avenue	P1-407782 (Fuel Burn. Equip.)	\$40.00
Chicago Youth Centers 611 West Adams Street	P1-410509 (Fuel Burn. Equip.)	58.00
Ida Crown Jewish Academy of Chicago 2828 West Pratt Boulevard	P1-411952 (Fuel Burn. Equip.)	217.00
Northwestern Memorial Hospital/ Streeterville Corporation 224 East Ontario Street	B1-418924 (Insp.)	23.00
Winthrop Towers (H.U.D.) 4848 North Winthrop Avenue	D3-487291 (Sign)	40.00

On motion of Alderman Burke, the foregoing proposed substitute order was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuller, Volini, Orr, Stone -- 45.

Nays -- None.

AUTHORITY GRANTED FOR PAYMENTS OF HOSPITAL,
MEDICAL AND NURSING SERVICES RENDERED
CERTAIN INJURED MEMBERS OF POLICE
AND FIRE DEPARTMENTS.

The Committee on Finance submitted a report recommending that the City Council pass a proposed order transmitted therewith, to authorize payments for hospital, medical and nursing services rendered certain injured members of the Police and Fire Departments.

On motion of Alderman Burke, the said proposed order was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuller, Volini, Orr, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the City Comptroller is authorized and directed to issue vouchers, in conformity with schedule herein set forth, to physicians, hospitals, nurses or other individuals, in settlement for hospital, medical and nursing services rendered to the injured members of the Police Department and/or the Fire Department herein named. The payment of any of these bills shall not be construed as an approval of any previous claims pending or future claims for expenses or benefits on account of any alleged injury to the individuals named. The total amount of said claims is set opposite the names of the injured members of the Police Department and/or the Fire Department, and vouchers are to be drawn in favor of the proper claimants and charged to Account Number 100.9112.937:

[Regular orders printed on pages 11747 through 11748
of this Journal.]

and

Be It Further Ordered, That the City Comptroller is authorized and directed to issue warrants, in conformity with the schedule herein set forth, to physicians, hospitals, nurses or other individuals, in settlement for hospital, medical and nursing services rendered to the injured members of the Police Department and/or the Fire Department herein named, provided such members of the Police Department and/or Fire Department shall enter into an agreement in writing with the City of Chicago to the effect that, should it appear that any of said members of the Police Department and/or Fire Department have received any sum of money from the party whose negligence caused such injury, or have instituted proceedings against such party for the recovery of damage on account of such injury or medical expenses, then in that event the City shall be reimbursed by such member of the Police Department and/or Fire Department out of any sum that such member of the Police Department and/or Fire Department has received or may hereafter receive from such third party on account of such injury or medical expense, not to exceed the amount that the City may, or shall, have paid on account of such medical expense, in accordance with Opinion No. 1422 of the Corporation Counsel of said City, dated March 19, 1926. The payment of any of these bills shall not be construed as approval of any previous claims pending or future claims for expenses or benefits on account of any alleged injury to the individuals named. The total amount of such claims, as allowed, is set opposite the names of the injured members of the Police Department and/or Fire Department, and warrants are to be drawn in favor of the proper claimants and charged to Account No. 100.9112.937:

[Third party orders printed on page 11749
of this Journal.]

Action Deferred -- ALLOCATION OF STATE OF ILLINOIS TAX
AMNESTY REVENUES TO CITY OF CHICAGO.

The Committee on Finance submitted the following report, which was, on motion of Alderman Kelley and Alderman Frost, *Deferred* and ordered published:

CHICAGO, December 12, 1984.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred a resolution authorizing the use of State of Illinois Tax Amnesty Revenues to be allocated to the City of Chicago, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed resolution transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,
(Signed) EDWARD M. BURKE,
Chairman.

(Continued on page 11750)

12/12/84

REPORTS OF COMMITTEES

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CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/12/84

REGULAR ORDERS

REPORT DATE 12/11/84
PR3:PA4--P4Q70

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
ADAMSON	POLICE OFFICER	YOUTH DIVISION AREA SIX	6/19/84	35.00
BRUGGER	POLICE OFFICER	THIRTEENTH DISTRICT	5/10/84	54.00
CAMPBELL	POLICE OFFICER	THIRD DISTRICT	6/27/82	150.00
CHERNIK	POLICE OFFICER	THIRTEENTH DISTRICT	6/10/84	135.00
GUNN	POLICE OFFICER	CHARGE LAW ENFORCEMENT	7/17/83	60.00
ENGELS	POLICE OFFICER	FIFTEENTH DISTRICT	9/19/84	409.00
GANDRA	POLICE OFFICER	TWELFTH DISTRICT	7/11/83	123.15
CARZA	POLICE OFFICER	TENTH DISTRICT	6/08/84	10983.61
GIUFFRIDA	POLICE OFFICER	THIRTEENTH DISTRICT	9/29/80	110.00
GORDON	POLICE OFFICER	SEVENTEENTH DISTRICT	7/22/83	2862.72
GORDON	POLICE OFFICER	SEVENTEENTH DISTRICT	5/13/84	809.00
GRIFFIN	POLICE OFFICER	THIRD DISTRICT	2/24/84	290.00
HAPPS	POLICE OFFICER	TWENTYTH DISTRICT	4/21/84	185.00
HUSE	POLICE OFFICER	SEVENTEENTH DISTRICT	7/09/84	25.00
IVERS	POLICE OFFICER	NINTH DISTRICT	7/22/84	95.00
JACKSON	POLICE OFFICER	FOURTH DISTRICT	7/10/84	50.00
JONES	POLICE OFFICER	THIRTEENTH DISTRICT	2/06/83	1020.40
LAND JR	POLICE OFFICER	NINTH DISTRICT	10/01/79	279.00
LASCOLA	POLICE OFFICER	NINTH DISTRICT	7/10/81	266.19
MARIN	SERGEANT	FOURTEENTH DISTRICT	6/10/84	87.00
MCLEAN	POLICE OFFICER	THIRTEENTH DISTRICT	5/15/84	8.00
OLIFF	POLICE OFFICER	TWENTYTH DISTRICT	5/23/84	127.24
PHILLIPPO	POLICE OFFICER	THIRD DISTRICT	6/19/81	240.00
RICE	POLICE OFFICER	SEVENTEENTH DISTRICT	7/18/84	439.00
RICKENBURGER	POLICE OFFICER	NINTH DISTRICT	5/17/84	86.00
ROHLAND	POLICE OFFICER	TWENTYTH DISTRICT	5/31/84	160.00
RUCINSKI	POLICE OFFICER	TRAFFIC COURT SECTION	5/01/81	9286.25
RYAN	POLICE OFFICER	EIGHTH DISTRICT	7/13/84	132.00
SAPTORI	POLICE OFFICER	SIXTH DISTRICT	4/11/84	598.20
SILVAS	POLICE OFFICER	TWELFTH DISTRICT	7/09/84	216.00
STIVICK	POLICE OFFICER	NINTH DISTRICT	7/14/84	87.40
SMITH	POLICE OFFICER	MAJOR ACCIDENT INVESTIGATION S	7/03/84	84.00
SMITH	POLICE OFFICER	FOURTH DISTRICT	7/24/84	77.00
SPENCE	POLICE OFFICER	FIFTH DISTRICT	7/17/84	152.50
STEWART	POLICE OFFICER	FIFTEENTH DISTRICT	6/20/84	9573.60
STOFFS	POLICE OFFICER	SIXTH DISTRICT	3/26/84	135.00
SUCHOCKI	POLICE OFFICER	FIRST DISTRICT	6/08/84	164.50
SULLIVAN	POLICE OFFICER	EIGHTEENTH DISTRICT	6/14/84	83.75
SZCZEPANIAK	POLICE OFFICER	VIC CONTROL SECTION	7/10/84	163.00
VEPIAGALLO	POLICE OFFICER	FIFTEENTH DISTRICT	7/14/84	210.00
WARTER	SERGEANT	FIFTEENTH DISTRICT	5/18/84	600.00
WILCOX	POLICE OFFICER	SEVENTH DISTRICT	5/25/84	333.60
WURTMAN	LIEUTENANT	TWENTY-THIRD DISTRICT	11/23/83	3095.00
ZAVALA	POLICE OFFICER	FOURTEENTH DISTRICT	6/14/84	45.00
BELL	FIREFIGHTER	TRUCK 51	5/08/85	3441.80
CAPONERA	CAPTAIN	TRUCK 51	7/17/84	140.00
DAMSON	FIREFIGHTER	ENGINE COMPANY 39	4/15/84	2580.75
FERRIZI	LIEUTENANT	ENGINE COMPANY 8	9/12/83	9915.35
GRIANEK	FIREFIGHTER	ENGINE COMPANY 28	12/10/82	381.00

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CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/12/84

REGULAR ORDERS

REPORT DATE 12/11/84
PROGRAM--PFR070

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
HARRY	FIREFIGHTER	ENGINE COMPANY 73	12/30/83	1371.91
MCKAY	LIEUTENANT	TRUCK 13	6/28/84	1151.50
SKORACZEWSKI-LOUGHNEY	LIEUTENANT	ENGINE COMPANY 63	10/02/83	562.00
SOLAN	PARAMEDIC	DISTRICT RELIEF 5	5/07/84	91.00
STEWART	LIEUTENANT	ENGINE COMPANY 8	4/09/83	1429.00
TAYLOR	FIREFIGHTER	DISTRICT HEADQUARTERS 1	8/01/84	653.00
THOMPSON	FIREFIGHTER	ENGINE COMPANY 72	8/19/81	100.00
WARNER	FIREFIGHTER	ENGINE COMPANY 8	3/15/82	90.00
WILLIAMS	FIREFIGHTER	TRUCK 41	11/04/80	459.29
	FIREFIGHTER	TRUCK 7	8/14/84	45.00

REPORT DATE 12/11/84
PROGRAM--PER070

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 12/12/84

THIRD PARTY ORDERS

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12/12/84

REPORTS OF COMMITTEES

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***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
ABBATE	POLICE OFFICER	DEFECTIVE DIV AREA 4 PROPERTY	7/29/84	631.96
ADRIAN	POLICE OFFICER	YOUTH DIVISION AREA TWO	5/19/83	630.00
ADLESSO	POLICE OFFICER	TWENTY-FIFTH DISTRICT	8/30/84	209.50
ALVARADO	POLICE OFFICER	EIGHTEENTH DISTRICT	8/08/84	252.00
BARA	POLICE OFFICER	NINTH DISTRICT	8/26/84	86.00
BARTTT	POLICE OFFICER	PREVENTIVE PROGRAMS DIVISION	7/10/84	465.00
BLAKE	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/22/84	3501.43
CINTUSZYNSKI	POLICE OFFICER	SECOND DISTRICT	7/22/84	296.00
DEWDOWSKI	POLICE OFFICER	FIFTEENTH DISTRICT	8/29/84	75.00
DUGMAN	POLICE OFFICER	ENFORCEMENT SECTION	9/23/84	313.00
GLYNN	POLICE OFFICER	EIGHTH DISTRICT	7/17/84	262.00
GRUNTR	POLICE OFFICER	ENFORCEMENT SECTION	12/06/83	45.00
HIGHTS	POLICE OFFICER	FIFTH DISTRICT	12/23/83	135.50
HOLFE	POLICE OFFICER	THIRTEENTH DISTRICT	3/26/84	772.00
PERNS	POLICE OFFICER	TENTH DISTRICT	8/16/84	633.60
KRIPHER	POLICE OFFICER	FIFTH DISTRICT	6/26/84	1224.00
LAI	POLICE OFFICER	TWENTY-FIFTH DISTRICT	7/31/84	261.65
LEDAK	POLICE OFFICER	NINTH DISTRICT	10/10/82	2944.62
LEMK	LIEUTENANT	TENTH DISTRICT	3/05/80	5039.40
LESKI	POLICE OFFICER	SEVENTEENTH DISTRICT	11/01/92	1219.25
MARTIN	POLICE OFFICER	SEVENTH DISTRICT	2/24/84	433.00
MILHOUSE	POLICE OFFICER	THIRD DISTRICT	4/19/84	75.00
MORTARITY	POLICE OFFICER	THIRTEENTH DISTRICT	4/28/84	30.00
MUNROB	POLICE OFFICER	SIXTEENTH DISTRICT	12/05/82	354.00
MCUHAN	POLICE OFFICER	EIGHTEENTH DISTRICT	4/20/84	40.00
NIELSEN	POLICE OFFICER	SEVENTEENTH DISTRICT	12/31/83	885.00
NOVAK	POLICE OFFICER	SECOND DISTRICT	3/07/84	815.00
NOBOK	POLICE OFFICER	SIXTH DISTRICT	10/28/83	165.00
OBRIEN	POLICE OFFICER	TWENTY-SECOND DISTRICT	6/27/84	353.07
PAVICH	POLICE OFFICER	ENFORCEMENT SECTION	12/11/73	98.50
PECHOUS	POLICE OFFICER	FOURTEENTH DISTRICT	10/31/83	31.50
PIERCE	POLICE OFFICER	SEVENTH DISTRICT	10/25/82	35.00
PLUCHOCKT	POLICE OFFICER	EIGHTH DISTRICT	7/07/84	256.00
ROBINSON	POLICE OFFICER	THIRD DISTRICT	6/22/84	126.55
SEALS	POLICE OFFICER	CANINE UNIT	1/13/84	600.00
STEWART	POLICE OFFICER	TWENTY-THIRD DISTRICT	5/23/84	1692.25
STECH	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/24/84	23.50
TORTORIELLO	POLICE OFFICER	NINETEENTH DISTRICT	5/12/84	45.00
VEGUILLA	POLICE OFFICER	THIRTEENTH DISTRICT	12/31/83	140.00
AGUIRRE	PARAMEDIC	AMBULANCE 34	7/14/82	158.00
GUARASCIO	LIEUTENANT	TRUCK 30	1/01/83	75.00
GUTH	FIREFIGHTER	AMBULANCE 45	9/08/84	930.70
KUSHIN	LIEUTENANT	FIRE PREVENTION	5/24/84	178.00
PETERSON	PARAMEDIC	AMBULANCE 46	8/14/84	239.00
WOOD	LIEUTENANT	ENGINE COMPANY 57	2/25/83	50.00

(Continued from page 11746)

The following is said resolution transmitted with the foregoing committee report:

WHEREAS, The City of Chicago will receive revenue from the State of Illinois Tax Amnesty Program; and

WHEREAS, The City Council of the City of Chicago wishes to keep the expenditures of government at their lowest possible level; and

WHEREAS, It is imperative that a \$26 million property tax decrease recommended by the Committee on Finance for Chicago property taxpayers in 1985 not only be enacted, but maintained throughout 1985; and

WHEREAS, It is anticipated that salary increases may be provided for some City employees in 1985, as a result of collective bargaining agreements negotiated in 1984 and 1985, but no appropriation has or can be made in the proposed 1985 Annual Appropriation Ordinance to cover these anticipated salary increases because the exact sums are incapable of determination presently; now, therefore,

Be It Resolved, That any and all revenues received by the City from the State of Illinois Tax Amnesty Program are to be set aside for the sole purpose of providing any necessary salary increases for City of Chicago employees.

Action Deferred -- RESTORATION OF NATIVITY SCENE IN
LOBBY OF CITY HALL.

The Committee on Finance submitted the following report, which was, on motion of Alderman Bloom and Alderman Kelley, *Deferred* and ordered published:

CHICAGO, December 12, 1984.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred, a resolution authorizing the restoration of the Nativity Scene in the lobby of City Hall, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed resolution transmitted herewith.

This recommendation was concurred in by 24 members of the committee with 1 dissenting vote.

Respectfully submitted,
(Signed) EDWARD M. BURKE,
Chairman.

The following is said resolution transmitted with the foregoing committee report:

WHEREAS, The Nativity Scene which was previously located in the lobby of the City Hall building symbolized the "true meaning of Christmas" for hundreds of thousands of Christian Chicagoans; and

WHEREAS, The Nativity Scene has traditionally been a part of Chicago Christmases; and

WHEREAS, The United States Supreme Court has upheld the constitutionality of the Nativity Scene sponsored by municipalities where no City funds are involved; and

WHEREAS, The Nativity Scene previously located in the lobby of City Hall was donated by the Plaster Institute; and

WHEREAS, Judge James B. Morton of the United States District Court for the Northern District of Illinois in the case of *De Spain v. City of Chicago* entered a consent decree allowing the Nativity Scene in City Hall of the City of Chicago; now, therefore,

Be It Resolved by the City Council of the City of Chicago:

That the Nativity Scene be placed back in the City Hall lobby for all Chicagoans to see and enjoy.

Action Deferred -- PROVISION FOR LEVY OF TAXES SUFFICIENT
TO PAY PRINCIPAL OF AND INTEREST ON ISSUANCE OF
\$114,500,000 GENERAL OBLIGATION SCHOOL
ASSISTANCE BONDS, SERIES E (1984).

The Committee on Finance submitted the following report, which was, on motion of Aldermen Madrzyk, Stone and Pucinski, *Deferred* and ordered published:

CHICAGO, December 12, 1984.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred an ordinance providing for the levy of taxes sufficient to pay principal of and interest on an issue of General Obligation School Assistance Bonds, Series E (1984), of the Chicago School Finance Authority in the amount of \$114,500,000 having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Pass* the proposed ordinance transmitted herewith.

This recommendation was concurred in by a viva voce vote of the members of the committee.

Respectfully submitted,
(Signed) EDWARD M. BURKE,
Chairman.

The following is said ordinance transmitted with the foregoing committee report:

WHEREAS, There has been filed with and there is before the City Council of the City of Chicago (the "City Council") a certified copy of a resolution adopted on April 29, 1980, as supplemented on December 9, 1980 and November 13, 1984 (the "Bond Resolution"), by the Chicago School Finance Authority (the "Authority"), creating and establishing an issue of General Obligation School Assistance Bonds of the Authority (the "Bonds"), a conformed copy of which is attached as Exhibit A to this ordinance; and

WHEREAS, There has been filed with and there is before the City Council a certified copy of a resolution (the "Series E Resolution") adopted on November 13, 1984 by the Authority, authorizing the issuance of \$114,500,000 aggregate principal amount of General Obligation School Assistant Bonds of the Authority, Series E (1984) (the "Series E Bonds"), a conformed copy of which (with exhibits deleted) is attached as Exhibit B to this ordinance; and

WHEREAS, The Bond Resolution and the Series E Resolution were adopted pursuant to the authority of and in compliance with the Constitution and the laws of the State of Illinois including the School Finance Authority Act, as amended to the date hereof (the "Act"), of the State; and

WHEREAS, The City Council desires to provide for the levy of taxes sufficient to pay and discharge the principal of the Series E Bonds at maturity or on sinking fund installment dates and to pay interest on the Series E Bonds as it falls due; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. *Levy of Taxes.* In compliance with the demand and direction in the Series E Resolution that the City Council levy and provide for the collection of a direct annual tax sufficient to pay the principal of and interest on the Series E Bonds, there is levied and there shall be collected a direct annual tax upon all the taxable property within the City of Chicago (the "City"), being the school district named the Board of Education of the City of Chicago (the "Board"), for the purpose of paying principal of and interest on the Bonds, sufficient to pay and discharge the principal of the Series E Bonds at maturity or on sinking fund installment dates and to pay interest on the Series E Bonds as it falls due, and in particular, but not in limitation of the foregoing, including a tax sufficient to produce the following sums for the following years:

<i>Levy Year</i>	<i>Amount</i>	<i>Levy Year</i>	<i>Amount</i>
1984	\$11,211,001.25	1996	\$13,004,011.25
1985	12,793,256.25	1997	13,047,511.25
1986	12,807,806.25	1998	13,083,716.25
1987	12,823,106.25	1999	13,122,686.25
1988	12,838,746.25	2000	13,160,461.25
1989	12,857,746.25	2001	13,200,851.25
1990	12,875,586.25	2002	13,249,806.25
1991	12,891,361.25	2003	13,294,175.00
1992	12,912,161.25	2004	13,346,025.00
1993	12,931,581.25	2005	13,398,900.00
1994	12,956,331.25	2006	13,462,825.00
1995	12,982,011.25	2007	13,530,725.00.

SECTION 2. *Additional Levy for Deficiencies.* The taxes which are levied by this ordinance (the "Series E Tax Levy Ordinance") include the additional sums provided in this Section, which are in addition to the dollar amounts specifically set forth in Section 1 of this Ordinance. For paying principal of and interest on the Bonds, and for the purpose of providing money to be deposited in the debt service reserve fund (the "Reserve Fund") established by the Bond Resolution for the Series E Bonds pursuant to the Act, there is levied and there shall be collected a direct annual tax upon all taxable property within the City, being the school district named Board of Education of the City of Chicago sufficient to produce the sums specified in this Section. The additional sums provided in this Section are levied for each levy year, beginning with the levy year 1985, and shall be collected in each year, beginning with calendar year 1986, while any of the Series E Bonds are outstanding and unpaid, either as to principal or interest. The additional amount levied for each year pursuant to this Section is the sum sufficient to produce the amount, if any, by which:

(i) the cumulative total principal amounts due on the Series E Bonds at maturity or on sinking fund installment dates and interest on the Series E Bonds as it shall have come due, in each case through December 1 of such levy year, less an amount equal to the interest paid from the Series E Capitalized Interest Account (all as provided in the Bond Resolution and the Series E Resolution) shall have exceeded

(ii) the cumulative total of the collections, up to and through December 1 of such levy year, of all taxes levied as provided by this Series E Tax Levy Ordinance (including taxes levied pursuant to this Section, and treating as tax collections the total amount of all such taxes which shall have been abated pursuant to Section 601 of the Bond Resolution with respect to extensions for all years through such December 1). The language following the comma in the foregoing parenthetical phrase is included as a clarification of the operation of this Section and does not effect any change in meaning from the corresponding sections in the ordinances levying taxes for previously issued series of Bonds.

No later than December 31 of each year, beginning in 1985, the Trustee under the Bond Resolution shall file in the offices of the county clerks of each county in which any taxable property in the City is located, a statement, certified by a corporate trust officer of that Trustee, of the amount of the additional taxes which are included in the levy for that year as provided in this Section. The failure of the Trustee to file the certificate referred to in the preceding sentence shall not affect the validity of the levy of taxes as provided in this Section and, whether or not the Trustee shall file the statement, the county clerks and collectors of each county in which any taxable property in the City is located are directed to cause to be extended and collected all the amounts levied by this Section, all as provided in this Section.

SECTION 3. *Filing of Ordinance.* After the adoption of this Series E Tax Levy Ordinance, the City Clerk of the City is directed to cause copies of this Series E Tax Levy Ordinance, duly certified by or on behalf of that officer, to be filed in the offices of the county clerks and of the county tax collectors of each county in which any taxable property in the City is located. Upon the filing of such copies of this Series E Tax Levy Ordinance with the county clerks, it shall be the duty of those county clerks to extend the taxes so levied for the Series E Bonds, all as provided in the Act, this Series E Tax Levy Ordinance, the Bond Resolution and the Series E Resolution. Except as specifically provided in the Bond Resolution, the Series E Resolution or this Series E Tax Levy Ordinance, the taxes

levied as provided in this Series E Tax Levy Ordinance shall be computed, extended and collected in the same manner as is now or may subsequently be provided for the computation, extension and collection of ad valorem property taxes in the City generally. The taxes to be levied as provided in this Series E Tax Ordinance shall be extended without limitation as to rate and shall be extended in amounts sufficient to produce the amounts so specified and provided for. No further action of this City Council shall be required for the levy of taxes as provided in this Series E Tax Levy Ordinance or for their extension and collection by the appropriate county officers.

SECTION 4. *Tax for Sole Benefit of Bondholders; Payment to Trustee.*

(a) As provided by the Act and the Bond Resolution, while any Series E Bonds remain outstanding and unpaid, the taxes levied by this Series E Tax Levy Ordinance shall be for the sole benefit of the holders of the outstanding Bonds. The Act and the Bond Resolution provide that such holders of Series E Bonds shall have a security interest in, and a lien upon, all rights, claims and interest of the Authority arising pursuant to the levy and all present and future proceeds of the levy and that the security interest in and lien upon those rights, claims and interests is valid and binding from the time the Series E Bonds are issued, without any physical delivery or further act, and shall be valid and binding as against, and prior to any claims, if any, of all other parties having claims of any kind in contract, tort or otherwise against the State, the Authority, the Board or the City, or any other person, irrespective of whether such other parties have notice of such lien or security interest.

(b) As provided by the Act and the Bond Resolution, all proceeds of the levy of taxes made by this Series E Tax Levy Ordinance shall be deposited by the county collectors of each county in which any taxable property in the City shall be located directly in the Debt Service Fund established with the Trustee by the Bond Resolution. The Bond Resolution provides that such amounts shall be applied solely for the payment and discharge of principal of the Bonds (at maturity or on sinking fund installment dates) and of interest on the Bonds as it falls due, or for redemption or purchase of Bonds as provided by the Bond Resolution, or for transfer to the Reserve Fund as provided by the Bond Resolution, and shall not be used for any other purpose.

SECTION 5. *Tax in Addition to and Separate from Other Taxes.* As provided by the Act, the taxes levied as provided in this Series E Tax Levy Ordinance shall be in addition to and exclusive to the maximum of all other taxes which the Authority, the Board or the City Council is now, or may hereafter be, authorized constitutionally or by law to levy for any and all school (or any other) purposes. The taxes so levied by this Series E Tax Levy Ordinance shall be separate and apart from all other taxes of the Authority, the Board and the City.

SECTION 6. *Bonds Not Obligations of City.* This Series E Tax Levy Ordinance is adopted in order to carry out the functions of the City Council as specified in the Act and the Series E Bonds shall not be deemed to constitute a debt or liability of the City, within the meaning of the Constitution and laws of the State, or a pledge of the full faith and credit of the City. The issuance of the Series E Bonds shall not directly, indirectly or contingently obligate the City to levy any form of taxation for the Series E Bonds or to make any appropriation for payment of the Series E Bonds, provided that this sentence does not affect the obligations of the City Council under the Act, the Bond Resolution, the Series E Resolution and this Series E Tax Levy Ordinance. The City shall not in any event be liable

for the payment of principal, redemption price or interest on the Series E Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach of any such pledge, obligation or agreement may impose any liability upon the City or any charge upon its general credit or against its taxing power.

SECTION 7. *Allowance for Loss and Cost of Collection and Anticipated Deferred Collections.* The Act, the Bond Resolution and the Series E Resolution provide that in extending the taxes levied by this Series E Tax Levy Ordinance, the county clerks of each county in which any taxable property in the City is located shall include in each year an amount to cover loss and cost of collection and anticipated deferred collections of the taxes so levied as is and shall be determined by the Authority pursuant to the Act, the Bond Resolution and the Series E Resolution. The Series E Resolution initially determines amounts to be so included in the extension of the taxes levied by this Series E Tax Levy Ordinance. The Bond Resolution and the Series E Resolutions provide for those determinations to be modified by the Authority as provided in those Resolutions. No action of the City Council shall be required with respect to any such determination or modification of the determination of the allowance for loss and cost of collection and anticipated deferred collections for taxes to be extended in any year.

SECTION 8. *Covenants.* It is covenanted and agreed with the Holders (as defined in the Bond Resolution) of all Bonds issued under the Bond Resolution as follows:

(a) The City Council will not take any action to repeal, abate or reduce the taxes levied by this Series E Tax Levy Ordinance, or otherwise to restrict the extension and collection of those taxes, except upon the direction of the Authority to the extent expressly permitted by the Bond Resolution.

(b) Without limiting any provisions of this Series E Tax Levy Ordinance, the City Council will take any or all additional steps, make any or all additional directions and cause to be filed any or all additional documents as may be or may become necessary to cause to be levied and extended for collection a direct annual tax upon all taxable property within the City, being the school district named the Board of Education of the City of Chicago, sufficient to pay and discharge the principal of the Series E Bonds, at maturity or on sinking fund installment dates, and interest on the Series E Bonds as it falls due.

SECTION 9. *Conflict.* To the extent that any ordinances, resolutions, or rules of the City Council are in conflict with this Series E Tax Levy Ordinance or its adoption, the provisions of this Series E Tax Levy Ordinance and its adoption shall be controlling.

SECTION 10. *Effectiveness.* This Series E Tax Levy Ordinance shall be effective and in force immediately upon its adoption.

Exhibits A and B attached to the foregoing ordinance read as follows:

EXHIBIT A.

A Resolution Creating And Establishing An Issue Of
General Obligation School Assistance Bonds Of The
Chicago School Finance Authority, Providing For The
Issuance From Time To Time Of Those
Bonds And Providing For The Payment
Of Principal Of And Interest On
Those Bonds.

Be It Resolved by the Board of Directors of the Chicago School Finance Authority as follows:

ARTICLE 1

Statutory Authority, Findings and Definitions.

101. *Definitions.* For purposes of this Resolution each of the following words and phrases shall have the following meanings, unless the context clearly indicates a different meaning:

- (1) The word "Act" means Article 34A of The School Code, as amended, of the State.
- (2) The word "Authority" means the Chicago School Finance Authority, a body politic and corporate and unit of local government of the State, established by the Act.
- (3) The phrase " Authorized Officer" in respect of any act or duties, means any director, officer or employee of the Authority authorized by resolution of the Authority to perform that particular act or duty. With respect to any investment of funds Authorized Officer also includes an investment advisor appointed by resolution of the Authority.
- (4) The word "Board" means the Board of Education of the City of Chicago, which is the school district comprising the City.
- (5) The words "Bonds" means any Bond, or the issue of the Bonds, as the case may be, established and created by this Resolution and issued pursuant to a Series Resolution or Series Resolutions.
- (6) The phrase "Capitalized Interest Accounts" means the series of accounts of that name in the Debt Service Fund, which accounts are established pursuant to Section 601 of this Resolution.
- (7) The word "Chairman" means the Chairman of the Authority.
- (8) The word "City" means the City of Chicago, Illinois.
- (9) The phrase "Cost of Issuance" means all fees and costs incurred by the Authority relating to the issuance of the Bonds, including without limitation, printing costs, administrative costs, Trustee's fees and charges, Paying Agents' fees, legal fees, accounting fees, and financial advisory fees, premiums for municipal bond insurance and costs of letters of credit or other credit facilities and related services with respect to the Bonds.

(10) The phrase "Cost of Issuance Accounts" means the series of accounts established pursuant to Section 503 of this Resolution.

(11) The phrase "Counsel's Opinion" shall mean an opinion signed by a lawyer or firm of lawyers selected by the Authority.

(12) The phrase "Debt Service Fund" means the fund established by Section 601 of this Resolution.

(13) The phrase "Debt Service Requirements" as applied to the Bonds or any Series of Bonds means, with respect to any date, all payments of principal of and interest on all such Bonds which are outstanding and which shall be due and payable on that date. In calculating the Debt Service Requirements for any date:

(a) there shall be included the Sinking Fund Installments on that date for Term Bonds;

(b) there shall be excluded the principal amount of Term Bonds maturing on that date but required to be redeemed prior to that date pursuant to Sinking Fund Installments; and

(c) there shall be excluded the interest which would be due on such date on the amount of Term Bonds required to be redeemed prior to that date pursuant to Sinking Fund Installments.

(14) The word "Holder" or "Bondholder" and the phrase "Holders of Bonds" (when used with respect to Bonds) means the bearer of any Bonds registered as to bearer or not registered, or the registered owner of any Bonds registered other than to bearer; the word "Holder" (when used with respect to coupons) shall be the bearer of any coupons.

(15) The phrase "Investment Obligations" means any of the following obligations which at the time of investment of any amounts in any Fund or Account established pursuant to this Resolution are legal investments under the laws of the State for those amounts:

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

(b) direct and general obligations of, or obligations guaranteed by, the State, to the payment of the principal of and interest on which the full faith and credit of the State are pledged;

(c) negotiable or non-negotiable time deposits evidenced by certificates of deposit issued by banks, trust companies or national banking associations (which may include the Trustee or any Paying Agent) which are members of the Federal Deposit Insurance Corporation, or by savings and loan associations which are members of the Federal Savings and Loan Insurance Corporation, provided that such time deposits in any such bank, trust company, national banking association or savings and loan association are continuously secured by obligations described in subparagraphs (a) or

(b) of this definition, and provided further that such obligations at all times have a market value at least equal to the maturity value of the deposits so secured, including accrued interest; and

(d) repurchase agreements with banks (which may include the Trustee or any Paying Agent) described in subparagraph (c) of this definition or with government bond dealers reporting to, trading with, and recognized as primary dealers by a Federal Reserve Bank, the underlying securities of which are obligations described in subparagraph (a) of this definition, provided that the underlying securities are required to be physically held by the Trustee or its agent (which shall not be the bank or dealer with respect to which the agreement is made) or for which securities other steps are taken which shall have the effect of securing the Trustee to the same extent as if it or its agent were the physical holder of the underlying securities, in the opinion of counsel selected by the Authority, and are required to be continuously maintained at a market value not less than the amount so invested.

(16) The word "Outstanding" when used with reference to Bonds, shall mean, as of any date, Bonds theretofore or then being delivered under the provisions of this Resolution, except:

(a) any Bonds cancelled by the Trustee or any Paying Agent at or prior to such date,

(b) Bonds for the payment or redemption of which monies equal to the principal amount or Redemption Price of such Bonds, as the case may be, with interest to the date of maturity or redemption date, shall be held by the Trustee or the Paying Agents in trust (whether at or prior to the maturity or redemption date), provided that if such Bonds are to be redeemed, notice of such redemption shall have been given as provided in Article IV of this Resolution or provision satisfactory to the Trustee shall have been made for the giving of that notice,

(c) Bonds in lieu of or in substitution for which other Bonds shall have been delivered pursuant to Article III or Section 406 of this Resolution, and

(d) Bonds paid or deemed to have been paid as provided in Section 1101 of this Resolution.

(17) The phrase "Paying Agents" means the paying agents for the Bonds of any Series appointed pursuant to the Series Resolution for such Bonds, or their successors appointed pursuant to this Resolution.

(18) The phrase "Principal and Interest Account" means the account of that name in the Debt Service Fund, which account is established by Section 601 of this Resolution.

(19) The phrase "Redemption Account" means the account of that name in the Debt Service Fund, which account is established by Section 601 of this Resolution.

(20) The phrase "Redemption Price" shall mean, with respect to any Bond (or portion of any Bond) the price on any redemption date, exclusive of accrued and unpaid interest, at which that Bond (or a portion of it) may be redeemed pursuant to this Resolution and the Series Resolution pursuant to which the Bond was issued.

(21) The phrase "Reserve Fund" means the fund established by Section 602 of this Resolution.

(22) The phrase "Reserve Requirement" means, as of any date of calculation, an amount equal to one-half of the maximum amount of the sum of the Debt Service Requirements for the Outstanding Bonds for any twelve-month period ending on any June 1 after the date of calculation.

(23) The word "Resolution" shall mean this Resolution, as it may from time to time be supplemented by Supplemental Resolutions.

(24) The phrases "School Assistance Bonds Administrative Expenses" and "Administrative Expenses" means fees and costs incurred by the Authority relating to the investment of amounts in the various funds and accounts established pursuant to this Resolution (including, without limitation, investment advisory fees), relating to securing and paying of Bonds (including, without limitation, Trustee's and Paying Agent's fees not incurred as a Cost of Issuance), relating to the use and application of amounts in the School Construction Fund and the School Rehabilitation Fund (including, without limitation, costs of reviewing applications by the Board for disbursement of those funds) and relating to providing credit support for the Bonds (including, without limitation, premiums for municipal bond insurance and costs of letters of credit or other credit facilities and related services with respect to the Bonds, not incurred as a Cost of Issuance).

(25) The phrases "School Assistance Bond Administrative Fund" and "Administrative Fund" mean the fund established by Section 507 of this Resolution.

(26) The phrase "School Assistance Fund" means the fund established by Section 501 of this Resolution.

(27) The phrase "School Construction Fund" means the fund established by Section 505 of this Resolution.

(28) The phrase "School Construction Purposes" means the purposes of constructing new school buildings or providing additions to school buildings.

(29) The phrase "School Construction and Rehabilitation Purchases" means the purposes of constructing new school buildings and rehabilitating and accomplishing the deferred maintenance existing as of August 31, 1984, of school buildings, including without limitation, repairing, modernizing, providing additions to and facilities in, altering and reconstructing school buildings and equipment.

(30) The phrase "School Rehabilitation Fund" means the fund established by Section 506 of this Resolution.

(31) The phrase "School Rehabilitation Purposes" means School Construction and Rehabilitation Purposes other than School Construction Purposes.

(32) The phrase "Serial Bonds" shall mean Bonds which mature in annual installments of principal (which need not be equal).

(33) The phrase "Series of Bonds" or "Bonds of a Series" shall mean the Series of Bonds authorized by a Series Resolution.

(34) The phrase "Series Resolution" shall mean a resolution of the Authority authorizing the issuance of a Series of Bonds in accordance with the terms and provisions of this Resolution.

(35) The phrase "Sinking Fund Installments" means with respect to any date the principal amount of Term Bonds of any Series which are required to be paid at maturity or are required to be redeemed by the Authority on the date pursuant to and in the amounts provided by Section 204 of this Resolution and by the Series Resolution for that Series of Bonds.

(36) The phrase "Special Payments Account" means the account of that name in the Debt Service Fund, which account is established by Section 601 of this Resolution.

(37) The word "State" means the State of Illinois.

(38) The phrase "Supplemental Resolution" shall mean a resolution supplemented to this Resolution, adopted by the Authority in accordance with Article X of this Resolution.

(39) The phrase "Tax Levy Ordinance" with respect to any Series of Bonds means the ordinance which is required to be adopted by the City Council of the City levying taxes sufficient to pay such Series of Bonds as provided in Section 906 of this Resolution.

(40) The phrase "Term Bonds" shall mean Bonds payable pursuant to Sinking Fund Installments.

(41) The word "Trustee" means The First National Bank of Chicago, Chicago, Illinois, as trustee under this Resolution, or its successor as such Trustee.

(42) The phrase "Trustee's Annual Report" means the report required by Section 813 of this Resolution to be made by the Trustee to the Authority in December of each year, beginning in 1981.

(43) The phrase "Working Cash Fund" means the fund established by Section 504 of this Resolution.

102. *Findings.* It is found and declared as follows:

(a) The Authority has been established by the Act as a body politic and corporate and as a unit of local government for the purposes of exercising financial control over the Board and of furnishing financial assistance to the Board, in each case so that the Board can provide public education within the City while permitting the Board to meet its obligations to its creditors and holders of its bonds and notes.

(b) The Authority has been authorized by the Act to provide the Board with moneys for School Construction and Rehabilitation Purposes.

(c) It is necessary and in the best interest of the Authority and the public for the Authority to establish by this Resolution an issue of its General Obligation School Assistance Bonds and to provide for the issuance from time to time of those Bonds.

103. *Authority for this Resolution.* This Resolution adopted pursuant to the provisions of the Act.

104. *Resolution and Series Resolutions Constitute Contract.* In consideration of the purchase and acceptance of any and all of the Bonds issued under this Resolution by those who shall hold the same from time to time, this Resolution shall be deemed to be and shall constitute a contract between the Authority and the Holders of the Bonds and coupons. Each Series Resolution shall be deemed to be and shall constitute a contract between the Authority and the Holders of the Bonds and of the coupons pertaining to the Bonds. The liens and security interests provided for in this Resolution and the covenants and agreements set forth in this Resolution to be performed by the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds and coupons, all of which, without regard to the time or times of their issue or maturity, shall be equal of equal rank without preference, priority or distinction of any of the Bonds or coupons over any other Bonds or coupons, except as expressly provided in or permitted by this Resolution.

ARTICLE II

Authorization and Issuance of Bonds.

201. *Authorization of Bonds.* There is established and created an issue of Bonds of the Authority to be known and designated as "General Obligation School Assistance Bonds". The Bonds may be issued as provided in this Resolution without limitation as to principal amount except as provided in this Resolution or as may be limited by law. All the Bonds are payable from the sources and are secured as provided in this Resolution. The Bonds shall be general obligations of the Authority. To the payment as it falls due of the interest on the Bonds and of the principal of the Bonds at maturity or on Sinking Fund Installment dates, the full faith and credit of the Authority are irrevocably pledged. The principal, Redemption Date and interest on the Bonds are payable solely (a) from the taxes levied as provided by this Resolution, (b) from the Debt Service Fund and the Reserve Fund, including from deposits in those Funds of proceeds from the sale of the Bonds and of amounts transferred from (i) the Working Cash Fund as provided in Section 504 of this Resolution, (ii) the School Construction Fund as provided in Section 505 of this Resolution, (iii) the School Rehabilitation Fund as provided in Section 506 of this Resolution, and (iv) the Administrative Fund as provided in Section 507 of this Resolution, and (c) from investment earnings on the Debt Service Fund and the Reserve Fund, all as provided in this Resolution and the various Series Resolutions; provided, however, nothing in this Resolution shall prohibit the use for any such payment of Bonds of any funds which lawfully may be used for that purpose.

202. *Bonds Not Obligations of State, City or Board.* The Bonds shall not be deemed to constitute a debt or liability of the State, the City or the Board or of any other political subdivision of the State (other than the Authority) within the meaning of the Constitution of the State or any State law, or a pledge of the full faith and credit of the State, the City or the Board or any other political subdivision of the State (other than the Authority). The issuance of the Bonds shall not directly, indirectly or contingently obligate the State, the

City or the Board, or any other political subdivision of the State (other than the Authority) to levy any form of taxation for the Bonds (except as explicitly provided in the Act, this Resolution, the various Series Resolutions and the various Tax Levy Ordinances) or to make any appropriation for payment of the Bonds. The State, the City and the Board shall not in any event be liable for the payment of principal, Redemption Price or interest on the Bonds or for the performance of any pledge, obligation or agreement of any kind whatsoever which may be undertaken by the Authority. No breach of any such pledge, obligation or agreement may impose any liability upon the State, the City or the Board or any charge upon their general credit or against their taxing power. The Bonds shall state on their face that they are payable solely from the funds and revenues provided for their payment in accordance with this Resolution and the various Series Resolutions; provided, however, nothing in this Resolution or in any Series Resolution shall prohibit the use for such payment of Bonds of any funds which lawfully may be used for that purpose.

203. *Pledge of State.* By the Act, the State pledges to and agrees with the Holders of the Bonds that the State will not limit or alter the rights and powers vested in the Authority by the Act so as to impair the terms of the contract made by this Resolution, the various Series Resolutions or the various Tax Levy Ordinances with the Holders of the Bonds and of the coupons pertaining to the Bond or so as in any way to impair the rights and remedies of the Holders of the Bonds and of the coupons pertaining to the Bonds until the Bonds are paid in full as to both principal and interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the Holders of the Bonds and of the coupons pertaining to the Bonds are fully met and discharged or provision is made for their payment.

204. *Provisions for Issuance of Bonds.* The Bonds may be issued in one or more Series. The issuance of the Bonds shall be authorized by one or more Series Resolutions of the Authority adopted subsequent to this Resolution. The Bonds of each Series shall, in addition to the title "General Obligation School Assistance Bonds", contain an appropriate Series designation.

The Bonds of each Series shall be executed by the Authority for issuance under the Resolution and delivered to the Trustee, authenticated by the Trustee, if authentication is required by the Series Resolution, and delivered by the Trustee to the Authority or upon its order, but only upon receipt by the Trustee of:

(1) A Counsel's Opinion of nationally recognized bond counsel to the effect that (a) the Authority has the legal right and power to adopt the Resolution and the Series Resolution pertaining to that Series of Bonds, and the Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority, (b) the Series Resolution and the Tax Levy Ordinance pertaining to the Series of Bonds being issued have been duly and lawfully adopted, are in full force and effect and are valid and binding and conform to the requirements of this Resolution for such Series Resolutions and Tax Levy Ordinances, and (c) the Bonds of such Series are valid and binding obligations of the Authority as provided in the Resolution and entitled to the benefits of the Resolution and of the Act as amended to the date of such Counsel's Opinion, and that such Bonds have been duly and validly authorized and issued in accordance with law, including the Act as amended to the date of such Counsel's Opinion, and in accordance with the Resolution.

(2) A written order as to the delivery of such Series of Bonds, signed by an Authorized Officer of the Authority.

(3) In the case of each Series of Bonds, a copy of the Series Resolution authorizing such Bonds, certified by the Secretary of the Authority, which Series Resolution shall specify:

- (a) The authorized principal amount of that Series of Bonds;
- (b) The purposes for which the Series of Bonds is being issued, which may be for any purpose for which the Authority by law is (or may at the time of issuance of such Series Bonds be) authorized to issue such Series of Bonds;
- (c) The date, maturity dates and amounts of each maturity and the first interest payment date of the Bonds of the Series;
- (d) The interest rate or rates for such Series of Bonds or the manner of determining such rate or rates;
- (e) The denomination or denominations of, and the manner of numbering and lettering the Bonds of such Series, provided that each Bond shall be of the denominations of \$5,000 or an integral multiple of that principal amount, not exceeding the aggregate principal amount of the Bonds of such Series maturing in the year of maturity of the Bond for which the denomination is to be specified;
- (f) The Paying Agents or the method of appointing the Paying Agents, if any, and the place or places of payment of the principal and Redemption Price, if any, of and interest on the Bonds of each Series.
- (g) The Redemption Price or Redemption Prices, if any, and, subject to Article IV, the redemption terms, if any, for the Bonds of such Series;
- (h) If so determined by the Authority, the provisions for the sale of the Bonds of such Series;
- (i) The forms of the Bonds of such Series and the coupons to be attached to the coupon Bonds, if any, of such Series;
- (j) The manner in which the Bonds of such Series are to be executed, including any provision for authentication of such Series of Bonds; and
- (k) The amount and due date of each Sinking Fund Installment for Term Bonds of such Series of Bonds, if any.

Each Series Resolution shall demand and direct the City Council of the City to levy taxes sufficient to pay the Bonds of such Series as provided in Section 906 of this Resolution. Each Series Resolution shall determine an allowance for loss and cost of collection of taxes and anticipated deferred collections of those taxes in accordance with the provisions of Section 906 of this Resolution. Bonds of a Series may be either Serial Bonds or Term Bonds, or a combination of Serial and Term Bonds. Each Series Resolution shall provide for principal maturities or Sinking Fund Installments, or both, as the case may be. All Bonds of each such Series of like maturity shall be identical in

all respects, except as to denominations, numbers and letters, and except that they may be in either coupon or fully registered form.

(4) The amount, if any, necessary to deposit in the Reserve Fund so that the value of the Reserve Fund shall at least equal the Reserve Requirement calculated immediately after the delivery of such Series Bonds on all Bonds then to be Outstanding.

(5) The amount, if any, necessary to deposit in the Debt Service Fund to the credit of the Capitalized Interest Account for such Series of Bonds, all as provided in Section 909 of this Resolution.

(6) A copy of the Tax Levy Ordinance, certified by or on behalf of the City Clerk of the City, for such Series of Bonds levying taxes sufficient to pay the Bonds of such Series as provided in Section 906 of this Resolution.

(7) Such further documents and monies as are required by the provisions of Article X of this Resolution or by any Series Resolution or any Supplemental Resolution adopted pursuant to Article X of this Resolution.

ARTICLE III

General Terms and Provisions of Bonds.

301. *Medium of Payment; Form and Date.* (1) Principal, interest and the Redemption Price on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. The Bonds are authorized to be issued in the form of coupon bonds, registrable as to principal only, or in the form of fully registered bonds without coupons, or in both such forms. A Series Resolution may provide that Bonds of that Series shall be issued solely in fully registered form, shall not be registrable to bearer and shall not be exchangeable for Bonds in coupon form. Bonds in coupon form shall each be exchangeable for Bonds in fully registered form and Bonds in fully registered form shall be exchangeable for Bonds in coupon form, all as provided in this Resolution.

(2) Bonds of each Series in coupon form shall be dated as of the date specified in the Series Resolution authorizing their issuance. Bonds of each Series in fully registered form issued before the first interest payment date for that Series shall be dated as of the date specified in the Series Resolution for Bonds of that Series in coupon form. Bonds in fully registered form issued on or after that first interest payment date shall be dated as of their date of issue if issued on June 1 or December 1, or if not issued on such a date, shall be dated as of the June 1 or December 1 next preceding their date of issue. However, notwithstanding the previous sentence, if the interest on Bonds shall be in default, as shown by the records of the Trustee, Bonds issued in fully registered form in exchange or transfer for Bonds in default shall be dated as of the date specified in the Series Resolution for Bonds of that Series in coupon form (or if no bonds are to be issued in coupon form, then on the date specified in the Series Resolution), or the date to which interest has been paid in full on the Bonds surrendered, whichever date is later. The Bonds shall bear interest from their date. All Bonds of each Series shall mature and each Sinking Fund Installment shall fall due on June 1 of the years as specified by the related Series Resolution. Interest on all Bonds of each Series shall be payable semi-annually on June 1 and December 1 of each year

as specified by a Series Resolution. The first interest payment date on the Bonds of a Series shall be such date as the Authority shall specify by the related Series Resolution.

302. *Interchangeability of Bonds.* Bonds in coupon form, upon their surrender at the corporate trust office of the Trustee with all unmatured coupons attached, may, at the option of their Holder, be exchanged for an equal aggregate principal amount of Bonds in fully registered form of the same Series and maturity of any authorized denomination. Bonds in fully registered form, upon their surrender at the principal trust office of the Trustee may, at the option of the registered owner thereof, be exchanged for an equal aggregate principal amount of Bonds in coupon form of the same Series and maturity with appropriate coupons attached, or if Bonds in fully registered form of the same Series and maturity of any other authorized denomination or denominations.

303. *Negotiability, Transfer and Registry.* All the Bonds issued under this Registration shall, as provided in the Act, be negotiable, subject to the provisions for registration and transfer contained in this Resolution and in the Bonds. So long as any of the Bonds shall remain outstanding, the Authority shall maintain and keep, at the corporate trust office of the Trustee, books for the registration and transfer of Bonds. Upon presentation of any Bond for registration and transfer at the office, the Authority shall register or cause to be registered in those books, and shall permit to be transferred on those books, under such reasonable regulations as it or the Trustee may prescribe, any Bond entitled to registration or transfer. So long as any of the bonds remain Outstanding, the Authority shall make all necessary provisions to permit the transfer and exchange of Bonds pursuant to this Resolution at the corporate trust office of the Trustee. The Trustee is appointed Bond Registrar for the Bonds.

304. *Transfer and Registration of Bonds in Coupon Form.* (1) All Bonds in coupon form shall pass by delivery, unless registered as to principal other than to bearer in the manner provided in this Section. Any Bond in coupon form may be registered as to principal on the books of the Authority at the corporate trust office of the Trustee, upon presentation of the Bond at that office and a payment of a charge sufficient to reimburse the Authority or the Trustee for any tax, fee or other governmental charge, other than one imposed by the Authority, required to be paid with respect to such registration, and such registration shall be noted on such Bond. No other charge shall be made by the Authority or the trustee as a condition precedent to such registration. After the registration no transfer shall be valid unless made on the books of the Trustee by the registered owner in person or by the registered owner's attorney duly authorized in writing, and similarly noted on such Bond. Such a Bond may be discharged from registration by being in like manner registered to bearer after which it shall again become transferable by delivery. Thereafter such Bond may again, from time to time, be registered or discharged from registration in the same manner. Registration of any Bond in coupon form as to principal, however, shall not affect the negotiability by delivery of the coupons pertaining to such Bond, but each such coupon shall continue to pass by delivery and shall remain payable to bearer.

(2) As to any Bond in coupon form registered as to principal (other than to bearer), the person in whose name the Bond shall be registered upon the books of the Authority may be deemed and regarded as the absolute owner of the Bond, whether such Bond shall be overdue or not, for all purposes, except for the purpose of receiving payment of coupons. Payment of, or on account of, the principal or Redemption Price, if any, of such Bond shall be made only to, or upon the order of, such registered owner, but such registration may be changed as provided in this Article. All such payments shall be valid and effective to

satisfy and discharge the liability upon such Bond to the extent of sum or sums so paid. The Authority, the Trustee and any Paying Agent may treat the bearer of any coupon as the absolute owner of the coupon, whether the coupon shall be overdue or not, for the purpose of receiving payment of the coupon and for all other purposes whatsoever, and may treat the bearer of any Bond in coupon form which shall not at the time be registered as to principal other than to bearer, as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of the principal or Redemption Price of that Bond and for all other purposes whatsoever except for the purpose of receiving payment of coupons, and neither the Authority, nor the Trustee nor any Paying Agent shall be affected by any notice to the contrary. The Authority agrees to indemnify and save the Trustee and each Paying Agent harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under this Resolution, in so treating such bearer or registered owner.

305. *Transfer of Bonds in Fully Registered Form.* (1) Each Bond in fully registered form shall be transferable only upon the books of the Authority, which shall be kept for that purpose at the corporate trust office of the Trustee. Such a transfer may be made by the registered owner of the Bond in person or by such owner's attorney duly authorized in writing, upon surrender of the Bond together with a written instrument of transfer satisfactory to the Trustee, duly executed by the registered owner or such owner's duly authorized attorney. Upon the transfer of any such Bond in fully registered form, the Authority shall issue (and cause to be authenticated by the Trustee) new Bond or Bonds in fully registered form registered as directed by the instrument of transfer, or, at the option of the transferee, Bonds in coupon form, with appropriate coupons attached, of the same Series, aggregate principal amount and maturity as the surrendered Bonds.

(2) The Authority and the Trustee may deem and treat the person in whose name any outstanding Bond in fully registered form shall be registered upon the books of the Authority as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on such Bond and for all other purposes, and all such payments so made to any such registered owner or upon such owner's order shall be valid and effective to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Authority, nor the Trustee shall be affected by any notice to the contrary. The authority agrees to indemnify and save the Trustee harmless from and against any and all loss, cost, charge, expense, judgment or liability incurred by it, acting in good faith and without negligence under this Resolution, in so treating such registered owner.

306. *Regulations with Respect to Exchange and Transfer.* In all cases in which the privilege of exchanging Bonds or transferring registered Bonds is exercised, the Authority shall execute and cause to be authenticated and the Trustee shall deliver Bonds in accordance with the provisions of this Resolution. All Bonds in fully registered form surrendered in any such exchanges or transfers shall forthwith be cancelled by the Trustee. All Bonds in coupon form, and the coupons pertaining to such Bonds surrendered in any such exchange or transfer shall be retained in the possession of the Trustee for the purpose of reissuance upon subsequent exchanges. The Trustee, prior to reissuance of any such Bonds in coupon form, shall detach and cancel all matured coupons (as to dates as to which interest on Bonds of that Series have been paid) from those Bonds. For every such exchange or transfer of Bonds, whether temporary or definitive, the Authority or the Trustee may make a charge sufficient to reimburse it for any tax, fee or other

governmental charge, other than one imposed by the Authority, required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer. No other charge shall be made by the Authority or the Trustee as a condition precedent to such exchange or transfer. The cost of preparing each new Bond in coupon form or Bond in fully registered form upon each exchange or transfer, and any other expenses of the Authority or the Trustee incurred in connection with the exchange or transfer (except any applicable tax, fee or other governmental charge, other than one imposed by the Authority), shall be paid by the Authority. The Authority shall not be obliged to make any such exchange or transfer of Bonds of any Series during the ten (10) days next preceding an interest payment date on the Bonds of that Series or, to make any such exchange or transfer in the case of any Bond proposed to be redeemed, after the first publication of notice of such redemption.

307. *Bonds Mutilated, Destroyed, Stolen or Lost.* In the case any Bonds of any Series shall become mutilated or be destroyed, stolen or lost, the Authority shall execute, cause to be authenticated by the Trustee, if authentication is required by the Series Resolution authorizing the Bonds of that Series, and deliver new Bonds (with appropriate coupons attached in the case of coupon Bonds) of like Series, maturity and principal amount as the Bonds and attached coupons, if any, so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Bonds, upon surrender and cancellation of such mutilated Bonds and attached coupons, if any, or in lieu of and substitution for the Bonds and coupons, if any, destroyed, stolen or lost, upon filing with the Authority of evidence satisfactory to the Authority and the Trustee that such Bonds and attached coupons, if any, have been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Authority with indemnity satisfactory to it and complying with such other reasonable regulations as the Authority may prescribe and paying such expenses as the Authority may incur. All Bonds and coupons so surrendered to the Authority shall be cancelled by it. An Authorized Officer shall advise the Trustee and Paying Agents of the issuance of substitute Bonds or coupons.

308. *Preparation of Definitive Bonds; Temporary Bonds.* Until definitive Bonds of any Series are prepared, the Authority may execute and cause to be authenticated by the Trustee (if authentication is required by the Series Resolution authorizing the Bonds of that Series) in the same manner as is provided in this Resolution, and deliver, in lieu of definitive Bonds, but subject to the same provisions, limitations and conditions, as the definitive coupon or fully registered Bonds (except as to the denominations and as to exchangeability for registered Bonds) one or more temporary Bonds (which may be registrable as to principal and interest), substantially of the tenor or the definitive Bonds in lieu of which such temporary Bond or Bonds are issued, but with or without coupons, in denominations of \$5,000 or any integral multiples of that amount authorized by the Authority, and with such omissions, insertions and variations as may be appropriate to temporary Bonds. The installments of interest payable on such temporary Bonds in bearer form shall be payable only upon the presentation and surrender of the coupons pertaining to those Bonds or, if no coupons for such interest are attached, then only upon presentation of such temporary Bonds for notation on those Bonds of the payment of such interest. The Chairman or other Authorized Officer is authorized to enter into such agreements as may be necessary or desirable with the purchasers of any Series of Bonds for issuance of such temporary Bonds. The Authority at its own expense shall prepare, execute and cause to be authenticated by the Trustee (if authentication is required by the Series Resolution authorizing the Bonds of that Series) and, upon the surrender of such temporary Bonds,

with there being attached all unmatured coupons and all matured coupons for which no payment or only partial payment has been provided, for exchange and the cancellation of such surrendered temporary Bonds and coupons, without charge to the Holder of such Bonds and coupons, deliver in exchange, at the corporate trust office of the Trustee, definitive Bonds. Until so exchanged, the temporary Bonds shall in respects be entitled to the same benefits and security as definitive Bonds issued pursuant to this Resolution. All temporary Bonds surrendered in exchange for a definitive Bond or Bonds shall then be promptly cancelled by the Trustee.

ARTICLE IV

Redemption of Bonds.

401. *Privilege of Redemption and Redemption Price.* Bonds subject to redemption prior to maturity pursuant to the provisions of a Series Resolution shall be redeemable, upon published notice as provided in this Article IV, at such times, at such Redemption Prices and upon such terms as may be specified in the Series Resolution authorizing such Series.

402. *Redemption at the Election of the Authority.* In the case of any redemption of Bonds at the option of the Authority, an Authorized Officer shall give written notice to the Trustee of the Authority's election so to redeem such Bonds, of the redemption date, of the Series, of the principal amounts of the Bonds of each maturity of such Series so to be redeemed (the Series, maturities and principal amounts of the Bonds to be redeemed to be determined by the Authority, subject to the limitations with respect to such determination contained in this Resolution and any Series Resolution) and of the monies to be applied to the payment of the Redemption Price and the interest accrued and unpaid on the principal amount of the Bonds to be redeemed to the redemption date. That notice shall be given at least sixty (60) days prior to the redemption date or such shorter period (not less than thirty (30) days) as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as provided in Section 405 of this Resolution, the Trustee shall, if it holds the monies to be applied to the payment of the Redemption Price and the interest to the redemption date accrued and unpaid on the principal amount of the Bonds to be redeemed or otherwise the Authority shall, prior to the redemption date, pay to the Trustee and the appropriate Paying Agents an amount in cash which, together with other monies, if any, available for that payment held by the Trustee and those Paying Agents, will be sufficient to redeem all of the Bonds to be redeemed, on the redemption date and at the Redemption Price for those Bonds together with accrued and unpaid interest on those Bonds to the redemption date. The Authority shall promptly notify the Trustee in writing of all such payments made by the Authority to a Paying Agent other than the Trustee.

403. *Redemption Otherwise Than at Authority's Election.* Whenever by the terms of this Resolution and any Series Resolution the Authority is required to redeem Bonds pursuant to Sinking Fund Installments or otherwise, the Trustee shall select the Bonds to be redeemed, give the notice of redemption and pay out the Redemption Price and interest accrued and unpaid to the redemption date on those Bonds to itself and the appropriate Paying Agents in accordance with the terms of this Article IV in order to effect such redemption.

404. *Selection of Bonds to Be Redeemed by Lot.* In the event of redemption of less than all of the outstanding Bonds of any Series and maturity, the Trustee shall assign to each Outstanding Bond in fully registered form of the Series and maturity to be redeemed a

distinctive number for each \$5,000 of the principal amount of such Bond. The Trustee shall then select by lot, using such method of selection as it shall deem proper in its discretion, from the numbers of all such Bonds in coupon form of such maturity and the numbers assigned to those Bonds in fully registered form as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds of such Series and maturity to be redeemed. The Bonds to be redeemed shall be the Bonds in coupon form of the denomination of \$5,000 bearing the numbers so selected and the Bonds in fully registered form to which were assigned numbers so selected; provided, however, that only so much of the principal amount of each such Bond in fully registered form of a denomination of more than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

405. *Notice of Redemption.* When the Trustee shall receive notice from an Authorized Officer of the Authority's election to redeem Bonds pursuant to Section 402 of this Resolution, or when redemption of Bonds is required by this Resolution pursuant to Section 403 of this Resolution, the Trustee shall give notice, in the name of the Authority, of the redemption of such Bonds. The notice shall specify the Series and maturities of the Bonds to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable and, if less than all of the Bonds of any series and maturity are to be redeemed, the letters and numbers of such Bonds so to be redeemed. In the case of Bonds in fully registered form to be redeemed in part only, the notice shall also specify the respective portions of the principal amount to be redeemed. The notice shall further state that on the redemption date there shall become due and payable upon each Bond to be redeemed the Redemption Price, or in case of Bonds in fully registered form the Redemption Price of the specified portions of the principal to be redeemed, together with unpaid interest accrued to the redemption date on the principal of the Bonds to be redeemed, and that from and after that date interest on such principal amount shall cease to accrue and be payable. The notice shall be given by publication once a week for at least two (2) successive weeks in a daily newspaper of general circulation in the City of Chicago, Illinois, and in a financial newspaper of general circulation in the City of New York, New York, the first such publication to be not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. The Trustee shall also mail a copy of such notice, postage prepaid, not less than thirty (30) days nor more than sixty (60) days prior to the redemption date, to the registered owners of any Bonds or portions of Bonds which are to be redeemed at their last address, if any, appearing upon the registry books, but such mailing shall not be a condition precedent to such redemption and failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of Bonds. A Series Resolution which provides for Bonds of the Series, to be issued solely in fully registered form may provide that, with respect to Bonds of that Series, notice of redemption need not be given by publication but may be given solely by mailing, all as provided by that Series Resolution.

406. *Payment of Redeemed Bonds.* Notice having been given by publication in the manner provided in Section 405 of this Resolution, the Bonds or portions of Bonds so called for redemption shall become due and payable on the redemption date so designated at the Redemption Price, plus interest accrued and unpaid to the redemption date on the principal of the Bonds to be redeemed, and, upon presentation and surrender of such Bonds at the offices specified in such notice, together with, in the case of Bonds registered other than to bearer presented by other than the registered owner, a written instrument of transfer duly executed by the registered owner or that owner's duly authorized attorney, and, in the case of Bonds in coupon form, all coupons pertaining to those Bonds maturing subsequent to the

redemption date, such Bonds, or portions thereof, as the case may be, shall be paid at the Redemption Price plus interest accrued and unpaid to the redemption date on the Bonds to be redeemed to the extent that such interest is not represented by coupons for matured interest installments. All interest installments represented by coupons which shall have matured on or prior to the redemption date shall continue to be payable to the bearers of such coupons. If there shall be selected for redemption less than all of the principal amount of a Bond in fully registered form, the Authority shall execute and deliver, upon the surrender of such Bond, without charge to the owner thereof, for the unredeemed portion of the principal amount of the registered Bond so surrendered, at the option of the owner thereof, either Bonds in coupon form or Bonds in fully registered form of like Series and maturity in any of the authorized denominations. If, on the redemption date, monies for the redemption of all the Bonds or portions thereof of any Series and maturity to be redeemed, together with interest to the redemption date, shall be held by the Trustee and Paying Agents so as to be available for that redemption on that date and if notice of redemption shall have been published as provided in this Article, then, from and after the redemption date, interest on the Bonds or portions of Bonds of such Series and maturity so called for redemption shall cease to accrue and become payable, and the coupons for interest pertaining to those Bonds maturing subsequent to the redemption date shall be void. If those monies shall not be so available 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.

ARTICLE V

Custody and Application of Certain Proceeds of Bonds.

501. *Establishment of and Deposits in School Assistance Fund.* There is created and established a separate and distinct fund to be maintained by the Trustee and entitled the "School Assistance Fund". To the credit of this Fund deposits shall be made as required in this Section. All proceeds of any Series of Bonds which are designated by the Series Resolution authorizing the issuance of that Series of Bonds to be used to provide financial assistance to the Board (including, without limitation, providing it with money for ordinary and necessary expenditures for educational purposes, maintenance of school facilities, and other operational needs of the Board), other than for School Construction and Rehabilitation Purposes, shall be deposited in the School Assistance Fund. In addition, there shall be deposited in the School Assistance Fund amounts required to be paid to and deposited in that Fund as provided in Section 503 of this Resolution. However, the portion of the proceeds of any Series of Bonds which is to be used to refund any Bonds or other notes and bonds of the Authority or is to be used to pay any debt obligations of the Board or of the City issued to provide financing for the Board shall be used and applied as provided in the Series Resolution authorizing the issuance of that Series of Bonds and may be applied by the Authority directly to such purposes without being deposited in the School Assistance Fund.

502. *Application of School Assistance Fund.* The amounts in the School Assistance Fund shall be paid by the Trustee from time to time to the Board upon the filing with the Trustee of a requisition of the Chairman or other Authorized Officer so authorizing the Trustee to pay amounts in that Fund. The Chairman or other Authorized Officer is authorized and directed so to file from time to time with the Trustee requisitions to pay amounts deposited in the School Assistance Fund to the Board if the Chairman or such

other Authorized Officer shall find that such amounts are then required by the Board for the purposes for which the Series Resolution authorizing the issuance of such Series of Bonds provides such amounts are to be used, all in accordance with the Board's budget or revised budget then in effect as approved by the Authority. The Chairman or other Authorized Officer and the Trustee shall not be responsible for the use or application of any amounts paid to the Board from the School Assistance Fund. Should there remain any amounts in the School Assistance Fund on June 1, 1985, the Trustee shall pay and deposit all such amounts to the Debt Service Fund to the credit of the Principal and Interest Account, and the School Assistance Fund shall then be closed.

503. *Establishment of, Deposits in and Application of Cost of Issuance Accounts.* There is created and established a series of separate and distinct accounts to be maintained by the Trustee and designated collectively as "School Assistance Bonds Cost of Issuance Accounts." Upon the issuance, sale and delivery of any Series of Bonds pursuant to this Resolution, the Series Resolution authorizing such Series of Bonds may (but is not required to) establish a separate account designated "Series Cost of Issuance Accounts" (inserting in the title the appropriate Series and any other necessary designation). The Series Resolution shall provide for the payment into the related Cost of Issuance Account of the amount of the proceeds from the sale of such Series of Bonds designated by that Series Resolution to be used to pay the Costs of Issuance of that Series of Bonds. That amount shall be expended for Costs of Issuance of that Series of Bonds upon a requisition signed by an Authorized Officer stating the amount and purpose of any such payment. Upon receipt by the Trustee of a certificate of an Authorized Officer stating that all Costs of Issuance for a Series of Bonds have been paid and that amounts remaining in the related Cost of Issuance Account are no longer needed for the payment of Costs of Issuance of that Series of Bonds, the Trustee shall pay such remaining amounts in that Account to and deposit them in the School Assistance Fund, or if it has been closed, then to the Debt Service Fund to the credit of the Principal and Interest Account. In any event, on the first business day of the twelfth month following the last date of delivery of a Series of Bonds, the Trustee shall pay any amounts remaining in the Cost of Issuance Account for that Series of Bonds to and deposit them in the School Assistance Fund, or if it has been closed then to the Debt Service Fund to the credit of the Principal and Interest Account. When all amounts in any Cost of Issuance Account have been expended or transferred as provided in this Section, that Account shall be closed.

504. *Establishment of, Deposits in and Application of Working Cash Fund.* (1) There is created and established a separate and distinct fund to be maintained by the Trustee and entitled the "Working Cash Fund." To the credit of the Working Cash Fund deposits shall be made as required in this Section. All proceeds of any Series of Bonds which are designated by the Series Resolution authorizing the issuance of that Series of Bonds to be used to provide or increase a working cash fund as provided by the Act shall be deposited in the Working Cash Fund.

(2) Amounts in the Working Cash Fund shall be used by the Authority (a) to make loans to the Board from time to time to enable the Board to cover anticipated cash flow deficiencies which it may experience, all as provided by the Act, as it may from time to time be amended, or (b) for any other lawful purpose for which the Act, as it may from time to time be amended, may permit amounts in the Working Cash Fund to be used. The Trustee shall, from time to time, apply amounts in the Working Cash Fund as specified by written direction of the Chairman or other Authorized Officer, which direction shall be accompanied by a certified copy of a resolution of the Authority so authorizing such loan or

other application of amounts in the Working Cash Fund and, in the case any amounts are to be applied in accordance with (b) above, by a Counsel's Opinion of nationally recognized bond counsel to the effect that such amounts may be used for that purpose.

(3) The Authority shall not at any time be obligated to make any loan to the Board from the Working Cash Fund. No interest need be charged on any such loan. Each loan made to the Board from the Working Cash Fund shall mature at such time or times, bear interest at such rate or rates, if any, be payable and be secured in such manner and have such other terms as shall be provided by the resolution of the Authority authorizing the loan and as shall be permitted by the Act, as it may from time to time be amended. A single resolution of the Authority may authorize one or more loans from the Working Cash Fund to be made as such times as the Chairman or other Authorized Officer shall determine. All payments of principal of and interest, if any, on any such loan shall be deposited in the Working Cash Fund.

(4) The Authority may, by resolution, at any time reduce the amount of or abolish the Working Cash Fund, all pursuant to the provisions of the Act, as it may from time to time be amended. Upon receipt by the Trustee of a certified copy of such a resolution of the Authority, the Trustee shall withdraw all amounts in the Working Cash Fund in excess of the amount which is to remain in the Working Cash Fund and deposit those excess amounts in the Debt Service Fund to the credit of the Special Payments Account. However, instead of paying those excess amounts into the Debt Service Fund, the Trustee shall apply those excess amounts in such other manner as may be directed in the resolution of the Authority reducing or abolishing the Working Cash Fund, but only upon receipt by the Trustee of a Counsel's Opinion of nationally recognized bond counsel to the effect that the directed application of the excess amounts is authorized by the Act, as amended to the date of the opinion.

505. Establishment of, Deposits in and Application of School Construction Fund. There is created and established a separate and distinct fund to be maintained by the Trustee and entitled the "School Construction Fund". To the credit of this Fund deposits shall be made of amounts received upon the issuance of a Series of Bonds as is provided by the Series Resolution for that Series of bonds. Amounts in the School Construction Fund shall be used to provide the Board with money for School Construction Purposes or shall be used for other purposes as provided in this Section.

Prior to providing the Board with money from the School Construction Fund for any School Construction Purpose, the Authority shall have adopted a resolution determining that those amounts may be used for that School Construction Purpose. That resolution shall also contain a finding and determination of the Authority that money so to be provided to the Board is to be used for School Construction Purposes and not for providing the Board with money for its ordinary and necessary expenditures for educational purposes, maintenance of school facilities or other operational needs. The adoption of such a resolution shall be in the sole judgment and discretion of the Authority. That resolution may be adopted by the Authority to cover an entire program of School construction and Rehabilitation purposes and it shall not be necessary that a separate resolution be adopted for each individual School Construction Purpose. The Authority may, in making its findings and determinations, rely upon information provided by or on behalf of the Board. The Authority may from time to time make and amend regulations and issue directives, including to the Board, with respect to the use and application of moneys so to be provided the Board.

The Chairman or other Authorized Officer is authorized and directed to file from time to time with the Trustee directions to disburse amounts in the School Construction Fund for a School Construction Purpose. Such directions shall be filed only if (i) the Authority shall have adopted the resolution described in the preceding paragraph and (ii) the Chairman or other Authorized Officer shall have determined that, under the regulations of the Authority, it is then appropriate to provide the Board with that amount of money for that School Construction Purpose. The Chairman or other Authorized Officer is authorized to make that determination

Amounts in the School Construction Fund shall be disbursed by the Trustee for School Construction Purposes from time to time upon the filing with the Trustee with a direction of the Chairman or Authorized Officer that the Trustee shall so disburse amounts in that Fund to the Board. The Trustee shall make the disbursements as so directed and shall not be obligated to examine the purposes for which the money is to be disbursed.

The Authority and its Chairman or other Authorized Officer and the Trustee shall not be responsible for the use or application of any amounts disbursed from the School Construction Fund for School Construction Purposes. The Authority and its directors, officers, members, agents and employees and the Trustee shall not be liable for any obligations incurred by the Board for School Construction Purposes.

On December 1 of each year beginning in 1988, the Trustee shall pay to and deposit in the Debt Service Fund to the credit of the Principal and Interest Account, or to one or more other accounts of that Fund as Directed by resolution of the Authority, amounts in the School Construction Fund to the extent of all interests and other investment earnings accrued and received on or after December 1, 1987, on investments of the School Construction Fund and not previously transferred to the Debt Service Fund. The Authority, by resolution, in its sole judgement and discretion, may at any time direct that any or all amounts remaining unexpended in the School Construction Fund, in excess of the difference between (i) the minimum amount required by law to have been so deposited and (ii) the amount theretofore paid to the Board from the Fund for School Construction Purposes, be withdrawn from that Fund and be deposited in and credited to the School Rehabilitation Fund. In addition, the Authority by resolution, in its sole judgment and discretion, may at any time direct that any or all amounts in the School Construction Fund, which have not been or shall not have been by a certain date expended, be withdrawn from the School Construction Fund and be deposited in the Debt Service Fund to the Credit of one or more accounts of that Fund, as designated by the resolution. Upon receipt by the Trustee of a certified copy of a resolution of the Authority directing a transfer of amounts from the School Construction Fund to the School Rehabilitation Fund or the Debt Service Fund, the Trustee shall withdraw the specified amounts from the School Construction Fund and deposit those amounts in the School Rehabilitations Fund or the Debt Service Fund (to the credit of the designated account or accounts), as directed by this resolution.

506. Establishment of, Deposits in and Application of School Rehabilitation Fund. There is created and established a separate and distinct fund to be maintained by the Trustee and entitled the "School Rehabilitation Fund". To the credit of this Fund deposits shall be made of amounts received upon the issuance of a Series of Bonds as is provided by the Series Resolution for that Series of Bonds. Amounts in the School Rehabilitation Fund shall be used to provide the Board with money for School Rehabilitation Purposes or shall be used for other purposes as provided below.

Prior to providing the Board with money from the School Rehabilitation Fund for any School Rehabilitation Purposes, the Authority shall have adopted a resolution determining that those amounts may be used for that School Rehabilitation Purpose. That resolution shall also contain a finding and determination of the Authority that money so to be provided to the Board is to be used for School Rehabilitation Purposes and not for providing the Board with money for its ordinary and necessary expenditures for educational purposes, maintenance of school facilities or other operational needs. The adoption of such a resolution shall be in the sole judgment and discretion of the Authority. That resolution may be adopted by the Authority to cover an entire program of School Construction and Rehabilitation Purposes and it shall not be necessary that a separate resolution be adopted for each individual School Rehabilitation Purpose. The Authority may, in making its finding and determinations, rely upon information provided by or on behalf of the Board. The Authority may from time to time make and amend regulations and issue directives, including to the Board, with respect to the use and application of moneys so to be provided the Board.

The Chairman or other Authorized Officer is authorized and directed to file from time to time with the Trustee directions to disburse amounts in the School Rehabilitations Fund for a School Rehabilitation Purpose. Such directions shall be filed only if (i) the Authority shall have adopted the resolution described in the preceding paragraph and (ii) the Chairman or other Authorized Officer shall have determined that, under the regulations of the Authority, it is then appropriate to provide the Board with that amount of money for that School Rehabilitation Purpose. The Chairman or other Authorized Officer is authorized to make that determination.

Amounts in the School Rehabilitation Fund shall be disbursed by the Trustee for School Rehabilitation Purposes from time to time upon the filing with the Trustee with a direction of the Chairman or Authorized Officer that the Trustee shall so disburse amounts in that Fund to the Board. The Trustee shall make the disbursements as so directed and shall not be obligated to examine the purposes for which the money is to be disbursed.

The Authority and its Chairman or other Authorized Officer and the Trustee shall not be responsible for the use or application of any amounts disbursed from the School Rehabilitation Fund for School Rehabilitation Purposes. The Authority and its directors, officers, members, agents and employees and the Trustee shall not be liable for any obligations incurred by the Board for School Rehabilitation Purposes.

On December 1 of each year beginning in 1988, the Trustee shall pay to and deposit in the Debt Service Fund to the credit of the Principal and Interest Account, or to one or more other accounts of that Fund as Directed by resolution of the Authority, amounts in the School Rehabilitation Fund to the extent of all interests and other investment earnings accrued and received on or after December 1, 1987, on investments of the School Rehabilitation Fund and not previously transferred to the Debt Service Fund. The Authority, by resolution, in its sole judgment and discretion, may at any time direct that any or all amounts remaining unexpended in the School Rehabilitation Fund, be withdrawn from that Fund and be deposited in and credited to the School Construction Fund, but only if the transfer shall not cause the amount which shall have been deposited in the School Construction Fund to exceed the maximum amount allowed by the law to be used for School Construction purposes. In addition, the Authority by resolution, in its sole judgment and discretion may at any time direct that any or all amounts in the School Rehabilitation Fund, which have not been or shall not have been by a certain date

expended, be withdrawn from the School Rehabilitation Fund and be deposited in the Debt Service Fund to the credit of one or more accounts of that Fund, as designated by the resolution. Upon receipt by the Trustee of a certified copy of a resolution of the Authority directing a transfer of amounts from the School Rehabilitation Fund to the School Construction Fund or the Debt Service Fund, the Trustee shall withdraw the specified amounts from the School Rehabilitation Fund and deposit those amounts in the School Construction Fund or the Debt Service Fund (to the credit of the designated account or accounts), as directed by this resolution.

507. Establishment of, Deposits in and Application of School Assistance Bonds Administrative Fund. There is created and established a separate and distinct fund to be maintained by the Trustee and entitled the "School Assistance Bonds Administrative Fund". To the credit of this Fund deposits shall be made of amounts received upon the issuance of a Series of Bonds as is provided by the Series Resolution for that Series of Bonds. Amounts in the Administrative Fund shall be used to pay Administrative Expenses or shall be used for other purposes as provided in this Section.

Amounts in the Administrative Fund shall be disbursed by the Trustee for Administrative Expenses from time to time upon the filing with it of a requisition signed by the Chairman or other Authorized Officer stating the amount and purpose of any such payment. The Chairman or other Authorized Officer is authorized and directed to file such requisitions from time to time with the Trustee as needed to pay Administrative Expense for the Authority.

The Authority, by resolution, in its sole judgment, may at any time direct that any or all amounts in the Administrative Fund, which have not been or shall not have been expended by a certain date, be withdrawn from the Administrative Fund and be deposited in the Debt Service Fund to the credit of one or more accounts of that Fund, as designated by the resolution. Upon receipt by the Trustee of a certified copy of a resolution of the Authority so directing a transfer of amounts from the Administrative Fund to the Debt Service Fund, the Trustee shall withdraw the specified amounts from the Administrative Fund and deposit those amounts in the Debt Service Fund (to the credit of the designated account or accounts) as directed by the resolution.

508. Separate Funds and Accounts. Except as allowed by the following sentence, the School Assistance Fund, the School Construction Fund, the School Rehabilitation Fund, the Administrative Fund, the Working Cash Fund and each Cost of Issuance Account shall be separate and segregated from all other funds and accounts of the Authority or the Board. Cash funds and investments in any Cost of Issuance Account, in the School Assistance Fund, in the School Construction Fund, in the School Rehabilitation Fund, in the Administrative or in the Working Cash Fund shall never be commingled with other funds or accounts of the Authority or the Board for any purpose whatsoever, except that the cash funds and investments of the School Construction Fund may be commingled with the cash funds and investments of the School Rehabilitation Fund.

ARTICLE VI

Establishment and Application of Funds and Accounts for Payment of Bonds.

601. *Debt Service Fund.* (1) There is created and established a separate and distinct fund to be maintained by the Trustee and entitled the "School Assistance Bonds Debt Service Fund" (the "Debt Service Fund"). There are created and established in the Debt Service Fund as separate and distinct accounts to be maintained by the Trustee an account entitled "Principal and Interest Account", and Account Entitled "Redemption Account", an account entitled "Special Payments Account" and a series of accounts entitled collectively the "Capitalized Interest Accounts." Each series resolution authorizing the issuance of a Series of Bonds interest on which is required to be paid from a Capitalized Account pursuant to Section 909 of this Resolution shall create and establish such an account entitled "Series . . . Capitalized Interest Account" inserting in the title the appropriate Series and any other necessary designation.

(2) There shall be deposited by the Trustee in the Debt Service Fund to the credit of the Principal and Interest Account:

(a) all collections of taxes to be levied as provided by this Resolution, the Series Resolutions and the Tax Levy Ordinances;

(b) all amounts required to be transferred and credited to the Principal and Interest Account from the Redemption Account as provided in paragraph (11) of this Section;

(c) all amounts required to be paid and deposited in the Debt Service Fund from the Reserve Fund as provided in paragraph (3) or paragraph (5) of Section 602 of this Resolution;

(d) all amounts transferred to the Principal and Interest Account from a Capitalized Interest Account as provided in paragraph (8) of this Section;

(e) all amounts transferred to the Principal and Interest Account from the Special Payments Account as provided in paragraph (11) or paragraph (12) of this Section; and

(f) all amounts transferred to the Principal and Interest Account pursuant to Article V of this Resolution.

(3) Amounts in the Principal and Interest Account shall be applied by the Trustee to the payment of the interest on the Bonds as it falls due (other than interest paid from a Capitalized Interest Account as provided in paragraph (8) of this Section), and the principal of the Bonds at maturity or on Sinking Fund Installment dates. Prior to June 1 and December 1 of each year (but not more than 5 days prior to such date), beginning with December 1, 1981, the Trustee shall pay out of the amounts in the Principal and Interest Account to itself and the appropriate Paying Agents, the amounts required for the payment by it and the Paying Agents for the Debt Service Requirements then coming due on the Bonds (other than interest to be paid from a Capitalized Interest Account as provided in paragraph (8) of this Section).

(4) In December of each year, after paying all interest due on the Bonds on December 1 of that year (but before making any deposits to the Principal and Interest Account from the Special Payments Account as provided in paragraph (12) of this Section), the Trustee shall transfer from the Principal and Interest Account the following amounts in the following priority:

(a) to the Reserve Fund the amount, if any, by which the value of the Reserve Fund is less than the Reserve Requirement; and then

(b) to the Special Payments Account the aggregate amount of all previous transfers made to the Principal and Interest Account from the Special Payments Account pursuant to paragraph (11) of this Section which have not previously been retransferred to the Special Payments Account pursuant to the requirements of this sentence.

No transfer shall be made pursuant to this paragraph except to the extent that amounts in the Principal and Interest Account are in excess of the Debt Service Requirements on the Bonds for the next June 1.

(5) In December of each year (beginning in 1981), upon receipt of the Trustee's Annual Report and after all transfers required from the Principal and Interest Account to the Reserve Fund and the Special Payments Account, as provided by paragraph (4) of this Section, have been made and after the transfers of amounts from the Reserve Fund to the Principal and Interest Account as provided by paragraph (5) of Section 602 of this Resolution have been made, and after the transfers of amounts from the School Construction Fund and School Rehabilitation Fund to the Principal and Interest Account as provided in Sections 505 and 506, respectively, of this Resolution have been made, and after any transfers of amounts from the Special Payments Account to the Principal and Interest Account as provided by paragraph (12) of this Section have been made, the Authority (i) may by resolution direct the Trustee to transfer amounts from the Principal and Interest Account to the Redemption Account, (ii) may by resolution determine to abate the amount of taxes levied with respect to that year (and provided to be collected in the next calendar year) for payment of principal of the Bonds, at maturity or on Sinking Fund Installment dates and of interest on Bonds as it falls due, or (iii) may so direct and determine a combination of such transfers and abatements. Upon a certified copy of such a resolution being filed with the Trustee directing such a transfer to the Redemption Account, the Trustee shall promptly make such transfer. The total amount of any such abatement and transfer so directed and determined by resolution of the Authority in any year shall not exceed the amount, if any, by which the value of the Principal and Interest Account. After the transfers between the Principal and Interest Account and the Special Payments Account of the Reserve Fund referred to in the first sentence of this paragraph, exceeds the sum of:

(a) the Debt Service Requirements for the next June 1, plus

(b) the amount, if any, by which all taxes levied pursuant to all Tax Levy Ordinances and received by the Trustee through December 1 of each year exceeds the sum of (i) the amount of principal of Bonds due at maturity or on Sinking Fund Installment dates, and of the interest due on the Bonds, through such December 1 (other than interest which was paid from a Capitalized Interest Account) plus (ii) the Debt Service Requirements for the next June 1.

(6) At any time after any December 1, the Trustee, in its sole discretion, may, and upon direction of an Authorized Officer shall, withdraw moneys from the Principal and Interest Account and purchase Bonds or portions of Bonds, which Bonds mature or are subject to mandatory redemption pursuant to Sinking Fund Installments on the next June 1. The principal amount of Bonds so purchased within any period after any

December 1 and prior to the next June 1 shall not exceed the sum of the Sinking Fund Installments on Term Bonds due on that June 1 and the principal amount of Serial Bonds maturing on that June 1. The principal amount of Term Bonds so purchased shall be a credit against and reduction of the amount of the Sinking Fund Installments on those Bonds on the next June 1. No purchase of Bonds shall be made after notice of redemption of those Bonds shall have been given as provided in this Resolution. No such purchase shall be made at a price in excess of the principal amount of the Bonds purchased plus accrued and unpaid interest on those Bonds to the date of purchase.

(7) The Authority shall pay to and deposit in the Debt Service Fund to the credit of the Capitalized Interest Account for each Series of Bonds the amount from proceeds of that Series of Bonds provided in the Series Resolution for that Series of Bonds. The Trustee shall pay to and deposit in the Capitalized Interest Account for each Series of Bonds all amounts required to be paid to such Account from the Reserve Fund as provided in paragraph (4) of Section 602 of this Resolution. A series Resolution may provide for the temporary deposit of proceeds of a Series of Bonds in the Capitalized Interest Account for a Series of Bonds until the exact amount of the deposit required is ascertained and may provide for any excess amounts then to be deposited, as if the deposit were a deposit directly from proceeds of the sale of that Series of Bonds, in the School Assistance Fund, or for the use of such excess amounts for other purposes for which Bonds may be or may then be issued.

(8) Amounts in a Capitalized Interest Account for any Series of Bonds shall be used to pay all or a portion of the interest, as specified in the Series Resolution for that Series of Bonds, on that Series of Bonds coming due on the date specified in the Series Resolution for that Series of Bonds. After all interest to be paid from a Capitalized Interest Account for a Series of Bonds has been paid in full (or the payment of that interest has been provided for) any remaining amounts in that Account shall be transferred by the Trustee to the Principal and Interest Account. Prior to any interest payment date on Bonds of any Series for which interest is so to be paid from a Capitalized Interest Account, the Trustee shall pay out of the amounts in that Account to itself and the Paying Agents for that Series of Bonds the amounts required then to pay that interest on the Bonds of that Series then coming due.

(9) There shall be deposited by the Trustee in the Debt Service Fund to the credit of the Redemption Account all amounts transferred to the Redemption Account from the Principal and Interest Account pursuant to paragraph (5) of this Section and from the Special Payments Account pursuant to paragraph (12) of the Section and all amounts transferred to the Debt Service Fund to the credit of the Redemption Account pursuant to Article V of this Resolution.

(10) Amounts at any time in the Redemption Account may be used by the Trustee at the direction of an Authorized Officer to redeem Bonds or to purchase Bonds. No purchase of Bonds shall be at a price in excess of the Redemption Price of the Bonds for an optional redemption at the next optional redemption date, plus accrued and unpaid interest on the principal of the Bonds to be redeemed to the date of redemption. An Authorized Officer may direct the Trustee as to the method of making any such purchase. No purchase of any Bonds from the Redemption Account shall be made by the Trustee within the period of forty-five (45) days next preceding a date on which those Bonds are subject to redemption. The Series Resolution authorizing a Series of Bonds which includes Term Bonds may provide for such redemption or purchase of Term Bonds

pursuant to this paragraph (10) to be a credit against and reduction of such Sinking Fund Installments as is determined by that Series Resolution.

(11) If at any time the amounts in the Principal and Interest Account are insufficient to pay interest on the Bonds as it falls due and to pay principal on Bonds at maturity or on Sinking Fund Installment dates, the Trustee shall transfer to the Principal and Interest Account moneys from the Redemption Account which, when added to funds in the Principal and Interest Account, shall be sufficient to make such payments. If, after that transfer, the amounts in the Principal and Interest Account remain insufficient to make such payments, the Trustee shall transfer amounts from the Special Payments Account to the Principal and Interest Account sufficient to make such payments. If after that transfer the amounts in the Principal and Interest Account still remain insufficient to make such payments, the Trustee shall transfer amounts from the Reserve Fund to the Principal and Interest Account sufficient to make such payments.

(12) There shall be deposited by the Trustee to the credit of the Special Payments Account all amounts required to be paid to and deposited in the Debt Service Fund from the Working Cash Fund as provided in Section 504 of this Resolution, all amounts required to be transferred and credited to the Special Payments Account pursuant to paragraph (4) of this Section and any other amounts which the Authority shall cause to be deposited in the Special Payments Account pursuant to law. The authority may at any time by resolution direct the Trustee to transfer amounts from the Special Payments Account to the Redemption Account. At any time after December 1 of any year and prior to June 1 of the next year, the Authority may by resolution direct the Trustee to transfer amounts from the Special Payments Account to the Principal and Interest Account. The amounts so to be transferred to the Principal and Interest Account shall not exceed the total amount of the principal of Bonds due at maturity or pursuant to Sinking Fund Installments on the next June 1, plus interest to be paid on those Bonds on that June 1. The amounts so transferred shall be used to pay principal of Bonds on that June 1 interest on those Bonds on that date. Upon a certified copy of a resolution of the Authority being filed with the Trustee so directing a transfer of amounts in the Special Payments Account to either the Redemption Account or the Principal and Interest Account, the Trustee shall make the directed transfer. In December of each year in which there are amounts in the Special Payments Account, prior to the adoption of any resolution as provided in paragraph (5) of this Section, the Authority shall determine whether or not then to transfer any amounts in the Special Payments Account to the Principal and Interest Account, but that determination shall not preclude the Authority from making any subsequent transfers to the Principal and Interest Account pursuant to this paragraph.

(13) As long as any of the Bonds remain outstanding and unpaid as to either principal or interest, in whole or part, all amounts in the Debt Service Fund shall be held in trust by the Trustee for the sole benefit of the Holders of Bonds or coupons and shall be applied solely for the payment, redemption or purchase of the Bonds or coupons, all as provided in this Section, and shall not be used for any other purpose.

(14) The Debt Service Fund and each Account in it shall be separate and segregated from all other funds and accounts of the Authority or the Board. Cash funds and investments in the Debt Service Fund and each Account in it shall never be commingled with other funds or accounts of the Authority or the Board for any purpose whatsoever.

602. *Reserve Fund.* (1) There is established and created a separate and distinct fund to be maintained by the Trustee and entitled the "School Assistance Bonds Debt Service Reserve Fund" (the "Reserve Fund"). The Authority shall pay to the Trustee for deposit in the Reserve Fund that portion of the proceeds of the sale of any Series of Bonds as shall be provided by the Series Resolution authorizing that Series of Bonds. The Trustee shall pay to and deposit in the Reserve Fund all amounts provided to be transferred to the Reserve Fund from the Principal and Interest Account pursuant to paragraph (4) of Section 601 of this Resolution.

(2) All amounts on deposit in the Reserve Fund shall be held in trust for the sole benefit of the Holders of the Bonds and coupons as provided in this Resolution and shall be applied and used solely for the payment of principal of the Bonds, at maturity or on Sinking Fund Installment dates, and for the payment of interest on the Bonds as it falls due, or for transfer to the Principal and Interest Account for application as provided by this Resolution, and shall not be used for any other purpose.

(3) Amounts in the Reserve Fund shall be transferred by the Trustee to the Debt Service Fund to the credit of the Principal and Interest Account at the times and in the amounts as required by paragraph (11) of Section 601 of this Resolution, in order to pay principal of the Bonds at maturity or on Sinking Fund Installment dates and to pay interest on the Bonds as it falls due.

(4) On or prior to December 1, 1980, and on or prior to June 1, 1981, the Trustee shall pay to and deposit in the Debt Service Fund to the credit of the Capitalized Interest Account for each Series of Bonds for which interest on those dates is provided by the Series Resolutions for those Series of Bonds to be paid from such an Account, all interest or investment earnings, if any, received through those dates on the Investment Obligations purchased from amounts deposited from proceeds of that Series of Bonds in the Reserve Fund pursuant to Section 909 of this Resolution.

(5) On December 1 of each year beginning in 1981 the Trustee shall pay to and deposit in the Debt Service Fund to the credit of the Principal and Interest Account all amounts in the Reserve Fund to the extent the value of the Reserve Fund is in excess of the Reserve Requirement.

(6) Whenever the Trustee shall determine that the total amount in the Reserve Fund, together with all amounts in the Debt Service Fund, will be sufficient to pay or to redeem or to provide for the payment or redemption of all the Outstanding Bonds, the Trustee shall pay to and deposit in the Debt Service Fund to the credit of the Redemption Account such remaining amounts in the Reserve Fund.

(7) The Reserve Fund shall be separate and segregated from all other funds and accounts of the Authority or the Board. Cash funds and investments in the Reserve Fund shall never be commingled with other funds or accounts of the Authority or the Board for any purpose whatsoever.

603. *Lien and Security Interest in Debt Service Fund and Reserve Fund.* The Debt Service Fund, including all its accounts, and the Reserve Fund shall be funds held in trust for the Holders of the Bonds and coupons as provided in this Resolution. The Holders of the Bonds and coupons shall have and are granted a security interest in and lien upon all cash

and investments of such Funds, and such Funds shall be applied solely as provided in this Resolution, except that only the Holders of Bonds and coupons of a particular Series shall have and are granted such a security interest in and lien upon amounts in the Capitalized Interest Account for that Series of Bonds. The security interests and liens described in this Section are valid and binding from the date the Bonds are issued, without any physical delivery or further action, and shall be valid and binding as against, and prior to any claim of all other parties having claims of any kind in tort, contract or otherwise against the State, the Authority, the Board, the City, or any other person, irrespective of whether such other parties have notice of the lien or security interest.

604. *Disposition of Bonds and Coupons Upon Payment.* All Bonds paid and redeemed, or purchased by the Trustee, under the provisions of this Resolution, either at or before maturity, together with all unmatured coupons, if any, pertaining to those Bonds, shall be cancelled when such payment, redemption or purchase is made, and such Bonds and coupons, unless then held by the Trustee, shall be delivered to the Trustee. All interest coupons shall be cancelled upon their payment and delivered to the Trustee. All cancelled Bonds and coupons shall from time to time, upon direction of an Authorized Officer, be cremated or otherwise destroyed by the Trustee. The Trustee shall execute a certificate of cremation or other destruction in duplicate describing the Bonds and coupons so cremated or otherwise destroyed, listing their numbers, and one executed certificate shall be filed with the Authority and the other executed certificate shall be retained by the Trustee.

605. *Notice to Bond Insurer.* With respect to any Series of Bonds for which the Authority shall have notified the Trustee that it has purchased bond insurance, the Trustee shall give that insurer prompt notice of the failure for there to be on deposit with the Trustee money, at the times, in the amounts and in the Funds and Accounts under the Resolution, as shall be sufficient to allow the Trustee to pay in full the interest as it comes due and the principal, at maturity or pursuant to sinking fund installments, on such Series of Bonds.

ARTICLE VII

Security for Deposits and Investment of Funds.

701. *Security for Deposits.* All moneys held under this Resolution by the Trustee or any Paying Agent shall be continuously and fully secured for the benefit of the Authority and the Holders of the Bonds and the coupons, as their respective interests may appear, by Investment Obligations of a market value equal at all times to the amount of the deposit so held by the Trustee. However, it shall not be necessary for the Trustee or any Paying Agent to give security for such amount of moneys as is insured by Federal deposit insurance, for the Trustee to give security for any moneys which shall be represented by Investment Obligations purchased under the provisions of this Resolution as an investment of such moneys or for any moneys loaned to the Board from the Working Cash Fund, or for any Paying Agent to give security for the deposit of any moneys held by it in trust for the Holders of Bonds and coupons.

702. *Investment of Funds and Accounts Held by the Trustee.* (1) Upon direction of the Authorized Officer, moneys in the Funds and Accounts established by this Resolution shall be invested by the Trustee in Investment Obligations so that the maturity date or date of redemption at the option of the holder of such Investment Obligations shall coincide, as nearly as practicable, with the times at which moneys in these Funds and Accounts will be required for the purposes provided in this Resolution.

(2) Moneys in the Reserve Fund shall be invested by the Trustee upon direction of an Authorized Officer, in Investment Obligations the maximum maturity of which shall not be more than ten (10) years from the date of such investment; provided, however, that at least 25% of the moneys in the Reserve Fund shall from time to time be invested in Investment Obligations the average maturity of which shall not be more than two (2) years from the date of any investment.

(3) Obligations purchased as an investment of moneys in any Fund or Account held by the Trustee under the provisions of this Resolution shall be deemed at all times to be a part of such Fund or Account and the income or interest earned by a Fund or Account due to the investment thereof shall be deposited in and credited to such Fund or Account.

(4) In computing the value of any Fund or Account held by the Trustee under the provisions of this Resolution, except the Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at the cost or market price thereof, whichever is lower, exclusive of accrued interest. In computing the value of the Reserve Fund, obligations purchased as an investment of moneys therein shall be valued at par, or if purchased at less than par, at their cost to the Authority.

(5) The Trustee shall sell at the best price obtainable, or present for redemption, any obligation purchased by it as an investment whenever it shall be necessary in order to provide moneys to meet any payment or transfer from the Fund or Account for which such investment was made. The Trustee shall advise the Authority in writing, on or before the last day of each calendar month, of the details of all investments held for the credit of each Fund and Account in its custody under the provisions of this Resolution as of the end of the preceding month.

(6) The Trustee shall continuously invest all amounts deposited in a Capitalized Interest Account for a Series of Bonds in such Investment Obligations referred to in subparagraphs (a) or (d) of the definition of Investment Obligations in Section 101 of this Resolution, as directed in writing by an Authorized Officer pursuant to Section 909 of this Resolution, until all the interest to be paid from the Account has been paid. The Trustee shall continuously invest all amounts deposited in the Reserve Fund from proceeds of any Series of Bonds for which interest is payable from a Capitalized Interest Account on December 1, 1980, or June 1, 1981, in Investment Obligations referred to in subparagraphs (a) or (d) of the definition of Investment Obligations in Section 101 of this Resolution as directed in writing by an Authorized Officer pursuant to Section 909 of this Resolution.

703. *Liability of Trustee for Investments.* The Authority shall authorize, direct and confirm in writing by an Authorized Officer, all investments by the Trustee. If the Authority fails to direct investments, the Trustee shall invest such amount at its discretion in such Investment Obligations as is permitted by this Resolution. The Trustee shall not be liable or responsible for the making of any investment authorized by the provisions of this Article, in the manner provided in this Section, or for any loss resulting from any such investment so made, except for its own gross negligence or willfull default.

ARTICLE VIII

The Trustee and Paying Agents.

801. *Trustee; Appointment and Acceptance of Duties.* The First National Bank of Chicago, Chicago, Illinois is appointed Trustee under this Resolution. The Trustee shall signify its acceptance of the duties and obligations imposed on it by this Resolution by a written instrument of acceptance deposited with the Authority prior to issuance of the first Series of Bonds.

802. *Paying Agents; Appointment and Acceptance of Duties.* (1) The Authority shall appoint one or more Paying Agents for the Bonds of any Series in the Series Resolution authorizing such Bonds, and may at any time or from time to time appoint one or more other Paying Agents in the manner and subject to the conditions set forth in Section 811 of this Resolution for the appointment of a successor Paying Agent. The Trustee may be appointed to act as Paying Agent notwithstanding that it may then be acting in the capacity of the Trustee. Moneys paid to Paying Agents pursuant to this Resolution shall be held in trust for the Holders of the Bonds and coupons and any risk of loss of such amounts shall be the risk of such Holders and not the Authority.

(2) Each Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by the Resolution by written instrument of acceptance deposited with the Authority and the Trustee.

(3) The corporate trust offices of the Paying Agents are designated as the respective agencies of the Authority for the payment of the interest and principal and Redemption Price of the Bonds, except that interest, principal and Redemption Price of all Bonds in fully registered form and principal and Redemption Price of all Bonds in coupon form registered as to principal (other than to bearer) shall be payable at the corporate trust office of the Trustee. Interest on Bonds in fully registered form shall be payable by check mailed by the Trustee to the Holder of those Bonds at their address as shown on the registry books of the Authority maintained at the Trustee.

803. *Responsibilities of Trustee and Paying Agents.* The recitals of fact in this Resolution, the Series Resolutions, the Tax Levy Ordinances and the Bonds shall be taken as the statements of the Authority (or the City Council in the case of the Tax Levy Ordinances), and neither the Trustee nor any Paying Agent assumes any responsibility for their correctness. Except as explicitly provided in this Resolution, neither the Trustee nor any Paying Agent shall be deemed to make any representations as to the validity or sufficiency of this Resolution, the Series Resolutions, the Tax Levy Ordinances or the Bonds or in respect of the security afforded by such documents. Except as explicitly provided in this Resolution, neither the Trustee nor the Paying Agent shall have any responsibility or duty with respect to the issuance of the Bonds or the application of the proceeds of the Bonds or the application of any moneys paid to the Board. Neither the Trustee nor any Paying Agent shall be under any obligation or duty to perform any act which would involve it in expense or liability or to institute or defend any suit in respect of its duties and obligations under this Resolution, or to advance any of its own moneys unless properly indemnified to its reasonable satisfaction. Neither the Trustee nor any Paying Agent shall be liable in connection with the performance of its duties and obligations under this Resolution except for its own gross negligence or willful default or breach of trust. Neither the Trustee nor any Paying Agent shall have any responsibility or duty with respect to the application of any moneys paid by any of them to any other.

804. *Evidence on Which Trustee and Paying Agents May Act.* The Trustee and any Paying Agent may act upon any notice, resolution, request, consent, order, certificate,

report, opinion, bond, or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties and shall not be liable for any such action. The Trustee and any Paying Agent may consult with counsel of recognized competency in such matters who may or may not be counsel to the Authority, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee or any Paying Agent under this Resolution in good faith and in accordance with such opinion or advice. Whenever the Trustee or any Paying Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under this Resolution, any Series Resolution, or any Tax Levy Ordinance, such matter (unless other evidence is specifically prescribed by such document) may be deemed to be conclusively proved and established by a certificate of an Authorized Officer of the Authority, and such certificate shall be full warrant for any action taken or suffered in good faith under the provisions of such document, but in its discretion the Trustee or any Paying Agent may in lieu of such certificate accept other evidence of such fact or matter or may require such further or additional evidence as may seem reasonable to it. Except as otherwise expressly provided in this Resolution, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision of this Resolution by the Authority to the Trustee or any Paying Agent shall be sufficiently executed if executed in the name of the Authority by an Authorized Officer.

805. *Compensation.* The Authority shall pay to the Trustee and to each Paying Agent from time to time reasonable compensation for all services rendered under this Resolution, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of its attorneys, agents and employees, incurred in the performance of their powers and duties under this Resolution. The Authority further agrees to defend, indemnify and save the Trustee or any Paying Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties under this Resolution, and which are not due to the Trustee's gross negligence or willful default. Such payment of fees and indemnification of the Trustee and each Paying Agent shall be from available funds of the Authority. The Trustee and the Paying Agents shall have no right to use any amounts in the Debt Service Fund or the Reserve Fund or to have any set-off, lien or other right to any such amounts for such purposes.

806. *Permitted Acts and Functions.* The Trustee and any Paying Agent may buy, own, hold and sell (including acting as an underwriter in respect of) any Bonds or other bonds or notes of the Authority; any may engage or be interested in any financial or other transaction with the Authority with like effect and with the same rights as if it were no such Trustee or Paying Agent.

807. *Resignation or Removal of Trustee.* (1) The Trustee may at any time, except during such time as the Authority shall have failed to pay (and shall continue to fail to pay) principal on any Bonds at maturity or on Sinking Fund Installment dates or to pay interest on any Bond as it comes due, resign and be discharged of the duties and obligations created by this Resolution by giving not less than sixty (60) days' written notice to the Authority and publishing notice of the resignation, specifying the date when such resignation shall take effect, once in a daily newspaper of general circulation in the City. Such resignation shall take effect upon the day specified in such notice unless previously a successor shall have been appointed, as provided in Section 808 of this Resolution, in which event such resignation shall take effect immediately on the appointment of the successor.

(2) The Trustee shall be removed by the Authority if at any time the Authority is so requested by an instrument or concurrent instruments in writing filed with the Trustee and the Authority, and signed by Holders of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the Authority. The Authority may remove the Trustee at any time, except during such time as the Authority shall have failed to pay (and shall continue to fail to pay) principal of any Bond at maturity or in Sinking Fund Installments dates) or to pay interest on any Bond as it falls due, for such cause as shall be determined by the Authority by filing with the Trustee an instrument of removal signed by an Authorized Officer of the Authority.

808. *Appointment of Successor Trustee.* In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, the Authority covenants and agrees that it will then by resolution appoint a successor Trustee. The Authority shall publish notice of any such appointment made by it in a daily newspaper of general circulation in the City, such publication in each case to be made within twenty (20) days after such appointment. The Authority shall also promptly give notice as to the appointment of the successor Trustee to the county collector of each county in which any taxable property in the City is located. If appointment of a successor Trustee shall not be made as required by the foregoing provisions of this Section within forty-five (45) days after the Trustee shall have given to the Authority written notice, as provided in Section 807 of this Resolution, or after a vacancy in the office of the Trustee shall have otherwise occurred, the Trustee or any Holder of the Bonds may apply to any court of competent jurisdiction to appoint a successor Trustee. That court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee. A copy of the order of court so appointing a successor Trustee shall be given promptly by an Authorized Officer to the county collector of each county in which any taxable property in the City is located. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall be a bank or trust company organized under the laws of the State of Illinois or a national banking association doing business and having its principal office in the City of Chicago, State of Illinois, and having a capital and undivided surplus aggregating at least Twenty Million Dollars (\$20,000,000), and willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution.

809. *Transfer of Rights and Property to Successor Trustee.* Any successor Trustee appointed under this Resolution shall execute, acknowledge and deliver to its predecessor as Trustee, and also to the Authority, an instrument accepting such appointment and thereupon such successor Trustee, without any further act, deed or conveyance shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as it originally named as Trustee, but the Trustee ceasing to act shall nevertheless, on the written request of the Authority or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property or right held by it under this Resolution, and shall pay over, assign and deliver to the successor Trustee any moneys or other property subject to the trusts and conditions set forth in this Resolution. Should any deed, conveyance or instrument in writing from the Authority be required by such

successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Chairman or other Authorized Officer. Any successor Trustee shall promptly notify the Paying Agents of its appointment.

810. *Merger, Conversion or Consolidation.* Any company into which the Trustee or any Paying Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee or any Paying Agent may sell or transfer all or substantially all of its corporate trust business shall be the successor to such Trustee or Paying Agent without the execution or filing of any paper or the performance of any further act, provided with the respect to the Trustee that such company shall be a bank or trust company organized under the laws of the State, and otherwise qualifying under Section 808 of this Resolution for appointment as a Trustee and shall be authorized by law to perform all the duties imposed upon it by this Resolution.

811. *Resignation or Removal of Paying Agents and Appointment of Successors.* Any Paying Agent may at any time resign and be discharged of the duties and obligations by this Resolution by giving at least sixty (60) days' written notice to the Authority and the Trustee. Any Paying Agent may be removed at any time by an instrument filed with such Paying Agent and the Trustee and signed by an Authorized Officer of the Authority. Any successor Paying Agent shall be appointed by the Authority and shall be a bank or trust company organized under the laws of any state of the United States or a national banking association, having a capital and surplus aggregating at least Twenty Million Dollars (\$20,000,000), and willing and able to accept the office of Paying Agent on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Resolution. In the event of the resignation or removal of any Paying Agent, such Paying Agent shall pay over, assign and deliver any monies held by it as Paying Agent to its successor, or if there be no successor then appointed, to the Trustee until such successor is appointed. At all times at least one Paying Agent shall be a bank or trust company which maintains its corporate trust office in the City. The Authority shall notify the Trustee as to the appointment of a successor Paying Agent.

812. *Powers of Bondholder or Trustee to Enforce Compliance.* The Trustee shall have all the rights, duties and powers as provided in other sections of this Resolution. In addition, the Trustee shall have power, in its sole discretion, but shall not be obligated, to bring any legal proceedings on behalf of any Holders of the Bonds to enforce the provisions of the Act, this Resolution, any Series Resolution or any Tax Levy Ordinance or any security for the Bonds or coupons as provided by such documents, but this provision shall not exclude any Holder of the Bonds from bringing any such legal proceedings in his or her own name. The Trustee and any Holder of the Bonds may bring any legal proceedings to compel the performance by any person of the obligations, duties and responsibilities imposed under the Act, the Resolution, any Series Resolution or any Tax Levy Ordinance or the Bonds. Those legal proceedings may include, without limitation, actions for injunctive or other equitable relief or for a writ or writs of mandamus. It shall not be necessary in order for any such proceeding to be brought that Bonds have not been paid as to principal due either at maturity or on Sinking Fund Installment dates or as to interest then due.

813. *Trustee's Annual Valuation of Funds and Report and Tax Levy Certificate.* As promptly as practicable after December 1 in each year (beginning in 1981) but in any event on or prior to December 15 of such year, the Trustee shall determine the value of the cash and investments in the Principal and Interest Account, the Special Payments Account and the Reserve Fund and shall prepare and submit to the Authority a Trustee's Annual Report. The Trustee's Annual Report shall contain a full and complete report on all receipts and expenditures of all Funds and Accounts established under this Resolution and of all transfers between such Funds and Accounts for the year ending the previous November 30. The report shall also include all expenditures and transfers to be made in December of the year of the Report pursuant to Sections 505 and 506 paragraph (4) and (11) of Section 601 and paragraph (5) of Section 602 of this Resolution. In addition, the Report shall state:

(a) The value of the Principal and Interest Account and the Special Payments Account as of such December 1, after payment of the interest then due on the Bonds and after giving effect to any transfers in that December pursuant to Sections 505 and 506 paragraphs (4) and (11) of Section 601 or to paragraph (5) of Section 602 of this Resolution.

(b) The value of the Reserve Fund as of such December 1 after giving effect to any transfers pursuant to paragraph (4) of Section 601 or paragraph (5) of Section 602 of this Resolution.

(c) The total amount of taxes received by the Trustee in all years prior to the date of the Report, shown by year of receipt.

(d) The total amount if any, of all taxes required to be collected in the next calendar year pursuant to paragraph (3) of Section 906 of this Resolution.

(e) The total amount of all taxes required to have been collected pursuant to this resolution in all years, up to and including the year of the report (less any abatements of those taxes allowed by this Resolution).

(f) The Debt Service Requirements for the next June 1.

(g) The percentage by which the total ad valorem property taxes on taxable property in the City collected during the preceding calendar year was less than the total of such taxes extended for collection in that year.

The Trustee's annual report shall remind the Authority of its obligations under Section 908 of this Resolution. In addition, no later than December 31 of each year, beginning in 1981, the Trustee shall file in the offices of the county clerks of each county in which any taxable property in the City shall be located a statement, certified by a corporate trust officer of the Trustee, of the amount of the taxes which are to be included in the levy for that year pursuant to paragraph (3) of Section 906 of this Resolution.

ARTICLE IX

Covenants of the Authority.

The Authority covenants and agrees with the Holders of the Bonds and coupons as follows:

901. *Payment of Bonds.* The Authority shall duly and punctually pay or cause to be paid the principal of the Bonds at maturity or on Sinking Fund Installment dates and the interest thereon, at the dates and places and in the manner provided in the Bonds and in the coupons pertaining to the Bonds, according to the true intent and meaning of the Bonds and coupons.

902. *Offices for Payment and Registration of Bonds and Coupons.* The Authority shall at all times maintain an office or agency in the City of Chicago, State of Illinois, where Bonds and coupons may be presented for payment. The Authority may by a Series Resolution designate an additional Paying Agent or Paying Agents where Bonds and coupons of the Series authorized by that Series Resolution may be presented for payment. The Authority shall at all times maintain an office or agency in the City of Chicago, State of Illinois, where Bonds and coupons may be presented for registration, transfer or exchange. The Trustee is appointed as its agent to maintain such office or agency for the registration transfer or exchange of Bonds and coupons.

903. *Further Assurances and Actions.* At any and all times the Authority shall, so far as it may be authorized or permitted by law, pass, make, do, execute, acknowledge and deliver all and every such further resolutions, acts, assignments, grants, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, confirming and effecting all and singular the liens upon and security interests in all rights, claims and interests in any levy of taxes for payment of any Bonds and coupons or in any present or future proceeds of those levies or in any Funds or Accounts created or established by this Resolution or by any Series Resolution pursuant to this Resolution for the Holders of the Bonds and coupons. It will take all necessary actions of all kinds to caused the taxes which are to be levied as provided in Section 906 of this Resolution to be extended and collected as provided by that Section.

904. *Security Interests and Liens.* The Authority shall not assign, pledge or grant a security interest in or lien upon any of its rights, claims or interests arising pursuant to any levy of taxes made pursuant to this Resolution with respect to the Bonds or in any present or future proceeds of such levies or in any Fund or Account created or established by this Resolution or any Series Resolution except as provided by this Resolution, for the payment of principal, Redemption Price or interest on the Bonds.

905. *Issuance of Additional Obligations* (1) The Authority shall not create or permit the creation of or issue any obligations or create any indebtedness which will be secured by a lien upon or security interest in any rights, claims or interests of the Authority to any levy of taxes for payment of Bonds or in any present or future proceeds of those levies or by a lien upon or security interest in any Funds or Accounts created or established by or pursuant to Article VI of this Resolution, or which will be payable from the Debt Service Fund or the Reserve Fund, except that Series of Bonds may be issued from time to time pursuant to a Series Resolution under this Resolution on a parity with the Outstanding Bonds and secured by an equal and ratable charge and payable equally and ratably from the Debt Service Fund and Reserve Fund for any lawful purposes (except that Capitalized Interest Accounts shall be established for paying interest solely on particular Series Bonds).

(2) No Series of Bonds shall be issued under this Resolution unless

(a) the principal amount of the Bonds then to be issued, together with the principal amount of the obligations of the Authority theretofore issued and outstanding, will not exceed in aggregate principal amount any limitation imposed by the law;

(b) there is at the time of the issuance of such additional Bonds no deficiency in the amounts required by this Resolution or any Series Resolution to be paid into the Capitalized Interest Account for such additional Series of Bonds (as provided in Section 909 of this Resolution);

(c) the value of the Reserve Fund, upon the issuance and delivery of such additional Bonds and the depositing in the Reserve Fund of any amount provided so to be deposited by the Series Resolution authorizing the issuance of such additional bonds, shall not be less than the Reserve Requirements;

(d) the Series Resolution authorizing the issuance of such Series of Bonds shall demand and direct the City Council of the City to levy taxes sufficient to pay the Bonds of the Series as provided in Section 906 of this Resolution;

(e) the City Council of the City shall have duly adopted a Tax Levy Ordinance levying taxes sufficient to pay the Bonds of that Series as provided in Section 906 of this Resolution which Tax Levy Ordinance shall include as Exhibits a copy of this Resolution and a copy of the related Series Resolution (exhibits to a Series Resolution may be deleted from the copy attached to the Tax Levy Ordinance);

(f) certified copies of the Tax Levy Ordinance shall have been duly filed in the offices of the clerks and the collectors or each county in which any taxable property in the City is located;

(g) the various requirements specified in Section 204 for issuance of Bonds under this Resolution shall have been fulfilled with respect to such additional Bonds; and

(h) there shall be no maturity of any Serial Bonds or any Sinking Fund Installments on any term Bonds of any Series on any date as to which interest on Bonds of that Series is to be paid from a Capitalized Interest Account.

(3) No Bonds, except Bonds issued to pay principal or interest on Bonds or to redeem Bonds (whether issued at or before the time of payment or redemption), to provide deposits to the Reserve Fund, or to pay costs of issuance, shall be issued after 1984.

906. Levy of Taxes (1) Prior to the issuance of any Series of Bonds, the Authority shall by the Series Resolution authorizing that Series of Bonds, demand and direct the City Council of the City to provide by ordinance (the "Tax Levy Ordinance") for the levy and collection of a direct annual tax upon all taxable property within the City, being the School District named the Board of Education of the City of Chicago, without limitations as to rate or amount, sufficient to pay and discharge the principal of Bonds of that Series, at maturity or on Sinking Fund Installment dates, and to pay interest on Bonds of that Series as it falls due, and in particular, but not in limitation of the foregoing, sufficient to produce the amounts set out or described in paragraphs (2) and (3) of this Section. Prior to the issuance of any such Series of Bonds, the City Council shall have adopted such a Tax Levy Ordinance with respect to such Series of Bonds:

(2) The Series Resolution and the Tax Levy Ordinance for such Series of Bonds shall specify the amounts of taxes to be levied for each year for the purpose of providing for the payment of the principal of Bonds at maturity or on Sinking Fund Installment dates, and for payment of interest on Bonds as it falls due. The amount of the tax which shall be so specified for the levy provided for each year shall be an amount (which dollar amount shall be stated in the Series Resolution and the related Tax Levy Ordinance) sufficient to produce a sum equal to the Debt Service Requirements on that Series of Bonds on December 1 of the year following the year of levy and on June 1 of the next succeeding year. No tax need be levied to pay any interest on any Bonds, which interest is to be paid from a Capitalized Interest Account as provided in Section 909 of this Resolution.

(3) The taxes which the Series Resolution shall provide to be collected and which the Tax Levy Ordinance shall levy for the purpose of paying and discharging the principal of the Bonds at maturity or on Sinking Fund Installment dates and paying interest on the Bonds as it falls due, and for the purpose of providing money to be deposited in the Reserve Fund pursuant to the Act, shall include the additional sums provided in this paragraph (3). These amounts shall be in addition to the dollar amounts specifically required by paragraph (2) of this Section to be set forth. The additional amounts provided in this paragraph shall be collected in each year while any of the Bonds are outstanding and unpaid, either as to principal or interest, beginning with the tax levy for 1981. The additional amount required by this paragraph (3) to be levied for each such year shall be sum sufficient to produce the amount, if any, by which

(a) the cumulative total of Debt Service Requirements on that Series of Bonds authorized by that Series Resolution through December 1 of such levy year, less an amount equal to the interest paid from a Capitalized Interest Account shall have exceeded

(b) the cumulative total of the collections of all taxes levied as provided by the Tax Levy Ordinance with respect to that Series of Bonds (including taxes levied pursuant to this paragraph) for all years up to and through December 1 of such levy year, treating as tax collections the total amount of all such taxes which shall have been abated pursuant to Section 601 of this Resolution with respect to extensions for all years through such December 1).

Section 813 of this Resolution provides for the Trustee to file statements in December of each year (beginning in 1981) as to the amount of taxes to be included in the levy under this paragraph in the year of filing. The failure of the Trustee to file the certificate referred to in that Section 813 shall not affect the validity of the levy of taxes as provided for by this paragraph and whether or not the Trustee shall file the statement, the county clerks and collectors of each county in which any taxable property in the City shall be located shall be directed by the Tax Levy Ordinances to cause to be extended and collected all the amounts provided to be collected in each year pursuant to this paragraph and the Tax Levy Ordinances.

(4) After the adoption and effectiveness of this Resolution and each Series Resolution, the Secretary of the Authority shall cause to be filed a copy of each such resolution duly certified by or on behalf of the Secretary of the Authority with the City Clerk of the City. After the adoption and effectiveness of any Tax Levy Ordinance, the City Clerk of the City shall cause copies of that Tax Levy Ordinance, duly certified by or on behalf of that officer,

to be filed in the offices of the county clerks and county collector of each county in which any taxable property in the City is located. Upon filing of such copies of the Tax Levy Ordinance with the offices of such county clerks, it shall be the duty of those county clerks to extend the taxes so levied by that Tax Levy Ordinance, all as provided in the Act, the Series Resolution, this Resolution and the Tax Levy Ordinance. Except as specifically provided in this Resolution, the taxes so to be levied as provided in this Resolution shall be computed, extended and collected in the same manner as is now or may subsequently be provided for the computation, extension and collection of *ad valorem* property taxes in the City generally. The taxes to be levied as provided by this Resolution, the Series Resolution and Tax Levy Ordinances shall be extended without limitation as to rate and shall be extended in amounts sufficient to produce the taxes as so levied.

(5) In extending the taxes provided by this Resolution and the Series Resolution to be levied and the taxes levied by Tax Levy Ordinances, the county clerks of each county in which any taxable property in the City is located, shall include in each year an amount to cover loss and cost of collection and anticipated deferred collections of the taxes so levied. Such amount shall be determined by the Authority pursuant to the Act, this Resolution and the Series Resolutions. The amount so determined by the Authority shall be expressed as a percentage of the amounts of taxes required to be collected in such year as provided by the Act, this Resolution, the Series Resolutions and the Tax Levy Ordinances. Each Series Resolution shall determine the amounts so to be included in each extension year as an allowance which the Authority shall reasonably estimate to be needed to cover loss and cost of collection and anticipated deferred collections of such taxes as extended in the collector's books, for such years. The amount so determined shall be based on the actual recent experience of tax collections of levies of taxes in the City, as of the adoption of the Series Resolution giving account to the time in which levies for any year have been collected. The amounts as so determined by any Series Resolution for inclusion in the taxes to be extended in any year shall be subject to change as provided in Section 908 of this Resolution.

(6) The taxes to be levied as provided in this Resolution, the Series Resolutions and the Tax Levy Ordinances shall be in addition to and exclusive of the maximum of all other taxes which the Authority, the Board or the City Council of the City is now, or may hereafter be, authorized by law to levy for any and all school (or any other) purposes. The taxes so to be levied as provided in this Resolution, the Series Resolutions and the Tax Levy Ordinances shall be separate and apart from all other taxes of the Authority, the Board and the City and shall be separately identified as such by the proper tax collectors for such taxes.

(7) While any Bonds remain Outstanding and unpaid, the tax levies to be made as provided by this Resolution, the Series Resolutions and the Tax Levy Ordinances shall be for the sole benefit of the Holders of the Outstanding Bonds and the coupons pertaining to such Bonds and such Holders shall have and are granted a security interest in, and a lien upon, all rights, claims and interests of the Authority arising pursuant to those levies and all present and future proceeds of such levies. The security interest in and lien upon those rights, claims and interests are valid and binding from the time the Bonds are issued, without any physical delivery or further act, and shall be valid and binding as against, and prior to any claims of, all other parties having claims, if any, of any kind in contract, tort or otherwise against the State, the Authority, the Board or the City, or any other person, irrespective of whether such other parties have notice of such lien or security interest.

(8) Upon all Bonds of any Series being paid in full as to both principal and interest, or provision having been made for such payment as provided in Section 1101 of this Resolution, the Trustee shall give notice of that fact to the county clerks of each county in which any taxable property of the City is located, and all further taxes levied pursuant to the Series Resolution and the Tax Levy Ordinance for that Series of Bonds shall then be abated. However, if any Series of Bonds are issued to refund any Outstanding Bonds, the Series Resolution and the Tax Levy Ordinance for that refunding Series of Bonds may provide that the taxes which have been levied pursuant to the Series Resolution and Tax Levy Ordinance for the Bonds being refunded for years prior to the year in which the Tax Levy Ordinance for the refunding Bonds is adopted and filed with the appropriate county clerks, will continue to be extended, collected and paid to the Trustee and deposited in the Debt Service Fund. The amount of any such levy in a prior year for Bonds being refunded which shall not be required to pay principal on those Bonds being refunded at maturity or on Sinking Fund Installment dates or interest on those Bonds being refunded as it falls due may reduce the required amounts of taxes to be levied for the refunding Bonds for those years.

(9) As to tax payments made with respect to estimated tax bills which are computed on the basis of a prior year's extension of taxes, the county collectors of taxes are directed to pay to the Trustee not less than the percentage of such tax receipts which the prior year's extension of levies for the Bonds was of all extensions of taxes of the Authority in that prior year.

(10) All proceeds from the levy of any taxes by any Tax Levy Ordinance shall be deposited by the county collector of each county in which any taxable property in the City is located directly in the Debt Service Fund with the Trustee and shall be applied, as provided by this Resolution, solely for the payment and discharge of the Bonds (at maturity or on Sinking Fund Installment dates) and of interest on the Bonds as it falls due, or for the redemption or purchase of Bonds as provided by this Resolution or for transfer to the Reserve Fund as provided by this Resolution and shall not be used for any other purpose.

907. *Abatement of Taxes.* The Authority will not repeal, abate or reduce the taxes levied pursuant to the Act, this Resolution, any Series Resolution or any Tax Levy Ordinance, or otherwise take any action to restrict the extension and collection of those taxes, except that the Authority may take action to cause those taxes to be abated to the following extent:

(a) The Authority may abate any such taxes to the extent that taxes are levied to pay principal of or interest on Bonds which at the time of the abatement shall have been paid or redeemed in full as to both principal and interest or for the payment or redemption of which provision shall have been made as provided in Article XI of this Resolution;

(b) The Authority may abate any such taxes as provided pursuant to Section 601 of this Resolution.

908. *Allowance for Loss.* (1) Pursuant to Section 906 of this Resolution the Authority is required in each Series Resolution to determine an amount to be included in the extension of taxes levied by the related Series Tax Levy Ordinance, for an allowance for loss and cost of collection and anticipated deferred collections of those taxes. The allowance for such loss and cost of collection and anticipated deferred collections is to be expressed as a percentage of the taxes required to be produced in any year, all as provided in Section 906 of this Resolution.

(2) The Authority may, and when required by this Resolution shall, in accordance with this Section from time to time by resolution modify the determination of the allowance for loss and cost of collection and anticipated deferred collections made by a Series Resolution. In December of each year, beginning in 1981, the Authority shall by resolution determine whether to modify the allowance for loss and cost of collection and anticipated deferred collections for all those taxes to be extended in any future year or years. The Series Resolution may contain restrictions on the powers of the Authority to reduce the allowance as determined by that Series Resolution. A certified copy of any resolution of the Authority modifying the determination of the allowance for loss and cost of collection and anticipated deferred collections shall be filed by the Secretary of the Authority or an Authorized Officer in the offices of the county clerks of each county in which any taxable property in the City is located prior to December 31 of the year in which the resolution is adopted.

(3) The allowance for loss and cost of collection and anticipated deferred collections for any extension of taxes levied with respect to any Series of Bonds for any year shall not in any event be less than the percentage which would have been needed to be added to the total of all property taxes collected in the City for the second full calendar year preceding the year of extension to equal the total of the gross property taxes in the City extended in such preceding calendar year. In any event, the Authority shall for each tax levy with respect to each Series of Bonds for each year determine an allowance for loss and cost of collection and anticipated deferred collections of taxes of an amount which the Authority shall by resolution find to be sufficient so that the amount of taxes to be collected will produce the amounts required to be produced pursuant to this Resolution.

909. Capitalized Interest. (1) Each Series Resolution authorizing any Series of Bonds shall determine the interest payment dates on which interest from the Bonds of that Series shall be paid from a Capitalized Interest Account for that Series of Bonds. All interest payable on any interest payment date on or prior to the June 1 of the year succeeding the year of the first levy of taxes with respect to that Series of Bonds shall be paid from a Capitalized Interest Account (except, with respect to a Series of Bonds issued to refund Outstanding Bonds, to the extent that taxes levied for the Outstanding Bonds being refunded will be available for payment of interest on the refunding Bonds).

(2) Upon the issuance of any Series of Bonds there shall be deposited into the Capitalized Interest Account for that Series of Bonds, from the proceeds of that Series, an amount as shall be sufficient to purchase Investment Obligations of any types described in subparagraphs (a) or (d) of paragraph 15 of Section 101 of this Resolution as shall be designated in writing to the Trustee by an Authorized Officer, the principal of and interest on which, when due, will provide money which (when added to any money to be transferred to the Capitalized Interest Account for that Series from the Reserve Fund) will produce money sufficient to pay interest on the Bonds of that Series in the amounts and on the interest payment dates on which interest is to be paid from that Capitalized Interest Account, as specified in the Series Resolution for that Series of Bonds. The amount of money which shall be treated as transferable from the Reserve Fund shall be calculated on the basis of the amount of interest and investment earnings to be received in time to make such transfer on Investment Obligations to be purchased by the Trustee as designated in writing by an Authorized Officer from amounts deposited in the Reserve Fund from proceeds of such Bonds.

910. *Arbitrage.* The Authority will not use or invest any proceeds of the sale of any of the Bonds or any other funds in any manner which would cause any Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and any lawful regulations promulgated under the Section.

911. *Application of Taxes, Funds and Accounts.* The Authority shall faithfully apply pursuant to the terms of this Resolution all proceeds of taxes levied with respect to the Bonds and all moneys and Investment Obligations in the Debt Service Fund and the Reserve Fund pursuant to this Resolution and the Series Resolutions.

912. *Payment of Trustee and Paying Agents.* The Authority will promptly pay all amounts owed by it under this Resolution to the Trustee and the Paying Agents.

ARTICLE X

Series Resolutions and Supplemental Resolutions.

1001. *Adoption and Filing.* The Authority may adopt at any time or from time to time Series Resolutions to provide for the issuance of a Series of Bonds in accordance with the provisions of this Resolution and to prescribe the terms and conditions pursuant to which such Bonds may be issued, paid or redeemed. The Authority may adopt at any time or from time to time Supplemental Resolutions for any one or more of the following purposes:

(1) To add additional covenants and agreements of the Authority for the purpose of further securing the payment of the Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the Authority contained in this Resolution;

(2) To prescribe further limitations and restrictions upon the issuance of Bonds and the incurring of indebtedness by the Authority which are not contrary to or inconsistent with the limitations and restrictions on such issuance or incurring of indebtedness in effect prior to the adoption of such Supplemental Resolution;

(3) To surrender any right, power or privilege reserved to or conferred upon the Authority by the terms of this Resolution;

(4) To confirm as further assurance any covenant, lien or security interest created or recognized by the provisions of this Resolution;

(5) To take any further action necessary or desirable for the levy, collection and application of taxes sufficient to pay the Bonds as to principal at maturity or on Sinking Fund Installment dates and to pay interest on the Bonds as it falls due;

(6) With the consent of the Trustee, to correct any ambiguity or defect or inconsistent provisions in this Resolution or any Series Resolution or to insert such provisions clarifying matters or questions arising under this Resolution or any Series Resolution as are necessary or desirable in the event any such modifications are not contrary to or inconsistent with this Resolution or such Series Resolution as in effect prior to the adoption of any such Supplemental Resolution; or

(7) To create one or more sub-accounts within the Principal and Interest Account, to provide for the crediting of amounts in the Principal and Interest Account to the various sub-accounts and to provide for the order in which amounts in the various sub-accounts shall be applied for the purposes for which the Principal and Interest Account is to be applied as provided in this Resolution; provided, however, that a Supplemental Resolution adopted pursuant to this paragraph (7) shall not in any way affect the rights or duties of the Authority or the Trustee to pay amounts to, deposit amounts in or credit them to the Principal and Interest Account or to apply amounts in that Account at the times, in the manner and for the purposes all as provided in this Resolution.

Any Series Resolution or Supplemental Resolution shall become effective in accordance with its terms upon the filing with the Trustee of a copy certified by an Authorized Officer.

1002. *General Provisions Relating to Series Resolutions and Supplemental Resolutions.* This Resolution shall not be modified or amended in any respect except in accordance with and subject to the provisions of this Article X. Nothing contained in this Article X shall affect or limit the right or obligation of the Authority to adopt, make, do, execute or deliver any resolution, act or other instrument pursuant to the provisions of Section 903 of this Resolution or the right or obligation of the Authority to execute and deliver to the Trustee or any Paying Agent any instrument elsewhere in this Resolution provided or permitted to be delivered to the Trustee or any Paying Agent. A copy of every Supplemental Resolution adopted by the Authority when filed with the Trustee shall be accompanied by a Counsel's Opinion stating that such Supplemental Resolution has been duly and lawfully adopted in accordance with the provisions of the act as amended to the date of the Counsel's Opinion, is authorized or permitted by the Act as so amended and by this Resolution and is valid and binding upon the Authority. The Trustee is authorized to accept delivery of a certified copy of any Series Resolution or Supplemental Resolution permitted or authorized pursuant to the provisions of this Resolution and to make all further agreements and stipulations which may be contained in that Series Resolution or Supplemental Resolution. In taking such action, the Trustee shall be fully protected in relying on Counsel's Opinion that such Series Resolution or Supplemental Resolution is authorized or permitted by the provisions of this Resolution. No Series Resolution or Supplemental Resolution changing, amending or modifying any of the rights, duties or obligations of the Trustee or any Paying Agent may be adopted by the Authority without the written consent of the Trustee or Paying Agent affected by the Series Resolution or Supplemental Resolution.

ARTICLE XI

Defeasance.

1101. *Defeasance* (1) If the Authority shall pay or cause to be paid, or there shall otherwise be paid, to the Holders of the Bonds and coupons then Outstanding, the principal and interest and Redemption Price, if any, to become due thereon, at the times and in the manner stipulated in the Bonds, the Bond Resolution and the Series Resolutions, then and in that event the covenants, agreements and other obligations of the Authority to the Holders of the Bonds and the coupons pertaining to the Bonds, shall be discharged and satisfied. In such event, the Trustee shall, upon request of the Authority, execute and deliver to the Authority all such instruments as may be desirable to evidence such release and discharge and the Trustee and the Paying Agent shall pay over or deliver to the Authority all monies or securities held by them pursuant to the Bond Resolution which are

no longer required for the payment or redemption of Bonds or coupons not theretofore surrendered for such payment or redemption.

(2) Bonds or coupons for the payment or redemption of which monies shall have been set aside and shall be held in trust by the Trustee or any Paying Agents (through deposit by the Authority of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption date of such Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (1) of this Section 1101. All Outstanding Bonds of any Series and all coupons pertaining to those Bonds shall, prior to their maturity or redemption date, be deemed to have been paid within the meaning and with the effect expressed in paragraph (1) of this Section 1101 if (a) there shall have been deposited with such Trustee or Paying Agents either monies in an amount which shall be sufficient, or Investment Obligations the principal of and interest on which when due will provide monies which, when added to the monies, if any, deposited with such Trustee or Paying Agents at the same time, shall be sufficient to pay the principal of those Bonds at maturity or on Sinking Fund Installment dates or the Redemption Price, if applicable, and interest due and to become due on the Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (b) in case any of the Bonds are to be redeemed on any date prior to their maturity, the Authority shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to publish or give as provided in Article IV of this Resolution notice of redemption on that date of such Bonds, and (c) in the event those Bonds are not by their terms subject to redemption and do not mature within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to publish, as soon as practicable, at least twice, at an interval of not less than seven days between publication, in a daily newspaper of general circulation in the City and in a financial newspaper of general circulation in the City of New York a notice of the Holders of such Bonds and coupons that the deposit required by (b) above has been made with the Trustee and that those Bonds and coupons are deemed to have been paid in accordance with paragraph (1) of this Section 1101 and stating such maturity or redemption date upon which monies are to be available for the payment of the principal or Redemption Price, if applicable, on those Bonds. Neither Investment Obligations nor monies deposited with the Trustee pursuant to this Section nor principal or interest payments on any such Investment Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on those Bonds; provided that any cash received from such principal or interest payments on such Investment Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Investment Obligations maturing at times and in principal amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on those Bonds on and prior to such redemption date or maturity date thereof, as the case may be.

(3) Anything in the Bond Resolution to the contrary notwithstanding, any moneys held by the Trustee or Paying Agents in trust for the payment and discharge of any of the Bonds or coupons which remain unclaimed for six years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee or Paying Agents at such date, or for six years after the date of deposit of such moneys if deposited with the Trustee or Paying Agents after the date when the Bonds become due and payable, shall, at the written request of the Authority, be repaid by the Trustee or Paying Agents to the Authority, as its absolute property and free from trust, and the Trustee or Paying Agents shall thereupon be

released and discharged with respect thereto and the Bondholders shall look only to the Authority for the payment of such Bonds and coupons; provided, however, that before being required to make any such payment to the Authority, the Trustee or Paying Agents shall, at the expense of the Authority, cause to be published at least twice, at any interval of not less than seven days between publications, in a daily newspaper of general circulation in the City and in a financial newspaper of general circulation in the City of New York, a notice that those moneys remain unclaimed and that, after a date named in the notice, which date shall be not less than 30 days after the date of the first publication of the notice, the balance of such moneys then unclaimed will be returned to the Authority.

(4) For the purpose of this Section 1101 Investment Obligations shall mean only direct obligations of the United States of America.

ARTICLE XII.

Miscellaneous.

1201. *Preservation and Inspection of Documents.* All documents received by the Trustee or any Paying Agent under the provisions of this Resolution, any Series Resolution or any Tax Levy Ordinance shall be retained in its possession and shall be subject to all reasonable times to the inspection of the Authority, the Trustee or any Paying Agent, any Bondholders and their agents and representative duly authorized in writing, any of whom may make copies of such documents.

1202. *Parties in Interest.* Nothing expressed or implied in this Resolution, in any Series Resolution or any Tax Levy Ordinance adopted pursuant to the provisions of this Resolution is intended to or shall be construed to confer upon or to give to any person or party other than the Authority, the Trustee, the Paying Agents and the Holders of the Bonds and coupons pertaining to the Bonds any rights, remedies or claims under or by reason of this Resolution, any Series Resolution or any Tax Levy Ordinance or any covenants, condition or stipulation of those documents; and all covenants, stipulations, promises and agreements in this Resolution; any Series Resolution or any Tax Levy Ordinance by or on behalf of the Authority shall be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agents and the Holders from time to time of the Bonds and the coupons pertaining to the Bonds.

1203. *No Recourse Under Resolution and Series Resolution or on Bonds.* All covenants, stipulations, promises, agreements and obligations of the Authority contained in this Resolution and the Series Resolutions shall be deemed to be the covenants, stipulations, promises, agreements and obligation of the Authority and not of any Director, officer or employee of the Authority in that person's individual capacity. No recourse shall be had for the payment of the principal or Redemption Price of or interest on the Bonds or for any claim based on that payment or on this Resolution against any Director, officer or employee of the Authority or any person executing the Bonds or coupons on behalf of the Authority.

1204. *Severability.* If any one or more of the covenants, stipulations, promises, agreements, or obligations provided in this Resolution on the part of the Authority, Trustee or any Paying Agent to be performed should be determined by a court of competent jurisdiction to be contrary to law, then such covenant(s), stipulation(s), promise(s), agreement(s) or obligation(s) shall be deemed and construed to be severable from the

remaining covenants, stipulations, promises, agreements and obligations contained in this Resolution and shall in no way affect the validity of the other provisions of this Resolution.

1205. *Headings.* Any headings preceding the texts of the several Articles and Sections of this Resolution or any Series Resolution, and any table of contents or marginal notes appended to copies of this Resolution or any Series of Resolution, shall be solely for convenience or reference and shall not constitute a part of this Resolution or such Series Resolution, nor shall they affect its meaning, constuction or effect.

1206. *Conflict.* All resolutions or parts of resolutions or other proceedings of the Authority in conflict with this Resolution are repealed to the extent of the conflict.

1207. *Effectiveness.* This Resolution is effective immediately upon its adoption.

Certificate

I, Lawrence Block, certify that I am the duly qualified and acting Secretary of the Chicago School Finance Authority (the "Authority") and as Secretary I am the keeper of its books and records. I certify that attached to this Certificate is a true and complete copy of a Resolution entitled

A RESOLUTION CREATING AND ESTABLISHING AN ISSUE OF GENERAL OBLIGATION SCHOOL ASSISTANCE BONDS OF THE CHICAGO SCHOOL FINANCE AUTHORITY, PROVIDING FOR THE ISSUANCE FROM TIME TO TIME OF THOSE BONDS AND PROVIDING FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON THOSE BONDS

which Resolution was duly adopted by the Board of Directors of the Authority at its regular meeting of April 29, 1980, at which a quorum was present and voting throughout, and was supplemented by Supplemental Resolutions duly adopted by the Board of Directors of the Authority at its reconvened regular meeting of December 9, 1980, and at its reconvened regular meeting of November 13, 1984, at all of which meetings a quorum was present and voting throughout. The Resolution as adopted on April 29, 1980 and the Supplemental Resolutions as adopted on December 9, 1980, and November 13, 1984, were all adopted by the affirmative vote of not less than three Directors. The Resolution as adopted on April 29, 1980 and supplemented on December 9, 1980, and on November 13, 1984, has not been otherwise amended, altered or repealed and remains in full force and effect.

Signed this 13th day of November, 1984.

Secretary
Chicago School Finance Authority

Exhibit B.

A Series Resolution Authorizing the Issuance of \$114,500,000
General Obligation School Assistance Bonds, Series E
(1984), of Chicago School Finance Authority.

Be It Resolved by the Board of Directors of the Chicago School Finance Authority as follows:

ARTICLE I

Authority and Definitions.

101. *Series E Resolutions and Bond Resolution.* This Series Resolution (the "Series E Resolution") is adopted in accordance with the provisions of the School Assistance Bond Resolution of the Authority adopted April 29, 1980, as supplemented by the Authority on December 9, 1980 and on November 13, 1984 (the "Bond Resolution") and pursuant to the authority contained in the Act, as amended to the date of this resolution.

102. *Definitions.* (1) All terms which are defined in Article I of the Bond Resolution shall have the same meanings, respectively, in this Series E Resolution as such terms are given in Article I of the Bond Resolution.

(2) In this Series E Resolution, the following terms shall have the following meanings:

(a) "Series E Bonds" means the General Obligation School Assistance Bonds authorized by Article II of this Series E Resolution.

(b) "Series E Resolution" means this Resolution.

(c) "Series E Tax Levy Ordinance" means the ordinance which is to be adopted pursuant to Section 503 of this Series E Resolution.

103. *Findings.* It is found and declared as follows:

(a) The Board of Directors of the Authority, by the Bond Resolution, has created and established an issue of General Obligation School Assistance Bonds of the Authority.

(b) The Bond Resolution authorizes the issuance of General Obligation School Assistance Bonds in one or more Series pursuant to Series Resolutions authorizing Series of Bonds.

(c) It is necessary and required that the Authority issue at this time a Series of Bonds to be designated "General Obligation School Assistance Bonds, Series E (1984)", to provide moneys to carry out certain of the purposes of the Authority.

(d) The Board is in need of additional moneys for School Construction and Rehabilitation Purposes.

(e) It is necessary and in the best interests of the Authority and the public for the Authority to borrow the sum of \$114,500,000 and in evidence of its obligations to repay that borrowing to issue the Series E Bonds, as provided in this Series E Resolution, and for the Authority to use the amounts received from the sale of the Series E Bonds as provided in this Series E Resolution. The only previous issues of any notes or bonds of the Authority are its issues of \$220,000,000 General Obligation School Assistance

Bonds, 1980 Series A, \$150,000,000 General Obligation School Assistance Bonds, 1980 Series B, \$120,000,000 General Obligation School Assistance Bonds, 1980 Series C, and \$83,000,000 General Obligation School Assistance Bonds, 1980 Series D, each issued under the Bond Resolution and a Series Resolution.

(f) The Authority has been advised by its financial advisor that the purchase of municipal bond insurance on the Series E Bonds is likely to result in a reduction in the present value of debt service on the Series E Bonds, even with the premium on the insurance being treated as interest. The financial advisor estimates that the greatest savings will result from the purchase of insurance from the Municipal Bond Insurance Association. It is in the best interests of the Authority and the public for the Authority to purchase a policy of bond insurance from the Municipal Bond Insurance Association.

(g) The Authority has advertised for proposals to purchase the Series E Bonds. Those advertisements appeared, among other places, in The Chicago Sun-Times, a daily newspaper published in the City, and in The State Journal-Register, a daily newspaper published in the City of Springfield, Illinois. Each of those advertisements was published not less than ten days prior to the date of the opening of the bids for the Series E Bonds. In addition, the Authority has caused there to be distributed to prospective purchasers of the Series E Bonds a Preliminary Official Statement and a Notice of Sale and Official Bid Form.

(h) The Authority has received 3 sealed bids for the Series E Bonds. The bid of Continental Illinois National Bank and Trust Company of Chicago, a copy of which bid is attached as Exhibit A and is made a part of this Series E Resolution, is the highest and best bid. It is in the best interests of the Authority and the public for the Authority to accept that bid and to issue and deliver the Series E Bonds to the purchasers named in that bid, all in accordance with the terms of the bid and this Series E Resolution.

(i) It is necessary and in the best interests of the Authority and the public for the Authority to demand and direct the City Council of the City to provide by ordinance for the levy and collection of direct annual taxes sufficient to pay the principal of and interest on the Series E Bonds, all as provided in the Act, the Bond Resolution and this 1984 Series E Resolution, and for the Authority to determine an amount for loss and cost of collection of taxes and anticipated deferred collections of taxes, as extended on the collectors' books, all as provided in the Act, the Bond Resolution and this Series E Resolution.

(j) The interest cost to the Authority of the proceeds of the Series E Bonds, taking into account the discount on their purchaser price, the interest rates as specified in this Series E Resolution and treating the municipal bond insurance premium of 0.62% of total debt service on the Series E Bonds (determined after deduction of capitalized interest and accrued interest) as interest on the Bonds computed to stated maturity according to standard tables of bond values does not exceed 125% of the 20 G.O. Bond Index published by The Bond Buyer most recently before the adoption of this Series E Resolution.

ARTICLE II

Authorization of Series E Bonds.

201. *Principal Amount, Designation and Series.* Pursuant to the provisions of the Bond Resolution, a Series of Bonds is authorized in the aggregate principal amount of \$114,500,000. Those Bonds shall be designated as "General Obligation School Assistance Bonds, Series E (1984)."

202. *Purposes.* The purposes for which the Series E Bonds are being issued are (i) to provide the Board money for School Construction and Rehabilitation Purposes as provided by the Act and to pay into the School Construction Fund and the School Rehabilitation Fund, respectively, amounts as provided in this Series E Resolution to be used by the Authority to provide the Board money in the manner and for the purposes as provided in the Bond Resolution and in the Act, or otherwise as provided in the Act as it may from time to time be amended, (ii) to pay into the Reserve Fund an amount sufficient so that the amount on deposit in the Reserve Fund upon the issuance of the Series E Bonds will be at least equal to the Reserve Requirement, (iii) to establish and pay into a Capitalized Interest Account with respect to the Series E Bonds an amount, together with other amounts to be deposited in that Account, sufficient to pay interest on the Series E Bonds on June 1, 1985, and to pay \$1,569,030 of interest on the Series E Bonds on December 1, 1985; (iv) to establish and pay into a Cost of Issuance Account with respect to the Series E Bonds an amount to pay costs of Issuance of those Bonds, including but not limited to, the payment of the premium for bond insurance on the Series E Bonds; and (v) to pay into the School Assistance Bonds Administrative Fund amounts, which together with interest and other investment earnings, are estimated to be sufficient to pay School Assistance Bonds Administrative Expenses (including fees of the Trustee and costs of reviewing applications by the Board for disbursements of amounts in the School Construction Fund and School Rehabilitation Fund) expected to be incurred on or prior to June 1, 1995, all to the extent and in the manner provided in Article III of this Series E Resolution.

203. *Date, Form, Maturities and Interest Rates.* The Series E Bonds issued prior to June 1, 1985 shall be dated November 15, 1984. The Series E Bonds shall be issued solely in fully registered form, shall not be registerable to bearer, and shall not be subject to exchange for Series E Bonds in coupon form. The Series E Bonds shall mature on June 1, of each year in the following years and principal amounts and shall bear interest at the following rates per year:

<i>Due June 1</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Due June 1</i>	<i>Principal Amount</i>	<i>Interest Rate</i>
1986	\$1,335,000	6.50%	1996	\$3,170,000	9.60%
1987	1,435,000	7.00	1997	3,500,000	9.80
1988	1,550,000	7.40	1998	3,865,000	10.00
1989	1,680,000	7.70	1999	4,295,000	10.10
1990	1,825,000	8.00	2000	4,765,000	10.20
1991	1,990,000	8.40	2001	5,290,000	10.25
1992	2,175,000	8.70	2002	5,870,000	10.30
1993	2,380,000	9.00	2003	6,515,000	10.30
1994	2,615,000	9.20	2004	7,235,000	10.375
1995	2,875,000	9.40	2009	50,135,000	10.50

204. *Sinking Fund Installments.* The amounts and due dates of Sinking Fund Installments for the Series E Bonds maturing on June 1, 2009, are as follows:

<i>Year</i>	<i>Amount</i>
2005	\$8,030,000
2006	8,925,000
2007	9,915,000
2008	11,020,000
2009 [Maturity]	12,245,000

The total principal amount of any Series E Bonds of any maturity which shall have been redeemed by the Authority pursuant to optional redemption provisions or which shall have been purchased by the Trustee pursuant to paragraph (10) of Section 601 of the Bond Resolution shall be a credit against and reduction of the Sinking Fund Installments for the Series E Bonds of that maturity in inverse order of those Sinking Fund Installments.

205. *Interest Payments.* The Series E Bonds shall bear interest from their dates until paid, payable semiannually on June 1, and December 1 of each year, with the first interest payment date being June 1, 1985.

206. *Denominations, Numbers and Letters.* The Series E Bonds will be issued in denominations of \$5,000 or integral multiples of that amount not exceeding the aggregate principal amount of Series E Bonds maturing in the year of maturity from which the denomination is to be specified for Series E Bonds in fully registered form. The Series E Bonds shall be lettered ER and shall be numbered from one (1) consecutively upwards.

207. *Places of Payment.* The principal and Redemption Price of all Series E Bonds shall be payable at the corporate trust office of the First National Bank of Chicago, in the City of Chicago, Illinois, as Trustee. The Trustee shall be considered the paying agent for the Series E Bonds. Interest on the Series E Bonds shall be payable by check mailed by the Trustee to the holders of those Bonds at their addresses as shown on the registration books of the Authority maintained at the Trustee. The interest payable on Series E Bonds on each interest payment date will be paid to the persons in whose names they are registered at the close of business on the applicable record date (the May 15 or November 15, as the case may be, next preceding the interest payment date.)

208. *Redemption Prices, Notice and Terms.* The Series E Bonds maturing on or after June 1, 1995, shall be subject to redemption, on or after June 1, 1994, at the option of the Authority, in whole on any such date, or in part on any such interest payment date, in the inverse order of maturity and within a maturity by lot, at the respective Redemption Prices (expressed as percentages of the principal amount of the Series E Bonds or portions of Series E Bonds to be redeemed) set forth below, plus in each case accrued interest to the date of redemption:

<i>Redemption Dates</i>	<i>Redemption Prices</i>
On June 1, 1994, through May 31, 1995	103%
On June 1, 1995, through May 31, 1996	102 1/2
On June 1, 1996, through May 31, 1997	102

<i>Redemption Dates</i>	<i>Redemption Prices</i>
On June 1, 1997, through May 31, 1998	101 1/2
On June 1, 1998, through May 31, 1999	101
On June 1, 1999, through May 31, 2000	100 1/2
On June 1, 2000, and after that date	100

The Series E Bonds maturing on June 1, 2009, are subject to mandatory redemption in part on June 1, 2005 and on each June 1 after that date to and including June 1, 2008, at their principal amount plus unpaid accrued interest, without premium, in amounts of the Sinking Fund Installments for each of the years as set forth in Section 204 of this Series E Resolution.

Notice of Redemption shall be given as provided in the Form of Series E Bond and need not be given by publication.

209. *Sale of Series E Bonds.* The bid of Continental Illinois National Bank and Trust Company of Chicago to purchase the Series E Bonds is accepted, a copy of which bid is attached as Exhibit A. That bid is approved in all respects. The Chairman is authorized and directed to execute an acceptance of that bid for and on behalf of and in the name of the Authority. The distribution to the public of the Preliminary Official Statement dated November 2, 1984 and of the Notice of Sale relating to the Series E Bonds is ratified, confirmed and approved. The Official Statement of the Authority substantially in the form attached to this Series E Resolution as Exhibit B is approved. The Chairman is authorized to sign a copy of that Official Statement in the name of and on behalf of the Authority and to deliver the executed Official Statement to the purchasers of the Series E Bonds. The Chairman, the Treasurer or another Authorized Officer of the Authority is authorized and directed to take all action necessary or appropriate to carry out the issuance, sale and delivery of the Series E Bonds as provided in the Bond Resolution and this Series E Resolution including without limitation, to make such representations and certifications as such officer deems proper to the Trustee pursuant to the Bond Resolution and such representations and certifications as such officer deems proper to establish that the Series E Bonds shall not constitute "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, and lawful regulations promulgated under that Section.

210. *Additional Bonds.* The Authority covenants and agrees with the Holders of the Series Bonds that it will not issue any additional Series of Bonds under the Bond Resolution, except for purposes for which Bonds may be so issued after 1984 pursuant to Section 905(3) of the Bond Resolution.

ARTICLE III

Disposition of Series E Bond Proceeds.

301. *School Construction Fund; School Rehabilitation Fund.* Upon receipt of the proceeds of the sale of the Series E Bonds, the Authority shall deposit in the School Construction Fund the sum of \$32,000,000, and shall deposit in the School Rehabilitation fund the lesser of (i) \$63,000,000 or (ii) all amounts received upon the sale of the Series E

Bonds, which are not required by this Article to be deposited in the School Construction Fund, the Reserve Fund, the Series E Cost of Issuance Account, the School Assistance Bonds Administrative Fund or the Series E Capitalized Interest Account.

302. *Reserve Fund.* Upon receipt of the proceeds of the sale of the Series E Bonds, the Authority shall deposit in the Reserve Fund the sum of \$6,257,599 derived from these proceeds.

303. *Cost of Issuance Account.* There is created and established a separate account to be deposited with and held by the Trustee, pursuant to Section 503 of the Bond Resolution, and designated the Series E Cost of Issuance Account. Upon receipt of the proceeds of the sale of the Series E Bonds, the Authority shall deposit in the Series E Cost of Issuance Account the sum of \$2,592,779 derived from these proceeds. The Authority shall purchase a policy of municipal bond insurance for the Series E Bonds from the Municipal Bond Insurance Association. The Chairman or the Treasurer of the Authority is authorized and directed on behalf of the Authority so to obtain that insurance and to cause the premium for it to be paid from the Series E Cost of Issuance Account.

304. *School Assistance Bonds Administrative Fund.* Upon receipt of the proceeds of the sale of the Series E Bonds, the Authority shall deposit in the School Assistance Bonds Administrative Fund the sum of \$1,450,000 derived from those proceeds.

305. *Capitalized Interest Account.* There is established and created a separate account in the Debt Service Fund pursuant to Section 601 of the Bond Resolution and designated the Series E Capitalized Interest Account. Upon receipt of the proceeds of the sale of the Series E Bonds, the Authority shall deposit in the Debt Service Fund to the credit of the Series E Capitalized Interest Account an amount derived from those proceeds which, when invested as provided in Section 305 of this Series E Resolution, shall be sufficient, together with interest and investment earnings to be received on investments of such amount to pay the interest on the Series E Bonds as it falls due on June 1, 1985, plus the sum of \$1,569,030 to pay a portion of the interest on the Series E Bonds coming due on December 1, 1985.

306. *Investments of Capitalized Interest Account.* All amounts provided by this Article III to be deposited in the Debt Service Fund to the credit of the Series E Capitalized Interest Account shall be invested by the Trustee in Investment Obligations of the type referred to in subparagraphs (a) and (d) of the definition of Investment Obligations in Section 101 of the Bond Resolution as shall be stated in writing by an Authorized Officer to the Trustee at or prior to the issuance of the Series E Bonds. All amounts so deposited to be used to pay interest on the Series E Bonds on June 1, 1985, shall be continuously invested only in those Investment Obligations until June, 1, 1985, so that the amount of money available in the Series E Capitalized Interest Account for paying that interest (including interest and investment earnings to be received on those amounts so invested in that Account) shall be sufficient to pay the interest on the Series E Bonds in full as it comes due on June 1, 1985. At or prior to the issuance of the Series E Bonds, an Authorized Officer shall direct the Trustee to invest amounts deposited in the Series E Capitalized Interest Account for paying that interest, and shall provide a schedule listing such investments and showing that the principal and interest coming due on the Investment Obligations so to be purchased from deposits in the Series E Capitalized Interest Account will be sufficient, without further reinvestment, to pay interest on the Series E Bonds as it comes due on June 1, 1985 and to pay \$1,569,030 of the interest on the Series E Bonds coming due on December 1, 1985.

(together with a statement of a firm of independent certified public accountants retained by the Authority verifying the mathematical computations in the schedule).

307. *Principal and Interest Account.* Upon receipt of the proceeds of the sale of the Series E Bonds, the Authority shall deposit in the Debt Service Fund to the credit of the Principal and Interest Account all amounts not required by this Article to be deposited in any other fund or account.

ARTICLE IV

Forms and Execution of Series E Bonds.

401. *Form of Series E Bonds.* Subject to the provisions of the Bond Resolution, Series E Bonds in fully registered form, and the Trustee's form of authentication, shall be in substantially the following form and tenor:

United States of America

State of Illinois

Cook and DuPage Counties

Chicago School Finance Authority

General Obligation School Assistance Bond

Series E (1984)

Number ER-

\$

DATE OF BOND:

DATE OF MATURITY:

INTEREST RATE PER YEAR:

Know All Persons By These Presents, that the Chicago School Finance Authority, Cook and DuPage Counties, Illinois (the "Authority"), for value received, promises to pay to , or that person's registered assignee, the principal sum of _____ DOLLARS on the Date of Maturity, unless this Bond is redeemed prior to that date as provided in this Bond, together with interest on that sum from the Date of Bond specified above until it is paid or earlier redeemed, at the interest rate per year specified above, payable semiannually on June 1 and December 1 in each year, with the first interest payment date being June 1, 1985. No interest shall accrue on this Bond after its Date of Maturity unless this Bond shall have been presented for payment at maturity and shall have not then been paid.

Principal, redemption price, if any, and interest on this Bond are payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. The interest payable on this Bond on each interest payment date will be paid to the person in whose name it is registered at the close of

business on the applicable record date (the May 15 or November 15, as the case may be, next preceding the interest payment date). Principal and redemption price are payable at the corporate trust office of The First National Bank of Chicago, in the City of Chicago, Illinois, as Trustee. Interest on this Bond shall be payable by check mailed by the Trustee to the registered owner of this Bond at his or her address as shown on the registration books of the Authority maintained by the Trustee.

This bond is one of a duly authorized issue of bonds of the Authority designated "General Obligation School Assistance Bonds" (the "Bonds"), issued and to be issued in various series under and pursuant to the School Finance Authority Act of the State of Illinois, as amended (the "Act"), and under and pursuant to the School Assistance Bond Resolution of the Authority duly adopted April 29, 1980, as supplemented by the Authority on December 9, 1980 and November 13, 1984 (the "Bond Resolution"), series resolutions authorizing each such series, and ordinances of the City Council of the City of Chicago levying taxes to pay principal of and interest on the Bonds.

This Bond is one of a series of Bonds designated "General Obligation School Assistance Bonds, Series E (1984)" (the "Series E Bonds"), issued in the aggregate principal amount of \$114,500,000 under the Bond Resolution and a series resolution authorizing the issuance of such series (the "Series E Resolution"). As provided in the Bond Resolution, the Bonds may be issued from time to time pursuant to series resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and, subject to the provisions of the Bond Resolution, may otherwise vary. The aggregate principal amount of Bonds which may be issued under the Bond Resolution is not limited except as provided in the Bond Resolution and the Act, as amended from time to time, and all Bonds issued and to be issued under the Bond Resolution are and will be equally and ratably secured by the covenants, liens and security interests made or provided for in the Bond Resolution (except as to Capitalized Interest Accounts which are for the purpose of paying interest on particular Series of Bonds).

The Series E Bonds are general obligations of the Authority. To the payment when due of the interest on the Series E Bonds and of the principal of the Series E Bonds, at stated maturity or on sinking fund installment dates, the full faith and credit of the Authority are irrevocably pledged. The Series E Bonds are not obligations of the City of Chicago (the "City"), the Board of Education of the City (the "Board"), the State of Illinois (the "State") or any other political subdivision of the State (other than the Authority) or any charge upon the general credit or against the taxing power of the City, the Board, the State or any other political subdivision of the State (other than the Authority).

The Series E Bonds are issued for the purpose of providing the Board with money for school construction and rehabilitation purposes, for the purpose of paying interest on the Series E Bonds, for the purpose of depositing in the debt service reserve fund established under the Bond Resolution an amount to secure the Bonds, for the purpose of paying certain administrative expenses of the Authority, and for the purpose of paying costs of issuance of the Series E Bonds, all as provided by the Act, the Bond Resolution, and the Series E Resolution. The Series E Bonds have been issued by the Authority upon full payment for the Series E Bonds as provided in the Series E Resolution.

The City Council of the City has by duly adopted ordinances levied direct annual taxes upon all taxable property in the City sufficient to pay the interest, not to be paid from

capitalized interest accounts, on the outstanding Bonds issued under the Bond Resolution, including the Series E Bonds, as it falls due and to pay the principal of the outstanding Bonds, including the Series E Bonds, at maturity or on sinking fund installment dates. The Series E Bonds, together with the outstanding Bonds issued under the Bond Resolution, are payable solely from taxes levied or to be levied to pay the principal of and interest on such Bonds and from funds and revenues as provided in the Bond Resolution and the series resolutions. Nothing in this Bond or in the Bond Resolution or the Series E Resolution prohibits the use for such payment of any funds which lawfully may be used for that purpose.

The issuance by the Authority of the Series E Bonds will not cause the Authority to exceed or violate any applicable limitation or condition regarding the issuance of obligations of the Authority imposed by the Constitution or laws of the State.

Series E Bonds maturing on or after June 1, 1995, are subject to redemption at the option of the Authority, on or after June 1, 1994, as a whole on any such date, or in part on any such interest payment date, in the inverse order of maturity and by lot within a maturity, if less than a whole maturity is redeemed, at the respective redemption prices (expressed as percentages of the principal amounts of the Series E Bonds to be redeemed) on the dates, all as set forth below, plus interest accrued on such Series E Bonds to the date fixed for redemption:

<i>Redemption Dates</i>	<i>Redemption Prices</i>
On June 1, 1994, through May 31, 1995	103%
On June 1, 1995, through May 31, 1996	102 1/2
On June 1, 1996, through May 31, 1997	102
On June 1, 1997, through May 31, 1998	101 1/2
On June 1, 1998, through May 31, 1999	101
On June 1, 1999, through May 31, 2000	100 1/2
On June 1, 2000, and after that date	100

Series E Bonds maturing on June 1, 2009, are subject to mandatory redemption in part on June 1, 2005 and on each June 1 after that date to and including June 1, 2008, at their principal amount plus accrued interest, without premium, in the years and amounts of the sinking fund installments for each of such years as set forth in the Series E Resolution.

Notice of redemption of any of the Series E Bonds shall be given by mailing a copy of the notice, postage prepaid, to the registered owners of the Series E Bonds which are to be redeemed at their last addresses appearing on the registration books. The notice shall be mailed not less than thirty nor more than sixty days prior to the date fixed for redemption. The failure of any person to receive the notice shall not affect the validity of the redemption. When any of the Series E Bonds, including this Bond, shall have been called for redemption, and payment made or provided for, interest thereon shall cease to accrue from and after the date so specified.

It is certified and recited that all acts, conditions and things required to be done, to happen, or to be performed precedent to and in the issuance of this Bond, have been done, have happened and have been performed in regular and due form of law. The Authority

covenants with the holder of this Bond that it will keep and perform all covenants and agreements contained in the Bond Resolution and the Series E Resolution.

This Bond is transferable by the registered owner of this Bond in person or by such owner's attorney duly authorized in writing at the principal office of The First National Bank of Chicago, as Bond Registrar, in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution, and upon surrender and cancellation of this Bond.

The Authority and the Trustee may deem and treat the registered holder as the absolute owner of this Bond (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal of this Bond and the redemption price, if any, and interest due on this Bond and for all other purposes and neither the Authority nor the Trustee shall be affected by any notice to the contrary.

The Series E Bonds are issuable only in fully registered form without coupons in denominations of \$5,000 or integral multiples of that sum. The Series E Bonds are not registrable to bearer. Subject to the limitations and upon payment of the charges provided in the Bond Resolution, Series E Bonds in fully registered form without coupons may be exchanged for a like aggregate principal amount of Series E Bonds in fully registered form or other authorized denominations.

This Bond shall not be valid for any purpose until the certificate of authentication on this Bond shall have been executed by the Trustee.

In Witness Whereof, the Authority has caused this Bond to be executed by the facsimile signatures of its Chairman and Secretary, its corporate seal to be affixed to this Bond (or a facsimile of the seal printed on this Bond), this Bond being dated as of the DATE OF BOND set forth above.

(facsimile signature)

Chairman

Chicago School Finance Authority

Attest:

(facsimile signature)

Secretary

Chicago School Finance Authority

This Bond is one of the Series E Bonds described in the Bond Resolution and the Series E Resolution to which reference is made in this Bond.

The First National Bank of Chicago,
as Trustee

By _____

Authorized Officer

402. *Execution of Series E Bonds.* The Series E Bonds shall be executed by the facsimile signatures of the Chairman and the Secretary of the Authority and shall have the corporate seal of the Authority affixed (or a facsimile thereof printed thereon). The Chairman and Secretary of the Authority are authorized and directed to file or to retain on file with the Illinois Secretary of State their manual signatures certified by them pursuant to the Uniform Facsimile Signature of Public Officials Act, as amended, and the use of their facsimile signatures to execute the Series E Bond is authorized upon such filing. Each Series E Bond so executed by the facsimile signatures of the Chairman and Secretary shall be as effective as if executed by the hand of such officer.

No Series E Bonds shall be valid for any purpose unless and until a certificate of authentication of the Series E Bonds substantially in the form set forth in the form of Series E Bonds set forth in Section 401 of this Series E Resolution shall have been duly executed by the Trustee with respect to that Series E Bond. That certificate upon any such Series E Bond shall be conclusive evidence that such Series E Bond has been authenticated and delivered under the Act, the Bond Resolution and this Series E Resolution. The Trustee's certificate of authentication on any Series E Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Trustee, but it shall not be necessary that the same officer or signatory sign the certificate of authentication of all of the Series E Bonds. The Trustee is authorized and directed to cause Series E Bonds executed by the Authority to be authenticated in accordance with the provisions of the Bond Resolution and this Series E Resolution.

ARTICLE V

Tax Levy with Respect to Series E Bonds.

501. *Levy for Principal and Interest.* For the purpose of providing for the payment of the principal of and interest on the Bonds, there shall be collected a direct annual tax upon all taxable property located within the City, being the school district named the Board of Education of the City of Chicago, sufficient to pay the principal of the Series E Bonds at maturity or on Sinking Fund Installment dates and to pay the interest on the Series E Bonds as it falls due and, in particular, but not in limitation of the foregoing, a tax sufficient to produce the following sums for the following years:

<i>Levy Year</i>	<i>Amount</i>
1984 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1985 (less the amount to be deposited in the Series E Capitalized Interest Account for paying interest on the Series E Bonds on that date) and June 1, 1986)	\$11,211,001.25
1985 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1986 and June 1, 1987)	12,793,256.25

<i>Levy Year</i>	<i>Amount</i>
1986 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1987 and June 1, 1988)	12,807,806.25
1987 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1988 and June 1, 1989)	12,823,106.25
1988 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1989 and June 1, 1990)	12,838,746.25
1989 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1990 and June 1, 1991)	12,857,746.25
1990 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1991 and June 1, 1992)	12,875,586.25
1991 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1992 and June 1, 1993)	12,891,361.25
1992 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1993 and June 1, 1994)	12,912,161.25
1993 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1994 and June 1, 1995)	12,931,581.25
1994 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1995 and June 1, 1996)	12,956,331.25
1995 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1996 and June 1, 1997)	12,982,011.25
1996 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1997 and June 1, 1998)	13,004,011.25
1997 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1998 and June 1, 1999)	13,047,511.25

<i>Levy Year</i>	<i>Amount</i>
1998 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 1999 and June 1, 2000)	13,083,716.25
1999 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 2000 and June 1, 2001)	13,122,686.25
2000 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 2001 and June 1, 2002)	13,160,461.25
2001 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 2002 and June 1, 2003)	13,200,851.25
2002 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 2003 and June 1, 2004)	13,249,806.25
2003 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 2004 and June 1, 2005)	13,294,175.00
2004 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 2005 and June 1, 2006)	13,346,025.00
2005 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 2006 and June 1, 2007)	13,398,900.00
2006 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 2007 and June 1, 2008)	13,462,825.00
2007 (an amount sufficient to pay Debt Service Requirements on the Series E Bonds on December 1, 2008 and June 1, 2009)	13,530,725.00

502. *Additional Levy.* The taxes to be collected as provided in this Article V for the purpose of paying the principal of and interest on the Bonds, and for the purpose of providing money to be deposited in the Reserve Fund pursuant to the Act, shall include the additional amounts provided in this Section, in accordance with paragraph (3) of Section 906 of the Bond Resolution. These amounts shall be in addition to the dollar amount specifically set forth in Section 501 of this Series E Resolution. The additional amounts provided in this Section shall be levied for each levy year beginning with the tax levy for

1985, and shall be collected in each year thereafter while any of the Series E Bonds are outstanding and unpaid, either as to principal or interest. The additional amount to be levied for each such year shall be the sum sufficient to produce the amount, if any, by which

(a) the cumulative total of Debt Service Requirements on the Series E Bonds through December 1 of such levy year less an amount equal to the interest paid from the Series E Capitalized Interest Account shall have exceeded.

(b) the cumulative total of collections of all taxes levied as provided by the Series E Tax Levy Ordinance with respect to the Series E Bonds (including taxes levied pursuant to this Section) for all years up to and through December 1 of such levy year (treating as tax collections the total amount of all such taxes which shall have been abated pursuant to Section 601 of the Bond Resolution with respect to extensions for all years through such December 1).

No later than December 31 of each year, beginning in 1985, the Trustee shall file in the offices of the county clerks of each county in which any taxable property in the City is located, a statement certified by a corporate trust officer of the Trustee, of the amount of the taxes which are to be included in the levy in that year as provided in this Section. The failure of the Trustee to file the certificate referred to in the preceding sentence shall not affect the validity of the levy of taxes as provided in this Section and, whether or not the Trustee shall file the statements, the county clerks and collectors of each county in which any taxable property in the City is located are directed to cause to be extended and collected all the amounts provided to be collected in each year, pursuant to this Section.

503. *Direction and Demand to City Council.* Pursuant to the Act, demand is made upon the City Council of the City and the City Council is directed to provide by ordinance for the levy and collection of a direct annual tax upon all taxable property within the City, being the school district named the Board of Education of the City of Chicago, without limitation as to rate or amount, sufficient to pay and discharge the principal of the Series E Bonds at maturity or on Sinking Fund Installment dates and to pay the interest on the Series E Bonds as it falls due and to make deposits in the Reserve Fund, and in particular, but not in limitation of the foregoing, sufficient to produce the amounts set out and described in Sections 501 and 502 of this Article.

504. *Filing of Tax Levy Ordinance; Extension of Taxes.* After the adoption of this Series E Resolution, the Secretary of the Authority is authorized and directed to file a copy of it duly certified by or on behalf of the Secretary, with the City Clerk of the City. After the adoption and effectiveness of the Series E Tax Levy Ordinance of the City Council levying the taxes described in this Article, the City Clerk of the City is directed to file copies of that Series E Tax Levy Ordinance duly certified by or on behalf of that officer, in the office of the County Clerk of DuPage County, Illinois, and in the office of the County Clerk of Cook County, Illinois (which are all the counties in which any taxable property in the City is located) and in the offices of the County Collectors for those counties. Upon the filing of such copies of the Series E Tax Levy Ordinance with those County Clerks, it shall be the duty of those County Clerks to extend the taxes so levied for the Series E Bonds, all as provided in the Act, the Series E Tax Levy Ordinance, the Bond Resolution and this Series E Resolution. Except as specifically provided in the Bond Resolution, this Series E Resolution or the Series E Tax Levy Ordinance, the taxes levied as provided in this Series E Resolution shall be computed, extended and collected in the same manner as is now or may

subsequently be provided for the computation, extension and collection of ad valorem taxes in the City generally. The taxes to be levied as provided by this Series E Resolution shall be extended without limitation as to rate and shall be extended in amounts sufficient to produce the taxes as so levied.

505. *Allowance for Loss and Cost of Collection and Anticipated Deferred Collections.* In extending the taxes provided by this Series E Resolution and the Series E Tax Levy Ordinance to be levied, the county clerks of each county in which any taxable property in the City is located shall include in each year an amount to cover loss and cost of collection and anticipated deferred collections of the taxes so levied. Such amount is and shall be determined by the Authority pursuant to the Act, the Bond Resolution and this Series E Resolution. The amount so determined by the Authority is and shall be expressed as a percentage of the amounts of taxes required to be collected in such year as provided by the Bond Resolution, this Series E Resolution and the Series E Tax Levy Ordinance. It is determined that the amounts so to be included in extensions for the following years of extension as an allowance which the Authority shall reasonably estimate to be needed to cover loss and cost of collection and anticipated deferred collections of such taxes as extended in the collectors' books are the following accounts:

Extension Year	Allowance
1985	7.0%
1986 (and each succeeding year)	4.5%

These amounts for 1985 and 1986 are not less than the percentage which would have been needed to have been added to the total of all property taxes collected in the City in 1983 to equal the total of the gross property taxes in the City extended in 1983. The amounts as so determined are found to be presently sufficient so that the amounts of taxes to be levied and collected will produce the amounts required to be produced pursuant to this Article V.

The amounts in respect of the Series E Bonds determined in this Section 505 for inclusion in the taxes to be extended in any year shall be subject to change as provided in Section 908 of the Bond Resolution, but no decrease of such allowance shall be made for extensions for the years 1985 or 1986.

ARTICLE VI

Miscellaneous.

601. *Effectiveness.* This Series E Resolution shall take effect immediately upon its adoption.

Referred -- CONDITIONAL APPROVAL OF INDUSTRIAL REVENUE BOND FOR PROJECT BY H & L ENTERPRISES.

The Committee on Finance submitted a report recommending that the City Council refer a proposed ordinance authorizing the conditional approval of an industrial revenue bond for a

project, in the amount of \$600,000, to be constructed by H & L Enterprises and to be located at 5540 West Lawrence Avenue, to the Committee on Economic Development.

On motion of Alderman Burke, the committee's recommendation was *Concurred In* and said ordinance was *Referred to the Committee on Economic Development*.

COMMITTEE ON PUBLIC UTILITIES.

ILLINOIS COMMERCE COMMISSION PETITION FOR RULEMAKING SUPPORTED AND ENDORSED WITH RESPECT TO AFFORDABLE BUDGET PLAN.

The Committee on Public Utilities submitted the following report:

CHICAGO, December 10, 1984.

To the President and Members of the City Council:

Your Committee on Public Utilities, having had under consideration a proposed resolution (which was referred on October 31, 1984), calling upon the City Council of Chicago to support and endorse the petition for rulemaking by the Illinois Commerce Commission with respect to 83 Illinois Administration Code, pt. 280, known as the Affordable Budget Plan, begs leave to recommend that Your Honorable Body Pass the said proposed resolution which is transmitted herewith.

This recommendation was concurred in unanimously by the members of the committee.

Respectfully submitted,
(Signed) GEORGE J. HAGOPIAN,
Chairman.

On motion of Alderman Hagopian, the said proposed resolution transmitted with the foregoing committee report was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said resolution as adopted:

WHEREAS, Over 139,000 families in Chicago and 129,000 families in Illinois were subject to disconnection of their gas service as of April 24, 1984; and

WHEREAS, Between 1976 and 1982 gas prices rose 50 percent more than the cost of living increases for other items and electricity prices rose 20 percent more than the cost of living; and

WHEREAS, Between 1976 and 1983 average Illinois residential heating bills rose from \$443 to \$826 or an 86 percent increase; and average annual residential electric non-space heating bills rose from \$368 to \$590 or an increase of 60 percent; and

WHEREAS, The current unemployment rate is 8.7 percent or a total of 484,000 officially listed as unemployed by the United States Labor Department, and many tens of thousands more "discouraged workers" and unemployed can be added to that number; and

WHEREAS, Most of the public and private funds for help with heating are either already committed to those on waiting lists or already exhausted; and

WHEREAS, Because of plant closings, layoffs, large numbers are on unemployment, and/or public assistance, combined with rising gas and electric prices more families than ever face loss of heat; and

WHEREAS, Some 1,200 customers of Peoples Gas and Commonwealth Edison showed up at three hearings in Chicago on October 4, 1984 to support the proposed "Affordable Budget Plan" and hundreds of others have signed petitions supporting it; and

WHEREAS, Over 60 churches, social service agencies, community groups, legislators, religious leaders and others have endorsed the "Affordable Budget Plan"; now, therefore,

Be It Resolved, That the City Council of Chicago hereby support and endorse the petition for rulemaking by the Illinois Commerce Commission with respect to 83 Illinois Administration Code pt. 280, popularly known as the Affordable Budget Plan. The Plan provides for two points:

1. "Low Income Payment Plan"; whereby families whose income is equal to or less than 125 percent of the federal non-farm poverty level would be protected from disconnection of gas and electric service all year as long as they make monthly payments equal to 12 percent of their income during the winter months (December 1 - April 30); the remaining months families would pay 12 percent of the monthly income or the current utility bill, whichever is higher. (Proposed Emergency Rule 280.139 (a) (2) (A).)
2. "Bill Retirement Plan" would enable those households whose incomes increase and who have accumulated arrearages while on the percentage of income plan, to enter a realistic plan to retire those arrearages. (Proposed Emergency Rule, 280.139 (b)); and

Be It Further Resolved, That upon passage, a copy of this resolution be forwarded to the Illinois Commerce Commission as an expression of the Chicago City Council's sentiments regarding this matter.

The aldermen named below presented proposed ordinances to prohibit the parking of vehicles at all times, at the locations specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location
BLOOM (5th Ward)	South Merrill Avenue (east side) at 6931;
LAURINO (39th Ward)	North Kimball Avenue (east side) at 5439.

*Referred--*PROHIBIT PARKING OF VEHICLES DURING
SPECIFIED HOURS AT SPECIFIED LOCATIONS.

Alderman Pucinski (41st Ward) presented three proposed ordinances to prohibit the parking of vehicles at 7331, 7337 and 7341 West Higgins Avenue between the hours of 7:00 A.M. and 4:00 P.M. on Monday thru Friday, which were *Referred to the Committee on Traffic Control and Safety*.

*Referred--*SURVEY FOR INSTALLATION OF TRAFFIC CONTROL
SIGNAL AT SPECIFIED LOCATION.

Alderman Laurino (39th Ward) presented a proposed order to cause a survey to be made for the installation of appropriate traffic signal and/or signs for southbound traffic on Pulaski Road making a left turn into driveway of Bohemian Home at 5061 N. Pulaski Road at the foot of the bridge, which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- INSTALLATION OF TRAFFIC SIGNS.

The aldermen named below presented proposed orders for the installation of traffic signs, of the nature indicated and at the locations specified; which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location and Type of Sign
ROTI (1st Ward)	West 16th Street and South Union Avenue -- "All Way Stop";
SAWYER (6th Ward)	East 77th Street and South Calumet Avenue -- "2-Way Stop";
MADRZYK (13th Ward)	South Sawyer Avenue and West 53rd Street -- "All Way Stop";

MATTERS PRESENTED BY THE ALDERMEN

(Presented by Wards, in Order, Beginning with the Fiftieth Ward).

Arranged under the following subheadings:

1. Traffic Regulations, Traffic Signs and Traffic-Control Devices.
2. Zoning Ordinance Amendments.
3. Claims.
4. Unclassified Matters (arranged in order according to Ward numbers).
5. Free Permits, License Fee Exemptions, Cancellation of Warrants for Collection and Water Rate Exemptions, Etc.

1. TRAFFIC REGULATIONS, TRAFFIC SIGNS AND TRAFFIC-CONTROL DEVICES.

***Referred--ESTABLISHMENT OF LOADING ZONE ON
PORTION OF WEST BRYN MAWR AVENUE.***

Alderman O'Connor (40th Ward) presented a proposed ordinance to establish a loading zone at W. Bryn Mawr north side from a point 70 feet west of N. Western Avenue to a point 25 feet west thereof, which was *Referred to the Committee on Traffic Control and Safety.*

***Referred--DISCONTINUE RESTRICTION OF MOVEMENT OF
VEHICULAR TRAFFIC TO SINGLE DIRECTION ON
PORTION OF WEST HOMER STREET.***

Alderman Mell (33rd Ward) presented a proposed ordinance to discontinue the restriction of movement of vehicular traffic to a single direction on portion of "W. Homer Street from N. Rockwell Street to N. Washtenaw Avenue westerly", which was *Referred to the Committee on Traffic Control and Safety.*

***Referred--LIMITATION OF PARKING OF VEHICLES DURING
SPECIFIED HOURS ON PORTION OF WEST JARVIS AVENUE.***

Alderman Stone (50th Ward) presented a proposed ordinance to limit the parking of vehicles to fifteen minute periods on the north side of W. Jarvis Avenue from N. Western Avenue to the first alley east thereof from 7:00 A.M. to 6:00 P.M. on Monday thru Saturday, which was *Referred to the Committee on Traffic Control and Safety.*

***Referred--PROHIBITION AGAINST VEHICULAR PARKING AT
ALL TIMES AT SPECIFIED LOCATIONS.***

Alderman	Location and Type of Sign
	South St. Louis Avenue at West 77th Street -- "Stop";
<i>STREETER</i> (17th Ward)	West 80th Street at South Lowe Avenue -- "Stop";
	West 74th Street and South Lowe Avenue -- "2-Way Stop";
<i>McLAUGHLIN</i> (45th Ward)	West Balmoral Avenue and North Linder Avenue -- "4-Way Stop";
<i>STONE</i> (50th Ward)	West Touhy Avenue and North Albany Avenue -- "3-Way Stop".

2. ZONING ORDINANCE AMENDMENTS.

Referred--ZONING RECLASSIFICATION IN PARTICULAR AREAS.

The aldermen named below presented five proposed ordinances for amendment of the Chicago Zoning Ordinance, for the purpose of reclassifying particular areas, which were *Referred to the Committee on Zoning*, as follows:

BY ALDERMAN TILLMAN (3rd Ward):

To classify as an R4 General Residence District instead of an R3 General Residence District the area shown on Map No. 14-F bounded by

W. 57th Street (north); S. Lafayette Avenue (east); W. 57th Place (south); and S. Perry Avenue (west).

BY ALDERMAN LAURINO (39th Ward) and **ALDERMAN O'CONNOR** (40th Ward):

To classify as a B2-2 Restricted Retail District instead of an R4 General Residence District the area shown on Map Nos. 13-I and 13-J bounded by

W. Carmen Avenue; the alley next east of N. Kedzie Avenue; W. Argyle Street; and the alley next west of N. Kedzie Avenue.

BY ALDERMAN OBERMAN (43rd Ward):

To classify as a B4-3 Restricted Service District instead of a B4-4 Restricted Service District the area shown on Map No. 5-F bounded by

a line 402 feet north of W. Armitage Avenue; N. Clark Street; a line 330 feet north of W. Armitage Avenue; and N. Orleans Street.

BY ALDERMAN SCHULTER (47th Ward):

To classify as a B2-1 Restricted Retail District instead of a C1-2 Restricted Commercial District the area shown on Map No. 9-H bounded by

W. Grace Street; N. Ravenswood Avenue; W. Addison Street; the alley next west of N. Lincoln Avenue; W. Waveland Avenue; the alley next west of N. Lincoln Avenue; the alley next north of and parallel to W. Waveland Avenue; N. Wolcott Avenue; the alley next north of and parallel to W. Bradley Place; and the alley next west of and parallel to N. Wolcott Avenue.

To classify as an R3 General Residence District instead of an R4 General Residence District the area shown on Map No. 11-H bounded by

W. Lawrence Avenue; N. Wolcott Avenue; a line 249 feet south of W. Lawrence Avenue; the alley next east of and parallel to N. Wolcott Avenue; a line 143 feet north of W. Wilson Avenue; N. Wolcott Avenue; a line 80 feet south of W. Wilson Avenue; the east line of the Chicago Rapid Transit Company (Ravenswood Elevated Structure) right-of-way; a line 92 feet north of W. Montrose Avenue; N. Wolcott Avenue; a line 100 feet north of W. Montrose Avenue; the alley next west of and parallel to N. Wolcott Avenue; a line 92 feet north of W. Montrose Avenue; N. Winchester Avenue; a line 152 feet north of W. Montrose Avenue; the alley next west of and parallel to N. Winchester Avenue; a line 65 feet north of W. Montrose Avenue; N. Damen Avenue; W. Sunnyside Avenue; the alley next west of and parallel to N. Wolcott Avenue; W. Wilson Avenue; N. Damen Avenue; a line 392 feet north of W. Wilson Avenue; the alley next west of and parallel to N. Winchester Avenue; a line 122 feet south of W. Lawrence Avenue; and N. Winchester Avenue.

3. CLAIMS.

Referred--CLAIMS AGAINST CITY OF CHICAGO.

The aldermen named below presented two proposed claims against the City of Chicago for the claimants named as noted respectively, which were *Referred to the Committee on Claims and Liabilities*, as follows:

Alderman	Claimant
D. DAVIS (29th Ward)	Timothy J. Marchman;
STONE (50th Ward)	L. A. Jackson.

4. UNCLASSIFIED MATTERS

(Arranged in Order According to Ward Numbers).

Proposed ordinances, orders and resolutions were presented by the aldermen named below respectively, and were acted upon by the City Council in each case in the manner noted, as follows:

Presented by

ALDERMAN HUELS (11th Ward):

TRIBUTE TO LATE EDWARD A. NIHILL.

A proposed resolution reading as follows:

WHEREAS, Edward A. Nihill was a lifelong resident in the Bridgeport community; and

WHEREAS, Edward A. Nihill had passed away on Thursday, December 6, 1984, called to his eternal rest by Almighty God in his infinite wisdom; and

WHEREAS, Edward A. Nihill was a model citizen as evidenced by his active participation in civic and community affairs; and

WHEREAS, Mr. Nihill served in the General Assembly of the State of Illinois as a State Senator of the 23rd District from 1967 to 1973; and

WHEREAS, Mr. Nihill was also the supervisor of Water Collection for the City of Chicago from 1961 to 1979; and

WHEREAS, Mr. Nihill held the position of supervisor for the Circuit and Superior Court Jurors for 35 years; and

WHEREAS, He had also been employed in the Tax Department of the City Treasurer's Office and the Cook County Assessor's Office; and

WHEREAS, Edward A. Nihill had been a precinct captain in the 11th Ward Democratic Party for 54 years; and

WHEREAS, Edward A. Nihill had been married to Margaret Magy for 64 years; now, therefore,

Be It Resolved, That we, the Mayor, and the members of the City Council of the City of Chicago, gathered on this 12th day of December, 1984, do hereby mourn the death of Edward A. Nihill, and extend our deepest sympathy to his wife; and

Be It Further Resolved, That a suitable copy of this resolution be made available to Mrs. Margaret Nihill.

Alderman Huels moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed*.

On motion of Alderman Huels, the foregoing proposed resolution was *Adopted*, by a rising vote.

Presented by

ALDERMAN MADRZYK (13th Ward) and OTHERS:

Referred--AMENDMENT OF CHAPTER 100, SECTION 29.13 OF
CHICAGO MUNICIPAL CODE CONCERNING UNIT PRICING OF
SPECIFIED PRODUCE.

A proposed ordinance presented by Alderman Madrzyk, Sheahan, Langford, Streeter, Kellam, Stone, Huels, Majerczyk, Hagopian, Roti, Sawyer, Humes, Krystyniak, McLaughlin, Cullerton, Volini, Brady and Orbach, to amend Chapter 100, Section 29.13 of the Chicago Municipal Code which would require a specific pricing of fruits and vegetables, which was *Referred to the Committee on Human Rights and Consumer Protection.*

Presented by

ALDERMAN LANGFORD (16th Ward):

**BUILDINGS DECLARED PUBLIC NUISANCES AND
ORDERED DEMOLISHED.**

A proposed ordinance reading as follows:

WHEREAS, The buildings at the following locations to wit:

6331 South Parnell Avenue,
6430 South Parnell Avenue,
6434 South Parnell Avenue,
6434 South Normal Avenue, and
6028 South Aberdeen Street

are so deteriorated and weakened that each is structurally unsafe and a menace to life and property in its vicinity; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The buildings at the following locations, to wit:

6331 South Parnell Avenue,
6430 South Parnell Avenue,
6434 South Parnell Avenue,
6434 South Normal Avenue, and
6028 South Aberdeen Street

are declared public nuisances, and the Commissioner of Buildings is authorized and directed to demolish the same.

SECTION 2. This ordinance shall be effective upon its passage.

On motion of Alderman Langford, the proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Sterberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santia o, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

Referred -- NEWSPAPER STAND PERMIT FOR OPERATION OF
STAND AT 6250 SOUTH RACINE AVENUE.

Also a proposed order to authorize and direct the Commissioner of the Department of Public Works to issue a newspaper stand permit to Timothy Penson for the operation of a stand at approximately 6250 South Racine Avenue from 5:00 A.M. to 5:00 P.M. for seven days a week, in compliance with the Chicago Municipal Code, which was *Referred to the Committee on Streets and Alleys*.

Presented by

ALDERMAN SHERMAN (21st Ward):

**MOTHER ROSE MEATCHEM HONORED ON 39TH ANNIVERSARY
OF HER YOUTH CENTER.**

A proposed resolution reading as follows:

WHEREAS, Mother Rose Meatchem who resides at 1045 West 104th Place, Chicago, Illinois, was born in 1910 in Powder Springs, Georgia; and

WHEREAS, She was raised, educated and married in Cincinnati, Ohio and came to Chicago, in 1940. After seeing so many suffering children, she answered the urgent need for organizing a center in 1945, to help our youth. The purpose was to build moral and christian characters in the youth of our City. Not to bind, but to set free our youth; and

WHEREAS, Mother Meatchem has had many different locations throughout the years, but with the help of God and many donations took a mortgage on the present location at 1458 West 87th Street; and

WHEREAS, She is the founder and sponsor of this center and in no way was the center ever funded by city, state or federal government grants. Her doors are never closed to the needy and hungry ones. No one is ever turned away. They always have food and clothing for those who need it; and

WHEREAS, They have many volunteer workers who donate a lot of time in giving their youth lessons in music, sewing, dancing, arts, crafts, and most of all bible classes. No one person could have done all this alone, but Mother Meatchem did with the help of many concerned people; and

WHEREAS, Mother Meatchem is broadcasted each Sunday, WGCI, at 7-7:30 P.M. She has been an inspiration to many people through her ministry at the center; and

WHEREAS, She is the mother of one child, one granchild, four great grandchildren, and one great great grandchild. She is now 74 years of age and the most active young 74-year old you have ever seen; and

WHEREAS, Meatchem has received many awards throughout the years. Some of the awards received are: 1975, Human Services, WVON Radio Station; 1976, United Christian Association and the Mission Of Faith Baptist Church; 1977, Haven Of Rest Baptist Church (Gave her a trip to Jerusalem); 1978, Business Men Association and the I.J.J. Stars Association; 1979, Richard Daley College and the I.J.J. Stars Association; 1980, WBEE and the National Association of Black Social Workers; 1981, Englewood Community Service; 1982, A.R. Leak And Leak Regional Conference of S.B.A.; 1983, Auburn Gresham Association and the Neighborhood Businessmen's Association; 1984, L.E.L. Action Club and the Businessmen's Association; and

WHEREAS, On Sunday, December 17, 1984 Mother Meatchem will be celebrating her 39th Anniversary; now, therefore,

Be It Resolved, That we the Mayor and the City Council join the many citizens throughout this great City in saluting Mother Rose Meatchem during her 39th celebration; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Mother Meatchem.

Alderman Sherman moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed*.

On motion of Alderman Sherman, seconded by Aldermen Kellam, Sawyer and D. Davis, the foregoing proposed resolution was *Adopted*.

Presented by

ALDERMAN KRYSTYNIAK (23rd Ward):

Referred -- INSTALLATION OF HONORARY STREET NAME SIGN FOR
PORTION OF WEST 51ST STREET.

A proposed ordinance authorizing the Commissioner of Public Works to take the necessary action for standardization of a particular installation of honorary street name signs for West 51st Street between South Kolin and South Kostner Avenues, to be hereafter known as "Chester Gilewski Street," which was *Referred to the Committee on Streets and Alleys*.

Presented by

**ALDERMAN SMITH (28th Ward) and
ALDERMAN TILLMAN (3rd Ward):**

Referred -- INDUCEMENT OF BOARD OF EDUCATION TO
ADOPT PROHIBITION RULE.

A proposed resolution urging the Chicago Board of Education to adopt a rule prohibiting students under the age of seventeen to leave school during school hours, which was *Referred to the Committee on Education*.

Presented by

**ALDERMAN SMITH (28th Ward) and
ALDERMAN D. DAVIS (29th Ward):**

MR. AND MRS. JESSE D. MADISON CONGRATULATED ON
THEIR 25TH WEDDING ANNIVERSARY.

A proposed resolution reading as follows:

WHEREAS, Commissioner and Mrs. Jesse D. Madison are celebrating twenty- five years of wedded bliss; and

WHEREAS, Commissioner Madison, who now heads this great City's Department of Consumer Services, boasts a distinguished career as a helper and representative of the people. He served two terms as State Representative of the west side's 21st District, has long been an active spokesman of the west side community, and before coming to City service was vice-president for finance and management of the Chicago Urban League; and

WHEREAS, Mr. and Mrs. Jesse D. Madison are among the most distinguished and caring citizens of the City of Chicago; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this 7th day of December, 1984, A.D., do hereby extend our heartiest congratulations to Commissioner and Mrs. Jesse D. Madison on the occasion of their Silver Wedding Anniversary as well as our best wishes to this outstanding couple for many more years of happiness and prosperity; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Commissioner and Mrs. Jesse D. Madison.

Alderman Smith moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed*.

On motion of Alderman Smith, seconded by Aldermen D. Davis and Natarus, the foregoing proposed resolution was *Adopted*.

Referred -- CLOSING OF SCHOOL PLAYGROUNDS AND AREAS
WHEN PUBLIC SCHOOLS ARE NOT IN SESSION.

Also a proposed resolution urging the Chicago Board of Education to close the playgrounds and other public areas attached to public school buildings during the hours in which said schools are not in session and to provide for disbursement procedures for gatherings in said areas, which was *Referred to the Committee on Education*.

Presented by

ALDERMAN D. DAVIS (29th Ward):

MINORITY ALLIANCE INTERNATIONAL, INCORPORATED
WELCOMED TO CHICAGO.

A proposed resolution reading as follows:

WHEREAS, One of the great needs that exist in this country, especially in urban centers and especially as related to minority population groups, is the need for creative mechanisms through which to do economic development; and

WHEREAS, Minority Alliance International, Inc., a New York based economic development corporation has established an enviable record as a motivator, stimulator, developer and implementor of effective economic development processes; and

WHEREAS, Minority Alliance International, Inc., is holding in Chicago, on December 15th, a seminar on "Minorities and Economic Problems", at the Marriott Hotel; and

WHEREAS, This topic is both relevant and timely; now, therefore,

Be It Resolved, That we the Honorable Mayor Harold Washington and the Chicago City Council in meeting this 12th, day of December, 1984, do hereby welcome Minority Alliance International, wish them well in their economic development endeavors and congratulate them for having selected Chicago as the site for their seminar on minorities and economic problems.

Alderman D. Davis moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed*.

On motion of Alderman D. Davis, the foregoing proposed resolution was *Adopted*.

Presented by

ALDERMAN LAURINO (39th Ward):

Referred -- NEWSPAPER STAND PERMIT FOR OPERATION OF STAND
AT NORTH KIMBALL AND NORTH LINCOLN AVENUES.

A proposed order to authorize and direct the Commissioner of Public Works to consider the issuance of a newspaper stand permit to Kanaiyalal D. Darjz for the operation of a stand on the northeast corner of North Kimball and North Lincoln Avenues from 6:00 A.M. to 7:00 P.M. for seven days a week, in compliance with the Chicago Municipal Code, which was *Referred to the Committee on Streets and Alleys*.

Presented by

**ALDERMAN LAURINO (39th Ward) and
ALDERMAN O'CONNOR (40th Ward):**

Referred -- AMENDMENT TO CREATION ORDINANCE FOR
SPECIAL SERVICE AREA NUMBER SIX.

A proposed ordinance to amend the creation ordinance for Special Service Area Number Six by incorporating additional language after the last sentence in Section 5 regarding successful challenge to the creation of the Special Service, which was *Referred to the Committee on Finance*.

Presented by

ALDERMAN NATARUS (42nd Ward):

DRAFTING OF ORDINANCE DIRECTED FOR VACATION OF
SPECIFIED PUBLIC ALLEY.

A proposed order reading as follows:

Ordered, That the Commissioner of Public Works is hereby directed to prepare an ordinance for the vacation of all of the 11 foot north-south public alley in the block bounded by W. Ontario Street, N. Dearborn Street, W. Ohio Street, and N. Clark Street, for Chicago Title and Trust Company, as Trustee, Trust No. 64278 (No. 9-42-84-947); said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

On motion of Alderman Natarus, the foregoing proposed order was *Passed*.

**5. FREE PERMITS, LICENSE FEE EXEMPTIONS, CANCELLATION
OF WARRANTS FOR COLLECTION, AND
WATER RATE EXEMPTIONS, ETC.**

Proposed ordinances, orders, etc. described below, were presented by the aldermen named, and were *Referred to the Committee on Finance*, as follows:

FREE PERMIT:

BY ALDERMAN D. DAVIS (29th Ward):

Circle Community Center, Inc. -- for rehabilitation of building on the premises known as 118 N. Central Avenue.

LICENSE FEE EXEMPTIONS:

BY ALDERMAN EVANS (4th Ward):

Church Home, 5445 S. Ingleside Avenue.

BY ALDERMAN MELL (33rd Ward):

Grace Convalescent Home, 2800 W. Grace Street.

St. Pauls House, 3831 N. Mozart Street.

BY ALDERMAN NATARUS (42nd Ward):

Family Guidance Centers, Inc., 810 N. Clark Street.

BY ALDERMAN ORBACH (46th Ward):

American Indian Health Service of Chicago, Inc., 838 W. Irving Park Road.

CANCELLATION OF WARRANTS FOR COLLECTION:

BY ALDERMAN HUELS (11th Ward):

DeLaSalle Institute, 3455 S. Wabash Avenue -- labor, equipment, material and termination of four existing unused water services.

BY ALDERMAN NARDULLI (26th Ward):

Inner City Impact, 2704 W. North Avenue -- refrigeration system inspection.

BY ALDERMAN MELL (33rd Ward):

Armitage Baptist Church, 2451 N. Kedzie Boulevard -- public place of assembly inspection.

St. Pauls House, 3841 N. Mozart Street -- boiler and fuel burning, parking sign maintenance and surcharge inspections (2).

REFUND OF FEE:

BY ALDERMAN NATARUS (42nd Ward):

Olympic Center, 211 E. Chicago Avenue -- Refund for annual maintenance of No Parking - Tow - Away Zone in the amount of \$7956.23.

**APPROVAL OF JOURNAL OF
PROCEEDINGS.**

JOURNAL (December 7, 1984).

The City Clerk submitted the printed Official Journal of the Proceedings of the regular meeting held on December 7, 1984 at 10:00 A.M., signed by him as such City Clerk.

Alderman Burke moved to *Correct* the said printed Official Journal as follows:

"I hereby move to amend the Council Journal of Proceedings of December 7, 1984 Council Journal Page 11554 by striking the underscored figure 50% and inserting the bracketed figure 48%. This Journal Correction leaves the sewer service rate at 48% of a customer's water bill. This was the intent of the ordinance passed by the Committee on Finance at its Finance meeting of December 6, 1984."

The motion *Prevailed*.

Thereupon, Alderman Burke moved to *Approve* the said printed Official Journal as *Corrected* and to dispense with reading thereof. The question being put, the motion *Prevailed*.

UNFINISHED BUSINESS.

1985 ANNUAL APPROPRIATION ORDINANCE APPROVED.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance, deferred and ordered published in the Journal of the Proceedings on December 7, 1984, pages 11522-11523, recommending that the City Council pass the 1985 Annual Appropriation Ordinance. (Proposed 1985 Annual Appropriation Ordinance printed as an addendum to the December 7, 1984 Journal of the Proceedings.)

Alderman Orr then presented the following amendment:

**CORRECTIONS AND REVISIONS OF 1985 BUDGET
RECOMMENDATIONS**

100 - Corporate Fund

Page	Code	Department and Item	Strike No. Amount	Insert No. Amount
325	100.9112.813	Dept. of Finance-General For Emergency Food Program: to be expended under the direction of the Commissioner of Human Services with quarterly reports to the City Council	\$2,750,000	\$3,200,000
326	100.9112.927	Dept. of Finance-General For Emergency Shelter: to be expended under the direction of the Commissioner of Human Services with quarterly reports to the City Council	\$200,000	\$3,200,000
326	100.9112.925	Dept. of Finance-General For payment of Emergency Shelter: to be expended under the direction of the City Council	\$800,000	-0-

Page	Code	Description	Strike	Insert	Savings
DEPARTMENT OF FINANCE - GENERAL					
323	9112.140	Services-Council	500,000	-0-	500,000
324	9112.245	Travel-Council	230,000	30,000	200,000
324	9112.441	Equipment	1,200,000	1,150,000	50,000
325	9112.819	Statue Cleaning	35,000	30,000	5,000
327	9112.990	Refunds	150,000	100,000	50,000
326	9112.925	Homeless	800,000	-0-	800,000

DEPARTMENT OF FINANCE - CONTINGENCIES

324	9112.715	Vice Mayor	70,000	50,000	20,000
324	9112.720	Finance	100,000	50,000	50,000
325	9112.721	Finance - Hearings	100,000	50,000	50,000
325	9112.730	Misc. Contingencies	60,000	10,000	50,000
325	9112.722	Misc. Conting. - CC	10,000	5,000	5,000
324	9112.710	Conting. - Mayor	65,000	50,000	15,000
325	9112.822	Services - Finance	300,000	100,000	200,000
325	9112.823	Services - Council	280,000	130,000	150,000

Total Savings 2,145,000

Page	Code	Description	Strike	Insert	Savings
CITY COUNCIL COMMITTEES					
25	1220	Admin./Reorg./Per.	95,000	50,000	45,000
26	1222	Aviation	75,000	50,000	25,000
27	1224	Beaut./Rec.	55,000	50,000	5,000
28	1226	Buildings	151,860	60,000	91,860
29	1228	Cable TV	242,700	50,000	192,700
31	1232	Committees/Rules	100,000	50,000	50,000
32	1234	Landmarks/Cult.Dev.	74,465	50,000	24,465
33	1236	Econ. Dev.	75,000	50,000	25,000
34	1238	Education	81,800	60,000	21,800
35	1240	Employment	95,000	50,000	40,000
37	1244	Health	83,000	50,000	33,000
38	1246	Hous./Neigh.	86,356	50,000	36,356
42	1250	Intergovt.	85,300	50,000	35,300
43	1252	Land/Acqui. & Disp.	75,500	50,000	25,500
44	1254	Leases	68,000	50,000	18,000
45	1256	Licenses	105,500	60,000	55,000
46	1258	Streets/Alleys	109,588	75,000	34,588
47	1260	Local Trans.	27,060	-0-	27,060
48	1262	Municipal Code	92,000	50,000	42,000
49	1264	Police/Fire	97,000	60,000	37,000
50	1266	Pts./Wharves/Brdgs.	65,000	50,000	15,000
51	1268	Public Util.	83,000	50,000	33,000
53	1270	Spec. Ev./Wld's Fair	110,000	50,000	60,000
55	1274	Zoning	243,000	200,000	43,000
58	1277	Neigh./Com.	65,000	50,000	15,000
30	1230	Claims/Liab.	50,000	-0-	50,000
TOTAL SAVINGS					1,080,629

Page	Code	Description	Strike	Insert	Savings
Travel/Contingencies - Various Depts.					
1	1110.300	Mayor-Comm.	64,500	61,275	3,225
4	1120.200	Mayor-Trav.	12,000	11,400	600
6	1140.300	M & B-Comm.	8,000	7,540	460
9	1150.300	Data-Comm.	330,200	313,690	16,510
16	1170.300	Econ. Dev-Comm.	13,000	12,350	650
61	1290.300	MRL-Commod.	81,000	76,950	4,050
73	1410.300	City Clerk-Comm.	32,000	30,400	1,600
84	1510.300	Spec. Acctg.-Comm.	18,800	17,860	940

Page	Code	Description	Strike	Insert	Savings
Travel/Contingencies - Various Depts.					
89	1524.300	Revenue-Commod.	83,400	79,230	4,170
93	1530.200	Treas.-Trav.	6,600	6,270	330
93	1530.300	Trea.-Commod.	8,700	8,265	435
95	1610.300	Law-Commod.	90,000	85,000	4,500
103	1710.300	Pers.-Commod.	72,500	68,875	3,625
114	1840.300	Graphics-Commod.	361,000	342,950	18,050
122	3110.200	Health-Travel	45,700	43,415	2,285
150	3420.300	Aging-Commod.	13,700	13,015	685
153	3430.300	Lat. Affairs-Com.	3,700	3,515	185
154	3440.300	Lat. Affairs-Com.	3,700	3,515	185
161	4101.200	Plc. Board-Trav.	1,000	950	50
	4210.200	Fire-Trav.	175,000	166,250	8,750
205	4210.300	Fire-Commod.	3,130,200	2,973,690	156,510
217	4230.300	Fire Prep.-Commod.	51,200	48,640	2,560
217	4230.400	Fire Prep.-Equip.	44,400	42,800	2,220
221	4330.00	Zoning Bd.	500	475	25
221	4330.300	Zoning Bd-Com.	2,500	2,375	125
235	4470.200	Bldg.Bd.Appeals-Trv.	400	380	20
235	4470.300	Bldg.Bd.Appeals-Com	1,800	1,710	90
237	4510.200	Con. Svcs.-Trav.	65,000	62,700	2,300
237	4510.300	Con. Svcs.-Com.	103,100	97,945	5,155
237	4510.400	Con. Svcs.-Equip.	13,500	12,825	675
242	4710.300	Animal Care-Com.	148,000	140,600	7,400
245	4860.300	Lic./Lig. Cont.-Com.	3,500	3,325	175
319	8611.300	Aviation-Com.	22,100	20,995	1,105
TOTAL SAVINGS					249,645

Page	Code	Description	Strike	Insert	Savings
STREETS AND SAN.-TRAVEL/COMMODITIES					
374	5210.300	Streets-Comm.	795,600	791,850	3,750
258	5310.200	Bur. of San.-Trav.	225,000	217,075	7,925
258	5310.300	Bur. of San.-Com.	989,600	940,120	49,480
263	5340.200	Rod. Con.-Trav.	22,200	21,900	1,110
275	5610.200	Equip.Ser.-Trav.	18,100	17,700	430
279	5710.200	Park.-Trav.	40,000	38,950	1,050
279	5710.300	Park.-Comm.	80,900	76,850	4,050
282	5810.200	B./of/Pwkys./Beaut.-Tr	105,000	104,500	500
282	5810.300	B./of-Commod..	323,000	308,600	14,400
TOTAL SAVINGS:					82,695

Page	Code	Descript.	Strike	Insert	Savings
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DEPARTMENT OF PUBLIC WORKS - TRAVEL: COMMODITIES

285	6110.400	Commissioner-Equip.	4,700	4,465	235
287	6120.300	Admin.-Com.	70,500	66,975	3,525
290	6150.300	Transp. Plan.-Com.	7,200	6,840	360
290	6150.400	Transp. Plan.-Equip.	10,200	9,690	510
301	6250.200	Bridge Maint.-Travel	1,700	1,615	85
301	6250.300	Bridge Maint.-Com.	39,600	37,620	1,980
305	6410.300	Archet.-Commod.	29,000	27,550	1,450

TOTAL SAVINGS:				\$8,145.00
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TOTAL	Pg. 1	2,145,000
	Pg. 2	1,080,629
	Pg. 3	249,645
	Pg. 4	82,695
	Pg. 5	8,145
	TOTAL	\$3,566,114

Alderman Burke then moved to substitute the following amendment:

Page	Code	Department & Item	Strike	Insert
325	100.9112.813	Department of Finance - General For Emergency Family Food	\$2,750,000	\$3,200,000
326	100.9112.925	Department of Finance - General For Payment of Emergency Shelters to be expended under the direction of the City Council	\$800,000	\$1,250,000
323	100.9112.140	Department of Finance - General For Professional Services	\$500,000	\$0
324	100.9112.245	Department of Finance - General For Reimburse- ment to Travelers	\$230,000	\$30,000
324	100.9112.441	Department of Finance - General For Equipment	\$1,200,000	\$1,000,000
		TOTAL	\$5,480,000	\$5,480,000

Alderman Vrdolyak moved to *Refer* both the amendment and the substitute amendment to the Committee on Finance. The motion *Prevailed*.

Alderman Stone next introduced the following amendment to the 1985 Annual Appropriation Ordinance:

CORRECTIONS AND REVISIONS OF 1985 BUDGET RECOMMENDATIONS

100 - Corporate Fund

Page	Code	Department and Item	Strike No. Amount	Insert No. Amount
178	9111	Crossing Guard		67 \$5.15
163	4110.091	Uniform Allowance-Crossing Guards	\$497,600	\$524,400
163	4110.157	Rental of Equipment and Service	\$1,347,100	\$1,197,100
163	4110.162	Repair or Maintenance of Equipment	\$1,513,600	\$1,367,661

Alderman Stone moved to *Refer* the foregoing amendment to the Committee on Finance. The motion *Prevailed*.

Alderman Natarus then presented the following amendment to the 1985 Annual Appropriation Ordinance:

CORRECTIONS AND REVISIONS OF 1985 BUDGET RECOMMENDATIONS

Page	Code	Department and Item	No.	Insert Amount
110	3563	Dept. of Health Lower North Mental Health Center-3164	Director Mental Center Health 1	\$37,368
110	3533	Dept. of Health Lower North Mental Health Center-3164	Clinical Therapist II. 1	27,060

Alderman Natarus then moved to *Refer* the foregoing amendment to the Committee on Finance. The motion *Prevailed*.

Alderman Oberman next introduced the following amendments to the 1985 Annual Appropriations Ordinance:

PAGE CODE	DEPARTMENT and ITEM	STRIKE No. Amount	INSERT No.Amount
25	Committee on Administration, Reorganization and Personnel		
1220	Organization Total	\$95,000	-0-
26	Committee on Aviation		
1222	Organization Total	75,000	-0-
27	Committee on Beautification and Recreation		
1224	Organization Total	55,000	-0-
29	Committee on Cable Television		
1228	Organization Total	250,000	-0-
30	Committee on Claims and Liabilities		
1230	Organization Total	50,000	
31	Committee on Committees and Rules		
1232.000	For Personal Services	97,500	47,500
1232.100	For Contractual Services	2,000	2,000
1232.300	For Commodities	500	500
	Organization Total	100,000	50,000
32	Committee on Cultural Development and Historical Landmark Preservation		
1234	Organization Total	74,465	-0-

12/12/84

UNFINISHED BUSINESS

11835

PAGE CODE	DEPARTMENT and ITEM	No. Amount	No.Amount
33	Committee on Economic Development		
1236.100	For Personal Services	72,400	47,400
	Organization Total	75,000	50,000
34	Committee on Education		
1238.000	For Personal Services	75,000	43,200
	Organization Total	81,800	50,000
35	Committee on Employment		
1240	Organization Total	95,000	-0-
36	Committee on Energy and Environmental Protection		
1242	Organization Total	55,000	-0-
37	Committee on Health		
1244	Organization Total	83,000	-0-
38	Committee on Housing and Neighborhood Development		
1246	Organization Total	86,356	-0-
39	Committee on Alcoholism and Substance Abuse		
1247	Organization Total	50,000	-0-
40	Committee on Human Rights and Consumer Protection		
1248	Organization Total	65,000	-0-
41	Committee on Human Services		
1249	Organization Total	65,000	-0-
42	Committee on Intergovernmental Relations		

PAGE CODE	DEPARTMENT and ITEM	No. Amount	No.Amount
1250	Organization Total	85,300	-0-
43	Committee on Land Acquisition and Disposition		
1252	Organization Total	75,500	-0-
44	Committee on Leases		
1254	Organization Total	68,000	-0-
45	Committee on Licenses		
1256	Organization Total	105,500	-0-
46	Committee on Streets and Alleys		
1258	Organization Total	109,588	-0-
48	Committee on Municipal Code Revision		
1262	Organization Total	92,000	-0-
47	Committee on Local Trans- portation		
1260	Organization Total	27,060	-0-
49	Committee on Police, Fire, and Municipal Institutions		
1264	Organization Total	97,000	-0-
50	Committee on Ports, Wharves, and Bridges		
1265	Organization Total	65,000	-0-
51	Committee on Public Utilities		
1268	Organization Total	83,000	-0-
52	Committee on Aging and Disabled		
1269	Organization Total	50,000	-0-
53	Committee on Special Events and World's Fair		

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UNFINISHED BUSINESS

11837

PAGE CODE	DEPARTMENT and ITEM	No. Amount	No. Amount
1270	Organization Total	110,000	-0-
54	Committee on Municipal Institutions		
1271	Organization Total	50,000	-0-
55	Committee on Zoning		
1274.000	For Personal Services	206,000	62,700
	Organization Total	243,300	100,000
56	Committee on Public Records and Information		
1275	Organization Total	50,000	-0-
57	Committee on Animal Treatment and Control		
1276	Organization Total	50,000	-0-
58	Committee on Neighborhood and Community Affairs		
1277	Organization Total	65,000	-0-
59	Committee on Community Services		
1278	Organization Total	65,000	-0-
	Committee on Buildings and Housing		
1226.000	For Personal Services	-0-	45,000
1226.100	For Contractual Services	-0-	2,000
1226.200	For Travel	-0-	500
1226.300	For Commodities	-0-	2,500
	Organization Total	-0-	50,000
	Committee on Health and Environment		
1244.000	For Personal Services	-0-	45,000
1244.100	For Contractual Services	-0-	2,000
1244.200	For Travel	-0-	500
1244.300	For Commodities	-0-	2,500

PAGE CODE	DEPARTMENT and ITEM	No. Amount	No.Amount
	Organization Total	-0-	50,000
	Committee on License and Utilities		
1256.000	For Personal Services	-0-	45,000
1256.100	For Contractual Services	-0-	2,000
1256.200	For Travel	-0-	500
1256.300	For Commodities	-0-	2,500
	Organization Total	-0-	50,000
	Committee on Cultural Development, Historical Landmark Preservation and Special Events		
1234.000	For Personal Services	-0-	45,000
1234.100	For Contractual Services	-0-	2,000
1234.200	For Travel	-0-	500
1234.300	For Commodities	-0-	2,500
	Organization Total	-0-	50,000
	Committee on City Services		
1279.000	For Personal Services	-0-	45,000
1279.100	For Contractual Services	-0-	2,000
1279.200	For Travel	-0-	500
1279.300	For Commodities	-0-	2,500
	Organization Total	-0-	50,000
365	Committee on Local Transportation		
1260.000	For Personal Services	342,836	-0-
1260.831	For General Office Expense	12,000	-0-
1260.832	For Employment of Special Counsel, etc.	189,000	-0-
1260.800	For Specific Purposes-General	201,000	-0-
	Organization Total	543,836	-0-
	Committee on Traffic Control and Safety		
366	1272.200 For Travel	250	-0-
	1272.300 For Commodities	1,750	-0-

12/12/84

UNFINISHED BUSINESS

11839

PAGE CODE	DEPARTMENT and ITEM	No. Amount	No. Amount
1272.801	For Plans and Surveys, etc.	380,300	-0-
1272.800	For Specific Purposes-General	380,300	-0-
	Organization Total	382,300	-0-
	Committee on Traffic, Transportation and Public Ways		
1260.000	For Personal Services	-0-	50,000
1260.100	For Contractual Services	-0-	25,000
1260.200	For Travel	-0-	500
1260.300	For Commodities	-0-	20,000
	Organization Total	-0-	100,000

Alderman Natarus moved to refer the foregoing amendments to the Committee on Finance. The motion lost by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Sawyer, Beavers, Humes, Streeter, Kelley, Sherman, W. Davis, Volini -- 11.

Nays -- Aldermen Roti, Bloom, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Kellam, Sheahan, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Orr, Stone -- 37.

Alderman Oberman then moved to adopt the foregoing amendments. The motion lost by yeas and nays as follows:

Yeas -- Aldermen Tillman, Bloom, Langford, Smith, D. Davis, Oberman, Orr -- 7.

Nays -- Aldermen Roti, Rush, Evans, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Hansen, McLaughlin, Orbach, Schuler, Volini, Stone -- 43.

Alderman Oberman then presented a second set of amendments which read as follows:

PAGE CODE	DEPARTMENT and ITEM	STRIKE No. Amount	INSERT No. Amount
	Department of Finance-General		
324 9112.715	Contingent and other expense for corporate purposes not otherwise provided for; to be expended under the direction of the Vice-Mayor	70,000	0

PAGE CODE	DEPARTMENT and ITEM	STRIKE No. Amount	INSERT No. Amount
9112.718	Contingent and other expense for corporate purposes not otherwise provided for; to be expended under the direction of President Pro Tempore of the City Council	50,000	0
9112.720	For contingent expense authorized by the Chairman of the Committee on Finance	100,000	0
325 9112.721	For expenses in connection with the conduct of public hearings in the communities of Chicago, and such other expenses as may be necessary in the study of public utility practices, procedures, policies and activities in the City of Chicago; to be expended under the direction of the Chairman of the Committee on Finance	100,000	0
9112.730	Contingent and other expense for corporate purposes not otherwise provided for; to be expended under the direction of the City Council	60,000	0
9112.822	For legal, technical, medical and professional services, appraisers, consultants, printers, court reporters and professional services authorized by the Chairman of the Committee on Finance	300,000	0
9112.823	For legal, technical, medical and professional services, appraisers, consultants, printers, court reporters and professional services authorized by the City Council	280,000	0

SAVINGS \$960,000

12/12/84

UNFINISHED BUSINESS

11841

FUND: 200 - Water Fund

PAGE CODE	DEPARTMENT and ITEM	STRIKE No. Amount	INSERT No. Amount
363 9112.801	Expense of investigations by Committee on Finance	350,000	175,000
364 9112.806	For expense of investigations by Committee on Claims	50,000	-0-

SAVINGS \$225,000

FUND: 300 - Vehicle Tax Fund

PAGE CODE	DEPARTMENT and ITEM	STRIKE No. Amount	INSERT No. Amount
397 9112.802	Expense of investigations by Committee on Finance	\$55,000	-0-

SAVINGS \$55,000

FUND: 310 - Motor Fuel Tax

PAGE CODE	DEPARTMENT and ITEM	STRIKE No. Amount	INSERT No. Amount
399 9112.890	Paragraph 1 Expenditures for projects from this account shall be made only to the extent of the cash available received from the City's distributive share of state motor fuel tax under allotments approved by the State. Expenditures or encum- brances... from this account shall be accounted for by al- lotments for projects as ex- pended.	\$62,337,000	\$62,177,000
	*Organization Total	\$62,337,000	\$62,177,000

SAVINGS \$160,000

FUND: 314 - Sewer Fund

PAGE CODE	DEPARTMENT and ITEM	STRIKE No. Amount	INSERT No. Amount
407 9112.801	Expense of investigations by Committee on Finance	\$60,000	\$30,000

SAVINGS \$30,000

Alderman Vrdolyak moved to refer the foregoing amendments to the Committee on Finance. The motion was lost by yeas and nays as follows:

Yeas -- Aldermen Sawyer, Beavers, Humes, Hutchinson, Kelley, Sherman, Henry, W. Davis, Smith, D. Davis, Frost, Natarus -- 12.

Nays -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Stemberk, Krystyniak, Marzullo, Nardulli, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Oberman, Hansen, McLaughlin, Orbach, Volini, Orr, Stone -- 36.

Alderman Oberman then moved to adopt the foregoing amendments. The motion was lost by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Hutchinson, Langford, Streeter, Kelley, Henry, W. Davis, Smith, D. Davis, Oberman, Orr -- 16.

Nays -- Aldermen Roti, Humes, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Kellam, Sheahan, Sherman, Stemberk, Krystyniak, Marzullo, Nardulli, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Hansen, McLaughlin, Orbach, Schuler, Volini, Stone -- 34.

Alderman Oberman then presented a third set of amendments to the 1985 Annual Appropriation Ordinance, which read as follows:

FUND: 100 - Corporate

PAGE CODE	DEPARTMENT and ITEM	STRIKE No. Amount	INSERT No. Amount
261 5317	Bureau of Sanitation Refuse Collection Field Services -02		
9534	Laborer (As Truck Loader)	1243 10.48H	854 10.48

FUND: 310 - Motor Fuel Tax

12/12/84

UNFINISHED BUSINESS

11843

PAGE CODE	DEPARTMENT and ITEM	STRIKE No. Amount	INSERT No. Amount
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399 9112.890

Motion to amend by adding the X
following language:

Provided however that within
the Bureau of Streets, crews
shall follow these guidelines
and not exceed the limits
listed below:

Asphalt Maintenance
Summer Patch Crew - 4 Asphalt Helpers
Winter Patch Crew - 4 Asphalt Helpers
Concrete Maintenance
Summer Cement Crew - 1 Cement Finisher Foreman
1 Labor Foreman
4 Cement Mixers
Winter Cement Crew - 1 Cement Finisher Foreman
1 Labor Foreman
2 Cement Mixers

PAGE CODE	DEPARTMENT and ITEM	No. Amount	No. Amount
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Summer Breakout Crew - 1 Labor Foreman
2 - Jackhammerman
4 - Cement Mixers
Winter Breakout Crew - 1 Foreman
2 Jackhammermen
4 Cement Mixers
Vaulted Walks Crew - 1 Cement Finisher Foreman
1 Labor Foreman
2 Cement Mixers

FUND: 100 - Corporate

PAGE CODE	DEPARTMENT and ITEM	STRIKE No. Amount	INSERT No. Amount
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267

5416

Bureau of Electricty
In-Service Maintenance of
Electrical Equipment

7183

Motor Truck Driver

48 14.30

12 14.30

Alderman Vrdolyak moved to *Refer* the foregoing amendments to the Committee on Finance. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Sawyer, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Hagopian, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Hansen, McLaughlin, Orbach, Schuler, Volini, Stone -- 39.

Nays -- Aldermen Rush, Tillman, Evans, Bloom, Beavers, Streeter, Smith, D. Davis, Oberman, Orr -- 10.

Alderman Sheahan next introduced three amendments to the 1985 Annual Appropriation Ordinance which read as follows:

I hereby move to amend the Office of Inquiry and Information by transferring \$695,801 to Code 9161, Department of Police.

This amendment shall become effective upon due passage.

I hereby move to amend the Office of Professional Standards by transferring \$1.4 Million to Code 9161, Department of Police.

This amendment shall become effective upon due passage.

I hereby move to amend by striking the Office of Municipal Investigations and all available funds (\$280,926) shall be transferred to Code 9161, the Department of Police.

This amendment shall become effective upon due passage.

Alderman Sheahan then moved to *Refer* the three amendments to the Committee on Finance. The motion *Prevailed*.

Alderman Bloom then introduced the following amendment:

Amendment to 1985 Annual Appropriation Ordinance.

The 1985 Annual Appropriation Ordinance is amended to delete paragraphs 1, 2 and 4 of Section 8 and Sections 12 and 13 in their entirety.

Alderman Pucinski moved that the foregoing amendment *Lay on the Table*. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Kellam, Sheahan, Stemberk, Krystyniak, Marzullo, Nardulli, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Hansen, McLaughlin, Orbach, Schuler, Stone -- 29.

12/12/84

UNFINISHED BUSINESS

11845

Nays -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Langford, Streeter, Kelley, Sherman, Henry, W. Davis, Smith, D. Davis, Frost, Natarus, Oberman, Volini, Orr -- 21

Alderman Bloom then presented a second series of amendments to the 1985 Annual Appropriation Ordinance which read as follows:

DEPARTMENT OF POLICE

100 - Corporate Fund

4121 Internal Affairs Division

Activity Code	Position	From		To
4121 - 9161	Police Officer	0	2	\$26,274
4121 - 9161	Police Officer	0	1	27,600
4121 - 9161	Police Officer	0	3	29,568

POLICE BOARD

100 - Corporate Fund

4101 Police Board

Activity Code	Position	From		To
4101 - 9689	Executive Director	1 \$34,272	1	\$40,000

DEPARTMENT OF POLICE

100 - Corporate Fund

4113 Office of Professional Standards

Activity Code	Position	From		To
4113 - 9195	Co-ordinator Operations	0	1	\$35,796
4113 - 9188	Investigator Specialist OPS	0	1	25,776
4113 - 9188	Investigator Specialist OPS	0	1	23,388
4113 - 9197	Investigator Aide OPS	7 \$15,072	3	15,072
4113 -1359	Training Officer	0	1	22,260

DEPARTMENT OF STREETS AND SANITATION

100 - Corporate Fund

Bureau of Sanitation

5317 - Refuse Collection

Activity Code	Position	No. of Hours	From	To
9534 (as truck loader)	Laborer		6469	3769

CITY COUNCIL

100 - Corporate Fund

1228.000 Committee on Cable Television
Personal Services

Activity Code	Position	From	To
1228.000	Personal Services	\$200,000	\$140,000

Alderman Bloom then moved to *Refer* the foregoing amendments to the Committee on Finance. The motion *Prevailed*, and said proposed amendments were *Referred to the Committee on Finance*.

Alderman Orr next introduced the following amendment to the 1985 Annual Appropriation Ordinance:

SECTION 14. Each Alderman shall be responsible for delineating the use of his or her Alderman Contingent Expense Allowance as provided in the Annual Appropriations Ordinance.

Each Alderman shall establish an account at a bank, savings and loan association, or credit union into which the Alderman Contingent Expense Allowance shall be deposited each month upon the Alderman's receipt of the Allowance from the Department of Finance. This account shall be known as the Alderman Contingent Expense Allowance Account. The Alderman may deposit funds from sources other than the Alderman Contingent Expense Allowance in this account.

Each Alderman shall disclose expenditures from the Alderman Contingent Expense Allowance Account twice each year for periods covering January 1 through June 30 and July 1 through December 31. On or before January 15 and July 15 of each year, each Alderman shall place on file with the Clerk of the City of Chicago an itemized accounting of income and expenditures from the Alderman Contingent Expense Allowance Account during the preceding six month period.

The accounting required by this Section shall include, for each and every expenditure, the date, the amount, the recipient, the recipient's address, and the purpose of the expenditure. This accounting shall also include an itemized description of funds from sources other than the Alderman Contingent Expense Allowance. The Clerk of the City of Chicago shall design and supply forms for use in complying with this ordinance.

The City Clerk shall publish each Alderman's itemized account within thirty (30) days of the filing deadline and this document shall be available for public inspection immediately upon publication.

Alderman Madrzyk moved to *Lay on the Table* the foregoing amendment. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Brady, Kellam, Sheahan, Kelley, Sherman, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Hagopian, Santiago, Gabinski, Frost, Banks, Damato, Cullerton, Laurino, Pucinski, McLaughlin, Orbach, Schulter, Stone -- 32.

Nays -- Aldermen Rush, Tillman, Evans, Bloom, Burke, Langford, Streeter, Stemberk, D. Davis, Mell, Kotlarz, O'Connor, Natarus, Oberman, Hansen, Volini, Orr -- 17.

During debate, Alderman Hansen moved the *Previous Question*. The motion *Prevailed*.

Thereupon, Alderman Burke moved to *Pass* the 1985 Annual Appropriation Ordinance. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Kellam, Sheahan, Stemberk, Krystyniak, Nardulli, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Hansen, McLaughlin, Orbach, Schulter, Stone -- 28.

Nays -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Langford, Streeter, Kelley, Henry, Smith, D. Davis, Frost, Natarus, Oberman, Volini, Orr -- 19.

Alderman Stemberk moved to reconsider the foregoing vote. The motion was lost.

[The Annual Appropriation Ordinance for the year 1985 is
printed as an Addendum to this Journal.]

CHAPTER 29, SECTION 29-5 OF MUNICIPAL CODE AMENDED CONCERNING VEHICLE LICENSE FEE.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance, deferred and published in the Journal of the Proceedings of December

7, 1984 page 11516-11517, recommending that the City Council pass a proposed ordinance amending Chapter 29, Section 29-5 of the Municipal Code concerning the period for which vehicle licenses may be purchased at a reduced fee.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Pardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Municipal Code of the City of Chicago, Chapter 29, Section 29-5 is hereby amended by deleting that language bracketed and adding that language in italics as follows:

The license fee for each vehicle shall be [50%] \$5.00 greater than the amount hereinbefore specified if the license is not purchased before July [1,] 15, *unless the City Clerk determines that the failure to purchase the license was due to reasonable cause.*

If such vehicle has been purchased or lawfully acquired by the applicant on or after [December sixteenth] *March 1* of any current year, the fee to be paid shall be a sum equal to one-half of the annual license fee hereinbefore specified as a license fee for the balance of such year. Before any applicant shall be entitled to a pro-rated license as provided for in this section, the said applicant [shall] *may be required to* furnish an affidavit in form satisfactory to the City [Comptroller] *Clerk* stating that the vehicle for which the license is applied for was purchased or otherwise obtained by the applicant on or after [December sixteenth] *March 1* of the current year, and shall exhibit to the City [Comptroller] *Clerk* the bill of sale covering the vehicle for which license is sought. All applicants that do not comply with the requirements for a pro-rated license shall be subject to a full annual license fee.

SECTION 2. This ordinance shall be effective ten (10) days after passage and due publication.

CHAPTER 99 OF MUNICIPAL CODE AMENDED BY
ADDING NEW SECTION 99-18.1 ENTITLED
"REIMBURSEMENT FOR REFUSE
COLLECTION."

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance, deferred and published in the Journal of the Proceedings of December 7, 1984, pages 11519-11520, recommending that the City Council pass a proposed ordinance amending Chapter 99 of the Municipal Code concerning reimbursement for refuse collection.

Alderman Natarus introduced the following substitute ordinance:

WHEREAS, The City of Chicago is a Home Rule Municipality under Article VII Section 6(a) of the Illinois Constitution; and

WHEREAS, All property owners in the City of Chicago pay City of Chicago property taxes; and

WHEREAS, A portion of the City of Chicago real estate tax assessment is used for refuse collection; and

WHEREAS, The City of Chicago provides refuse collection for only those residential buildings with four units or less; and

WHEREAS, Since most condominium and cooperative residential buildings have more than four units, the City of Chicago does not provide refuse collection services for these residential buildings, but yet the owners of units in these buildings pay property taxes which cover the cost of providing refuse collection for residential buildings with four units or less; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Chapter 99 of the Municipal Code of the City of Chicago is hereby amended by adding a new Section 99-18.1 entitled "Reimbursement for Refuse Collection" by adding the following italic language.

99-18.1. The governing association or board of a condominium or cooperative residential building shall submit to the City Clerk, no later than 30 days after the end of each calendar quarter, a notarized statement listing the amount of the quarterly cost incurred for refuse collection for the residential units in the building, the number of residential units in the building, the number of owner-occupied units and a copy of the executed agreement with the private scavenger service providing the refuse collection for the residential building. The City Clerk shall transmit this notarized statement to the Committee on Finance.

After review, the Committee on Finance may recommend that the City Council approve the reimbursement to the governing association or board in an amount equal to the quarterly cost incurred for the refuse collection for the owner-occupied residential units in the building; provided, however, that the aggregate annual amount of the reimbursement paid to a governing association or board shall not exceed an amount equal to the number of owner-occupied residential units in the building multiplied by Seventy-five Dollars (\$75). During the first year in which the cost of refuse collection is reimbursed, the

governing association or board shall submit the bill for the prior year's refuse collection services. The City Council may not reimburse a governing association or board for the cost of refuse collection services which is unreasonable. In no event shall the governing association or board be reimbursed for that portion of the cost of refuse collection attributable to any commercial or other non-residential unit located in the residential building. After City Council approval of the reimbursement, the City Comptroller shall promptly pay the governing association or board the approved reimbursement.

SECTION 2. This ordinance shall be effective from and after January 1, 1985.

Alderman Burke moved to *Lay on the Table* the substitute ordinance. The motion Prevailed by yeas and nays as follows:

Yeas -- Aldermen Roti, Huels, Majerczyk, Madrzyk, Burke, Brady, Kellam, Sheahan, Krystyniak, Nardulli, Hagopian, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Oberman, Hansen, McLaughlin, Orbach, Schulter, Stone -- 25.

Nays -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Langford, Streeter, Kelley, Henry, Smith, D. Davis, Natarus, Volini, Orr -- 18.

At this point in the proceedings, Honorable Harold Washington, Mayor, relinquished the Chair to President Pro Tem. Eugene Sawyer.

Alderman Bloom then presented the following amendment to the said proposed ordinance which reads as follows:

The ordinance is amended to add the following introductory clause in italics:

Whereas, tenants in the City of Chicago deserve protection in their relationship with landlords.

The ordinance is further amended to insert in italics a new Section 2, as follows:

Section 2. Chapter 193-11 of the Municipal Code of Chicago is repealed and replaced by a new Chapter 193.1 to be entitled "Residential Landlord and Tenant Relations" in the form attached hereto.

The ordinance is further amended to renumber Section 2 as Section 3.

The proposed new Municipal Code Chapter 193.1 referred to in Section 2 above reads as follows:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That Chapter 193-11 of the Municipal Code of Chicago be and hereby is repealed and that a new Chapter 193.1 in italics be enacted, entitled "Residential Landlord and Tenant Relations".

193.1-1 Definitions.

(a) Landlord -- An owner, lessor or sublessor who receives or is entitled to receive rent for the use and occupancy of any residential rental unit or portion thereof in the City of Chicago, and the agent, representative or successor of any of the foregoing.

(b) Tenant -- A person entitled by written or oral agreement, sub-tenancy approved by the landlord, or by suffrance, to occupy a residential dwelling unit to the exclusion of others.

(c) Rent -- The consideration, including any bonus, benefits or gratuity, demanded or received by a landlord for or in connection with the use or occupancy of a rental unit, or the assignment of a lease for such a unit, including not limited to monies demanded or paid for parking, furnishings, food service, housing services of any kinds, or subletting.

(d) Rental Units -- All residential dwelling units in the City of Chicago together with the land and appurtenant buildings thereto, and all housing services, privileges, furnishings and facilities supplied in connection with use or occupancy thereof, including garage and parking facilities. The term shall not include:

(1) owner-occupied buildings containing four (4) residential units or less;

(2) housing accommodations in hotels, motels, inns, tourist houses, rooming and boarding houses, provided that at such time as an accommodation has been occupied by a tenant for thirty-two (32) continuous days or more, such accommodation shall become a rental unit subject to the provisions of this chapter; provided further, no landlord shall bring an action to recover possession of such unit in order to avoid having the unit come within the provisions of this chapter;

(3) housing accommodations in any hospital, convent, monastery, extended care facility, asylum, non-profit home for the aged, or in dormitories owned and operated by an institution of higher education, a high school or an elementary school.

(e) Residential Rental Agreement -- All written or oral agreements embodying the terms and conditions concerning the use and occupancy of a rental unit.

193.1-2 Tenant Responsibilities and Landlord Remedies.

(a) Every tenant and member of a tenant's family must:

(1) Keep that part of the family unit which they occupy and control in a clean, sanitary and safe condition;

(2) Keep all plumbing and other fixtures, whether or not supplied by the landlord, in a clean and sanitary condition, and if supplied by the landlord, must use reasonable care in the proper use and operation thereof;

(3) If a single family rental unit, exterminate any insects, rodents, or other pests therein or on the premises and, if a family unit in a dwelling unit containing more than one family, exterminate such insects, pests and rodents whenever the tenant's family unit is the only one in the dwelling infested;

(4) *Dispose of all garbage and other refuse only in the containers required by Section 99-16 of the Code of the City of Chicago and must place such refuse in the containers in a clean and sanitary manner;*

(5) *Hang and remove all screens required for the family unit by Chapter 78-54 of the Code of the City of Chicago unless the owner has agreed to supply all such services;*

(6) *Not place on the premises any material which may cause a fire hazard or otherwise endangers the health or safety of any occupant of such rental unit, nor place in storage on the premises any furniture, equipment, or material which harbors insects, rodents, or other pests;*

(7) *Not permit any rental unit let to the tenant to be occupied so that any occupancy resulting therefrom violates any of the provisions of Chapter 78 of the Code of the City of Chicago;*

(8) *Provide heating facilities for that part of the family unit the tenant occupies unless such facilities are provided by the landlord. Gas appliances designed to be used primarily for cooking or water heating purposes shall not be considered as heating facilities within the meaning of this Section.*

(b) *Except as provided herein, the landlord may recover damages and obtain injunctive relief for any noncompliance by the tenant with the rental agreement or with Chapter 193.1-4(a). If the tenant's noncompliance is willful, the landlord may recover reasonable attorney's fees.*

193.1-3 Repair and Deduct

(a) Minor Defects

(1) *Failure by a landlord to comply with the residential rental agreement by keeping the rental unit in good repair or by violating building, health, or safety codes shall be considered a breach for the purposes of this section. In the event of such a breach, if the reasonable cost of compliance is less than two hundred dollars (\$200.00) or an amount equal to one half (1/2) of the monthly rent, whichever amount is greater, the tenant may recover damages for the breach and must notify the landlord in writing of his or her intention to correct the condition at the landlord's expense. If the landlord fails to comply within fourteen (14) days after being notified by the tenant in writing or as promptly as conditions require in case of emergency, the tenant may have the work done in a workmanlike manner, and in accordance with existing law and, after submitting to the landlord a paid bill from an appropriate tradesman or supplier, deduct from his or her rent the amount thereof, not to exceed the limits specified by this subsection. If qualified, the tenant may do the work and submit a bill for the actual cost of materials and out-of-pocket expenses. In no case shall any one tenant spend more than the equivalent of 3 months rent during any 12 month period on repairs.*

(2) *A tenant shall not repair at the landlord's expense or withhold rent under this Section if the condition was caused by the deliberate or negligent act or omission of the*

tenant, a member of the tenant's family, or other person on the premises with the tenant's consent.

(3) Before correcting a condition affecting facilities shared by more than one rental unit, the tenant shall so arrange the work as to create the least practical inconvenience to the other tenants.

(4) Before correcting a condition the repair of which will affect more than the tenant's own rental unit, the tenant shall notify all other tenants affected and shall cause the work to be done so as to result in the least practical inconvenience to other tenants. Where the conditions affect more than one rental unit, tenants may pool their resources in order to correct the condition. Each tenant participating in the payment of such repairs shall be entitled to a pro rata deduction for that tenant's share of the cost subject to the requirements in Subsection (a)(1).

(b) Failure to Provide Essential Utilities

(b) (1) If, contrary to the rental agreement or applicable building, health or safety codes, the landlord fails to supply heat, running water, hot water, electricity, gas or plumbing, or where the structural integrity of the building is endangered, the tenant may give written notice to the landlord specifying the breach and after such notice may:

(aa) Procure reasonable amounts of heat, hot water, running water, electricity, gas or plumbing during the period of the landlord's noncompliance and deduct their cost from the rent;

(bb) Recover damages based upon the diminution in the fair rental value of the dwelling unit and reasonable attorney's fees; or

(cc) Procure substitute housing during the period of the landlord's noncompliance, in which case the tenant is excused from paying rent for the period of the landlord's noncompliance. The tenant may recover the cost of reasonable value of the substitute housing up to an amount equal to the monthly rent and reasonable attorney's fees.

(2) If the tenant proceeds under this Section, he may not proceed under 193.11-3 or 11.1 subsection A, for that breach. Each month such condition continues shall constitute a separate breach period.

(3) The tenant may not exercise his rights under this Section if the condition was caused by the inability of a utility supplier to provide service or by the deliberate or negligent act or omission of the tenant, a member of his family, or other person on the premises with his consent.

(4) Before correcting a condition the repair of which will affect more than his own dwelling unit, the tenant shall comply with subsection (a) (4) above.

(c) Tenant's Remedy for Landlord's Failure to Maintain Premises

(1) *If there is noncompliance by a landlord with a residential rental agreement or failure by the landlord to maintain the rental unit and common areas in substantial compliance with building, health or safety codes, the tenant may deliver a written notice to the landlord specifying the breach and specifying that the rental agreement will terminate on a date not less than thirty (30) days after receipt of the notice by the landlord, if the breach is not remedied by the landlord within the thirty (30) day period provided in the notice. The tenant shall not terminate the rental agreement for a condition caused by the deliberate or negligent act or omission of the tenant, a member of the tenant's family, or other person on the premises with the tenant's consent.*

193.1-4 Prohibited Provisions in Residential Rental Agreement

(a) *Except as otherwise provided no residential rental agreement may provide that the tenant or the landlord:*

- (1) *Authorizes any person to confess judgment on a claim arising out of the rental agreement.*
- (2) *Agrees to the limitation of any liability of the landlord or tenant arising under law or to indemnify the landlord or tenant for that liability or the costs connected therewith.*
- (3) *Agrees to waive any written termination of tenancy notice provided under state law.*
- (4) *Agrees that the landlord may cancel a tenancy before the time the tenant's obligation under a written rental agreement unless the tenant and the landlord sign a separate disclosure statement at the same time the rental agreement is signed. This statement should disclose the potentially unequal length of time the landlord and the tenant may be bound by the rental agreement entered into. If the landlord fails to provide a separate disclosure statement, the tenant has the option of binding the landlord to the rental agreement for the same length of time as the tenant or of cancelling the actual agreement with 30 days notice. In no event can the landlord give less than 120 days notice of his intent to cancel the rental agreement under this provision.*
- (5) *Agrees to waive the right of any party to a trial by jury.*
- (6) *Agrees that in the event of a lawsuit growing out of the tenancy the tenant will pay the landlord's attorney's fees except as provided for by court rules or statute.*
- (7) *Agrees to conditions for a landlord's rights of access to the rental unit which gives fewer rights to the tenants than those contained under Chapter 193.11.7.*
- (8) *Agrees to waive a tenant's rights to vacate premises or abate rent when there is fire or casualty damage as provided under Chapter 193.11.8.*
- (9) *Agrees to waive any rights with respect to the tenant's abandonment of the rental unit or with respect to the tenant's tender of a sublease to the landlord as provided under Chapter 193.11.9.*

- (10) *Agrees to waive the requirements for security deposits provided in Chapter 193.11.5.*
- (11) *Agrees to provisions relating to the abandonment of a dwelling unit which gives a tenant fewer rights than provided in Chapter 193.11.10.*
- (12) *Agrees to waive the provisions relating to disclosure the landlord or his agent contained in Chapter 193.11.6.*
- (13) *Agrees to waive the requirements for security deposit interest as provided by state law.*

(b) A provision prohibited by subsection (a) included in rental agreement is unenforceable. If a rental agreement contains a provision which violates subsection (a) the tenant may give written notice to the landlord of such violation and the reason therefore, and request that it be cured. The landlord shall cure the violation by tendering to the tenant within fifteen (15) days a new lease which shall be identical in all respects to the existing lease, except that all provisions which violate subsection (a) shall be omitted.

- (c) (1) *In the event that the landlord fails to cure the violation, the tenant may void the rental agreement and terminate the tenancy by written notice. The written notice shall specify the date of termination no later than 30 days from the date of the written notice.*
- (c) (2) *The tenant may recover actual damages sustained by the tenant because of a prohibited provision; and if the landlord has refused to cure or has attempted to enforce a provision in a rental agreement prohibited by subsection (a) the tenant may also recover one (1) month's rent and reasonable attorney's fees. The tenant may also void the rental agreement and terminate the tenancy by written notice.*

193.1-5 Prohibition On Retaliatory Conduct By Landlord

(a) It is declared to be against public policy of the City of Chicago for a landlord to take retaliatory action against a tenant. A landlord may not knowingly terminate a tenancy, increase rent, decrease services, or bring or threaten to bring a lawsuit against a tenant for possession or refuse to renew a lease or tenancy because the tenant has in good faith:

- (1) *complained in good faith of code violation applicable to the premises to a competent governmental agency, elected representative or public official charged with responsibility for enforcement of a building, housing, health, or similar code; or*
- (2) *complained of a building, housing, health, or similar code violation or an illegal landlord practice to a community organization or the news media; or*
- (3) *sought the assistance of a community organization or the news media to remedy a code violation or illegal landlord practice; or*
- (4) *requested the landlord to make repairs to the premises as required by a building code, health ordinance, or other regulation, or the rental agreement; or*

- (5) *become a member of a tenant's union or similar organization; or*
- (6) *exercised any right or remedy provided by law.*

(b) If the landlord acts in violation of a subsection (a), the tenant has a defense in any retaliatory action against him for possession and is entitled to the following remedies: he may recover possession or terminate the rental agreement and, in either case, recover an amount equal to and not more than (2) months rent or twice the damages sustained by him, whichever is greater, and reasonable attorney's fees. If the rental agreement is terminated, the landlord shall return all security and interest and all prepaid rent. In an action by or against the tenant, if there is evidence of tenant conduct protected herein within one year prior to the alleged act of retaliation, that evidence shall create a rebuttable presumption that the landlord's conduct was retaliatory. The presumption shall not arise if the protected tenant activity was initiated after the alleged act of retaliation.

193.1-6 Security Deposits

(1) (a) At or prior to the commencement of any tenancy, no landlord may require a tenant or prospective tenant to pay any amount in excess of the following:

- (i) rent for the first full month of occupancy; and*
- (ii) a security deposit equal to one and one-half (1 1/2) months rent provided that such security deposit is deposited as required by subsection (3) and that the tenant is given the statement of condition as required by subsection (2).*

(b) No landlord or successor in interest shall at any time subsequent to the commencement of a tenancy demand rent in advance in excess of the current month's rent or a security deposit in excess of one and one-half (1 1/2) months rent. The payments in advance for occupancy pursuant to this section shall be binding upon all successors in interest.

(c) A security deposit shall continue to be the property of the tenant making such deposit, shall not be commingled with the assets of the landlord, and shall not be subject to the claims of any creditor of the landlord or of the landlord's successor in interest, including a foreclosing mortgagee or trustee in bankruptcy; provided, however, that the tenant shall be entitled to only such interest as is provided for in subsection (3) (b).

(2) (a) Any landlord or landlord's agent who receives a security deposit from a tenant or prospective tenant shall give said tenant or prospective tenant at the time of receiving such security deposit a receipt indicating the amount of such security deposit, the name of the person receiving it and, in the case of an agent, the name of the landlord for whom such security deposit is received, the date on which it is received, and a description of the rental unit. Said receipt shall be signed by the person receiving the security deposit. Failure to comply with this paragraph shall entitle the tenant to immediate return of security deposit.

(b) Any landlord of residential real property, or landlord's agent, who accepts a security deposit from a tenant or prospective tenant, shall upon receipt of such security

deposit, or within fifteen days after commencement of the tenancy, whichever is later, furnish to such tenant or prospective tenant a separate written statement of the present condition of the premises to be leased or rented. Such written statement shall also contain a comprehensive listing of any damage then existing in the premises, including, but not limited to, any violations of the state sanitary or state building codes certified by a local board of health or building official or adjudicated by a court and then existing in the premises. Such statement shall be signed by the landlord or landlord's agent and contain the following notice in twelve-point bold-face type at the top of the first page thereof:

"This is a statement of the condition of the premises you have leased or rented. You should read it carefully in order to see if it is correct. If it is correct you must sign it. This will show that you agree that the list is correct and complete. If it is not correct, you must attach a separate signed list of any damage which you believe exists in the premises. This statement must be returned to the landlord or landlord's agent within fifteen days after you receive this list or within fifteen days after you move in, whichever is later. If you do not return this list, within the specified time period, a court may later view your failure to return the list as your agreement that the list is complete and correct in any suit which you may bring to recover the security deposit."

If the tenant submits to the landlord or landlord's agent a separate statement listing damages, the landlord or landlord's agent shall, within fifteen days of receiving said separate statement, return a copy of said statement to the tenant with either the landlord's signed agreement with the content thereof or a clear statement of disagreement attached.

The landlord or landlord's agent shall maintain said statement for each residential rental unit for which a security deposit was accepted for a period of two years from the date of termination of the occupancy upon which the security deposit was conditioned. Failure to comply with this paragraph shall entitle the tenant to immediate return of the security deposit.

(3) (a) Any security deposit received by such landlord shall be held in a separate, interest-bearing account in a bank, located within the state under such terms as will place such deposit beyond the claim of creditors of the landlord, including a foreclosing mortgagee or trustee in bankruptcy, and as will provide for its transfer to a subsequent owner of said property. A receipt shall be given to the tenant within thirty days after such deposit is received by the landlord. The receipt shall indicate the name and location of the bank in which the security deposit has been deposited and the amount and account number of said deposit. Failure to comply with this paragraph shall entitle the tenant to immediate return of the security deposit.

(b) A landlord of residential real property who holds a security deposit pursuant to this section for more than six months, shall, beginning with the day that the deposit was received, pay interest at the rate of five percent per year. The landlord shall, within thirty days after the end of each twelve month rental period, pay to the tenant any interest, by cash or credit to be applied to the rent due. The landlord may deduct from the interest any unpaid rent which has not been validly withheld or deducted pursuant to the provisions of any general or special law or local ordinance.

(4) Upon request of the tenant, the landlord shall:

(a) conduct a joint inspection of the premises with the tenant within the last fifteen days prior to the termination of the tenancy; and

(b) provide the tenant with an advisory statement of the alleged damages to the premises and an estimated cost for repair or replacement if these damages still remain at the time the tenancy is actually terminated.

(5) The landlord shall, within thirty days of the date that the tenant vacated the rental unit, return to the tenant the security deposit or any balance thereof; provided, however, that the landlord may deduct from such security deposit for the following:

(i) any unpaid rent which has not been validly withheld or deducted pursuant to the provisions of any special or general law or local ordinance; and

(ii) a reasonable amount necessary to repair any damage caused to the dwelling unit by the tenant or any person under the tenant's control or on the premises with the tenant's consent, reasonable wear and tear excluded.

(A) In the case of such damage, the landlord shall provide to the tenant within such thirty days an itemized statement of the damages allegedly caused to the premises and the estimated or actual cost for repairing or replacing each item on that statement, attaching the paid receipts, or copies thereof, for the repair or replacement. If estimated cost is given, the landlord shall furnish the tenant with paid receipts, or copies thereof, within thirty days from the date the statement showing estimated cost was furnished to the tenant, as required by this subsection.

(B) No amount shall be deducted from the security deposit for any damage to the dwelling unit which was listed in the separate written statement of the condition of the premises which was required to be given to the tenant pursuant to clause (b) of subsection (2) or for any damages listed in any separate list submitted by the tenant and signed by the landlord or landlord's agent pursuant to said clause (b), unless the landlord subsequently repaired or caused to be repaired such damage and can prove that the renewed damage was unrelated to the prior damage and was caused by the tenant or by any person under the tenant's control or on the premises with the tenant's consent. No deduction may be made from the security deposit for any purpose other than those set forth in this section.

(6) In the event of a sale, lease, transfer or other direct or indirect disposition of residential real property, other than to the holder of a lien interest in such property, by a landlord who has received a security deposit or prepaid rent from a tenant, the transferee of such property shall be liable to that tenant for any security deposit, including statutory interest, or prepaid rent which the tenant has paid to the transferor. Transferor shall remain jointly and severally liable with the transferee to the tenant for such security deposit or prepaid rent. The transferee shall, within forty-five (45) days from the date of said transfer, notify the tenant who made such security deposit that such security deposit was transferred to the transferee and that the transferee is holding said security deposit. Such notice shall also contain the transferee's name, business address, and business telephone number, and the name, business address, and business telephone number of the transferee's agent, if any. Said notice shall be in writing.

(7) The landlord shall forfeit his right to retain any portion of the security deposit for any reason, or to recover any compensation in any action for damage to the premises, or, in any action by a tenant to recover a security deposit, to recover any compensation in a counterclaim for damage to the premises if he or she:

(a) demands and collects payments in excess of those permitted under subsection (1);

(b) fails to deposit the security deposit in an account as required by subsection (3);

(c) upon request by the tenant, fails to conduct the inspection or provide the advisory statement required by subsection (4);

(d) fails to furnish to the tenant within thirty days after the termination of the occupancy the itemized statement of damages if any, in compliance with the provisions of subsection (5);

(e) uses in any rental agreement signed by the tenant any provisions which conflict with any provision of this section and attempts to enforce such provision or attempts to obtain from the tenant or prospective tenant a waiver of any provision of this section; or

(f) fails to return to the tenant the security deposit or balance thereof to which the tenant is entitled after deducting therefrom any sums in accordance with the provisions of this section, together with any interest thereon, within thirty days of the date that the tenant vacated the rental unit.

(8) If the landlord or landlord's agent fails to comply with clause (a) of subsection (7), the tenant shall be awarded damages in an amount equal to two times the security deposit and excess payments demanded plus interest at five percent together with court costs and reasonable attorney's fees.

(9) If the landlord or landlord's agent fails to comply with clause (b) of subsection (7), the tenant shall be awarded damages in an amount equal to two times the amount of the security deposit to which the tenant is entitled plus interest at the rate of five percent, together with court costs and reasonable attorney's fees.

(10) If the landlord or landlord's agent fails to comply with clause (f) of subsection (7), the tenant shall be awarded damages in an amount equal to the greater of:

(a) two times the security deposit or balance thereof to which the tenant is entitled plus interest at the rate of five percent, together with court costs and reasonable attorney's fees, or

(b) two times the actual damages, together with court costs and reasonable attorney's fees.

(11) Any provision of a rental agreement which conflicts with any provision of this section and any waiver by a tenant or prospective tenant of any provision of this section shall be deemed to be against public policy and therefore void and unenforceable.

(12) This section in its entirety applies to all security deposits received after passage and publication of this Ordinance. Subsections (1)(b) and (c), and (3) through (11) also apply to all security deposits held after that date which relate to the rental unit covered by a residential rental agreement executed, renewed or extended after that date.

193.1-7 Disclosure

(a) A landlord or any person authorized to enter into an oral or written rental agreement on landlord's behalf shall disclose to the tenant in writing at or before the commencement of the tenancy the name and address of:

- (1) the person authorized to manage the premises; and*
- (2) an owner of the premises; and*
- (3) a person authorized to act for and on behalf of the owner for the purpose of service of process and for the purpose of receiving and receipting for notices and demands.*

(b) A person named as agent in a written rental agreement shall be conclusively deemed as meeting the requirement of subsection (a) (1) of this Section, and if no principal is named therein then such agent shall also be conclusively deemed as authorized to act for and on behalf of the owner for the purpose of service of process and receiving and receipting for notices and demands.

(c) The information required to be furnished by this Section shall be kept current and this section extends to and is enforceable against any successor landlord, owner, or manager.

(d) Before a tenant initially enters into or renews a rental agreement for a dwelling unit, the landlord or any person authorized to enter into a rental agreement on his behalf shall disclose to the tenant in writing any existing code violations which have been cited by the city for the dwelling unit and common area. If the landlord fails to comply with this subsection, the tenant may void the rental agreement and terminate the tenancy by written notice. If the landlord's conduct is willful, the tenant may recover actual damages plus attorney's fees.

(e) Any person who acts under subsection (a) in dealings with any tenant or prospective tenant, but who fails to satisfy the requirements of subsection (a), shall be deemed the agent of the landlord for:

- (1) service of process and receiving and receipting for notices and demands;*
- (2) performing the obligations of the landlord under this ordinance and under the rental agreement; and*
- (3) performing the landlord's obligations under relevant City of Chicago Building and Health Codes.*

(f) A copy of the Chicago Tenants Bill of Rights shall be attached to each written rental agreement when any such agreement is initially offered to any tenant or prospective tenant by or on behalf of a landlord and whether such agreement is for a new rental or a renewal

thereof. Where there is an oral agreement, the landlord shall give a copy of the Chicago Tenants Bill of Rights.

(g) If the landlord acts in violation of subsection (f), the tenant may void the rental agreement and terminate the tenancy by written notice. The written notice shall specify the date of termination no later than 30 days from the date of the written notice.

193.1-8 Right of Access to Premises

(a) A landlord shall have a right to enter a dwelling unit

- (1) to make necessary or agreed repairs, decorations, alterations or improvements,
- (2) to supply necessary or agreed services,
- (3) to conduct inspections authorized or required by Ch. 193-11.5 of the City Code,
- (4) to exhibit the dwelling unit to prospective or actual purchasers, mortgagees, workmen, or contractors,
- (5) to exhibit the dwelling unit to prospective tenants thirty (30) days or less prior to the expiration of the existing rental agreement,
- (6) for practical necessity where repairs or maintenance elsewhere in the building unexpectedly require such access,
- (7) to determine tenants compliance with provisions in the rental agreement,
- (8) in case of emergency.

(b) Except in cases where access authorized by subsection a6 or a8 of this section, the landlord shall give the tenant notice of the landlord's intent to enter of no less than two days. Such notice shall be provided directly to each dwelling unit by mail, or telephone call, or written notice to the dwelling unit or by other reasonable means designed in good faith to provide notice to the tenants. If access is required because of repair work for common facilities or other apartments, a general notice may be given by the landlord to all potentially affected tenants that entry may be required.

(c) In cases where access is authorized by subsection a6 or a8 of this section, the landlord may enter the dwelling unit without notice or consent of the tenant. The landlord shall give the tenant notice of the entry within two days after such entry.

(d) A tenant shall not unreasonably withhold consent to the landlord to enter the dwelling unit, but may reasonably refuse entry to the landlord after notice by (1) providing one (1) day's notice of such refusal and (2) specifying an alternate day for entry within three (3) days of the day proposed by the landlord.

(e) The landlord may enter only at reasonable times. An entry between 8 A.M. and 8 P.M. shall be presumed reasonable.

(f) A landlord has no other right of access except

- (1) *pursuant to court order;*
- (2) *as permitted by State Statute; or*
- (3) *unless the tenant has abandoned or surrendered the dwelling unit and the landlord is acting under Section 193-11.8*

(g) If the tenant refuses to allow lawful access, the landlord may obtain injunctive relief to compel access or terminate the rental agreement. In either case, if the refusal is willful, the landlord may also recover actual damages and reasonable attorney's fees.

(h) If the landlord enters other than in accordance with this Section, or uses the rights of entry authorized by this Section for the purpose of harassing the tenant, the tenant, may obtain injunctive relief or may terminate the rental agreement by written notice. In either situation, if the landlord's conduct is willful, the tenant may recover actual damages and reasonable attorney's fees.

193.1-9 Fire or Casualty Damage

(a) If the dwelling unit or common area is damaged or destroyed by fire or casualty to an extent that habitability of the dwelling unit is substantially impaired, the tenant may:

- (1) *Immediately vacate the premises and notify the landlord in writing within fourteen (14) days thereafter of the tenant's intention to terminate the rental agreement, in which case the rental agreement terminates as of the date of the fire or casualty; or*
 - (2) *If continued occupancy is lawful, vacate any part of the dwelling unit rendered unusable by the fire or casualty, in which case the tenant's liability for rent is reduced in proportion to the diminution in the fair rental value of the rental unit, or*
 - (3) *If the tenant desires to continue the tenancy, and if the landlord has promised or begun work to repair the damage or destruction, but fails to carry out the work to restore the dwelling unit or common area diligently and within a reasonable time, notify the landlord within fourteen (14) days after the tenant becomes aware that the work is not being carried out diligently or within a reasonable time of the tenant's intention to terminate the rental agreement, in which case the rental agreement terminates as of the date of the fire or casualty.*
- (b) If the rental agreement is terminated, the landlord shall return all security and all prepaid rent. Accounting for rent in the event of termination or apportionment shall be made as of the date of the fire or casualty.*
- (c) A tenant may not exercise remedies in this section if the fire or casualty damage was caused by the deliberate or negligent act or omission of the tenant, a member of his family or a person on the premises with his consent.*

193.1-10 Sublease or Assignment

If the tenant abandons the dwelling unit or wishes to cancel a written rental agreement without cause, the landlord shall make a good faith effort to rent it at a

fair rental, which shall be the rent charged for comparable rental units in the same neighborhood. The landlord shall accept a reasonable sublease proposed by the tenant. If the landlord rents the dwelling unit, or accepts a sub-lease, the tenant shall be liable for the amount by which the rent due from the date of abandonment or cancellation to the termination of the initial rental agreement exceeds the fair rental subsequently received by the landlord from the date of abandonment or cancellation to the termination of the initial rental agreement. If the landlord makes a good faith effort to rent the dwelling unit in a fair rental and unsuccessful, the tenant shall continue to be liable for the rent due for the period of the rental agreement. In either event, the tenant shall be liable for the advertising expenses and reasonable redecoration costs incurred by the landlord in rerenting the rental unit.

193.1-11 Abandonment

(a) Abandonment of the residential rental dwelling unit shall be deemed to have occurred when:

- (1) Actual notice has been provided to the landlord by the tenant indicating the tenant's intention not to return to the dwelling unit; or*
- (2) all persons entitled under a rental agreement to occupy the dwelling unit have been absent from the unit for a period of 21 days or for one rental period when the rental agreement is for less than a month, and such persons have removed most of their personal property, and rent for that period is unpaid; and*
- (3) Notwithstanding the above, abandonment of the dwelling unit shall not be deemed to have occurred if any person entitled to occupancy has provided the landlord a written notice indicating that he still intends to occupy the unit and makes full payment of all amounts due to landlords.*

(b) Except as otherwise agreed, if upon termination of the rental agreement whether by lapse of time or otherwise (except in the case of a forcible detainer or upon tenant's surrender or abandonment of the dwelling unit or premises, tenant leaves good, chattels or personal property (other than that attached to the dwelling unit or premises which shall become the property of the landlord) upon the dwelling unit or premises, such goods, chattels, or personal property shall be conclusively deemed abandoned.

(c) Immediately upon the occurrence of an event described in subsection (a) landlord may remove all abandoned property from the dwelling unit, and

- (1) If the landlord reasonably believes such abandoned property to be valueless or of such little value that the cost or value of storage would exceed the amount that would be realized from sale, or if such property is subject to spoilage, landlord may immediately dispose of such property; or*
- (2) If such property is of value greater than the cost or value of storage, landlord shall, with reasonable care against loss or damage, store such abandoned property for a reasonable time not to exceed 60 days. The landlord shall not be responsible to tenant for any loss not caused by landlord's deliberate or negligent act. The tenant may claim such property during the term of landlord's storage by tender of an*

amount equivalent to the actual and reasonable cost or value of such storage. Property not claimed during the term of landlord's storage may be disposed of in any reasonable manner without liability to landlord.

193.1-12 Severability

If any provision, clause, sentence, paragraph, section, or part of this Ordinance, or application thereof to any person, firm, corporation, public agency, or circumstance, shall, for any reason, be adjudged by a court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair or invalidate the remainder of this Ordinance and the application of such provision to other persons, firms, corporations, public agencies or circumstances, but shall be confined in its operation to the provision, clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which such judgement shall have been rendered and to the person, firm, corporation, public agency, or circumstances involved. It is hereby declared to be the legislative intent of the City Council that this Ordinance would have been adopted had such unconstitutional or invalid provision, clause, sentence, paragraph, section, or part thereof not been included.

193.1-13 Effective Date

This Ordinance shall be in full force and effect from and after its passage and publication.

Aldermen Natarus moved to *Lay on the Table* the foregoing proposed amendment. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Kellam, Sheahan, Sherman, Krystyniak, Nardulli, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Hansen, McLaughlin, Orbach, Schulter, Stone -- 32.

Nays -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Streeter, Henry, W. Davis, Smith, D. Davis, Oberman, Orr -- 13.

Thereupon, Alderman Burke moved to *Pass* the said proposed ordinance. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Bloom, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Kellam, Sheahan, Krystyniak, Nardulli, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 30.

Nays -- Aldermen Rush, Tillman, Evans, Sawyer, Beavers, Humes, Hutchinson, Langford, Streeter, Kelley, Sherman, Henry, W. Davis, Smith, D. Davis, Cullerton -- 16.

Alderman Natarus moved to reconsider the foregoing vote. the motion was lost.

The following is said ordinance as passed:

WHEREAS, The City of Chicago is a Home Rule Municipality under Article VII Section 6(a) of the Illinois Constitution; and

WHEREAS, All property owners in the City of Chicago pay City of Chicago property taxes; and

WHEREAS, A portion of the City of Chicago real estate tax assessment is used for refuse collection; and

WHEREAS, The City of Chicago provides refuse collection for only those residential buildings with four units or less, and

WHEREAS, Since most condominium and cooperative residential buildings have more than four units, the City of Chicago does not provide refuse collection services for these residential buildings, but yet the owners of units in these buildings pay property taxes which cover the cost of providing refuse collection for residential buildings with four units or less; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Chapter 99 of the Municipal Code of the City of Chicago is hereby amended by adding a new Section 99-18.1, entitled "Reimbursement for Refuse Collection" by adding the following language in italics as follows:

Section 99-18.1. The governing association or board of a condominium or cooperative residential building shall submit to the City Clerk, no later than 30 days after the end of each calendar quarter, a notarized statement listing the amount of the quarterly cost incurred for refuse collection for the residential units in the building, the number of residential units in the building, and a copy of the executed agreement with the private scavenger service providing the refuse collection for the residential building. The City Clerk shall transmit this notarized statement to the Committee on Finance.

After review, the Committee on Finance may recommend that the City Council approve the reimbursement to the governing association or board in an amount equal to the quarterly cost incurred for the refuse collection for the residential units in the building; provided, however, that the aggregate annual amount of the reimbursement paid to a governing association or board shall not exceed an amount equal to the number of residential units in the building multiplied by Seventy-five Dollars (\$75). During the first year in which the cost of refuse collection is reimbursed, the governing association or board shall submit the bill for the prior year's refuse collection services. The City Council may not reimburse a governing association or board for the cost of refuse collection services which is unreasonable.

In no event shall the governing association or board be reimbursed for that portion of the cost of refuse collection attributable to any commercial or other non-residential unit located in the residential building. After City Council approval of the reimbursement, the City Comptroller shall promptly pay the governing association or board the approved reimbursement.

SECTION 2. This ordinance shall be effective from and after January 1, 1985.

CHAPTER 11 OF MUNICIPAL CODE AMENDED BY ADDING
NEW SECTION 11-48 CONCERNING APPOINTMENT
OF AUXILIARY POLICE.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 7, 1984, pages 11520-11522, recommending that the City Council pass a proposed ordinance amending Chapter 11 of the Municipal Code by adding a new Section 11-48 concerning the appointment of auxiliary police.

Alderman Burke moved to amend the said proposed ordinance as follows:

By striking the word "precinct" appearing in paragraph five of Section 11-48 and inserting the word "districts" in lieu thereof.

The motion *Prevailed*.

Alderman Oberman then presented the following amendment to the said proposed ordinance:

Motion to amend an ordinance adding Section 11-48 to the Municipal Code by deleting the following language from lines 1 and 2 of said ordinance:

"with the advice and consent of the City Council,"

Alderman Beavers moved to *Re-refer* the proposed ordinance and the proposed amendment to the Committee on Finance. The motion *Prevailed*.

CHAPTER 104.2 OF MUNICIPAL CODE AMENDED
CONCERNING AUTOMATIC AMUSEMENT
DEVICE TAX.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 7, 1984, pages 11523-11524, recommending that the City Council pass as amended a proposed ordinance amending Chapter 104.2 of the Municipal Code concerning the Automatic Amusement Device Tax.

Alderman Bloom moved to amend the said proposed ordinance as follows:

The ordinance is amended to in Section 1 to substitute \$150.00 for \$75.00.

Alderman Henry moved to *Lay on the Table* the foregoing amendment. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Beavers, Vrdolyak, Huels, Majerczyk, Madrzyk, Brady, Kellam, Sheahan, Krystyniak, Henry, Nardulli, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Hansen, McLaughlin, Schulter, Stone -- 27.

Nays -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Hmes, Hutchinson, Langford, Streeter, Kelley, Smith, D. Davis, Natarus, Oberman, Orbach, Volini -- 16.

Alderman Burke was excused from voting under the provisions of Rule 14 of the Council's Rules of Order.

Thereupon Alderman Buarke moved to Pass the said proposed ordinance.

The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Evans, Sawyer, Vrdolyak, Huels, Majerczyk, Madrzyk, Brady, Langford, Streeter, Kellam, Sheahan, Krystyniak, Nardulli, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Hansen, Orbach, Schulter, Volini, Stone -- 30.

Nays -- Alderman Tillman, Bloom, Beavers, Humes, Hutchinson, Kelley, Smith, D. Davis, Natarus, Oberman -- 10.

Alderman Krystyniak moved to reconsider the foregoing vote. The motion was lost.

Alderman Burke was excused from voting under the provisions of Rule 14 of the Council's Rules of Order.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Chapter 104.2 of the Municipal Code of Chicago is hereby amended by deleting the language bracketed and inserting the language in italics, as follows:

104.2-2. An annual tax for each calendar year is imposed upon all Automatic Amusement Devices operated for gain or profit in the amount of [\$100.00] *\$75.00* per device commencing January 1, 1977.

104.2-4. It shall be unlawful for the owner, [or] lessee *or manager* of any premises [or person in control of such premises] to permit the installation or use of an Automatic Amusement Device within the City of Chicago for gain or profit unless the tax has been paid and evidenced by a tax emblem affixed to the Automatic Amusement Device. Each such device shall be plainly labeled with the name, address and telephone number of its owner.

104.2-9. It is unlawful for any person to install, use or permit the installation or use of six or more Automatic Amusement Device machines at any place unless the [person in control] *owner, lessee or manager* of such place has the premises licensed as a "Public Place of Amusement-Class II-Arcade." The term "arcade" means a place of amusement that includes six or more Automatic Amusement Devices.

104.2-9.1. No person shall operate any arcade or game room in any place within two hundred feet of any church, synagogue or other house of worship, hospital, building operated exclusively as a grammar or secondary school, or residential district, unless such place was licensed as an arcade or game room before the establishment of the church, synagogue or other house of worship, hospital, educational institution, or zoning district. *The two hundred foot limitation shall be measured from property line to property line.*

SECTION 2. Sections 104.2-9.2 and 104.2-9.3 of Chapter 104.2 of the Municipal Code of Chicago are deleted in their entirety and a new Section 104.2-9.2 is hereby substituted therefore as follows:

104.2-9.2. No owner, lessee or manager of any property shall operate or manage or permit anyone to operate or manage a game room for gain or profit without first having obtained a license therefor. When used in this chapter, the term "game room" means a building or portion thereof or other place where no fewer than three and no more than five Automatic Amusement Devices, other than pool or billiard tables, are operated or used. Application for such license shall be in accordance with the general provisions of this code relating to licenses. The fee for such license shall be \$100 per year, and shall not be subject to proration.

SECTION 3. Any person who applies for and receives a game room license for 1984, and who prior to May 1, 1984, paid for and received such a license for the same premises pursuant to the ordinances repealed by Section 2 hereof, shall be exempt from payment of an additional license fee for such premises for 1984.

SECTION 4. This ordinance shall be in full force and effect ten days after passage and due publication.

MUNICIPAL CODE AMENDED BY ADDITION OF NEW CHAPTER 200.9 CONCERNING IMPOSITION OF CHICAGO LEADED GASOLINE TAX.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 7, 1984, pages 11524 thru 11531, recommending that the City Council pass a proposed ordinance amending the Municipal Code of Chicago by the addition of a new Chapter 200.9 to be known as the "Chicago Leaded Gasoline Tax Ordinance".

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Evans, Sawyer, Beavers, Hutchinson, Vrdolyak, Burke, Streeter, Henry, Nardulli, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Damato, Cullerton, Laurino, O'Connor, Natarus, Oberman, Hansen, McLaughlin, Volini, Orr--26.

Nays -- Aldermen Huels, Majerczyk, Madrzyk, Kellam, Sheahan, Kelley, Krystyniak, W. Davis, Smith, Orbach, Schulter, Stone--12.

Alderman Burke moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Municipal Code of Chicago is hereby amended by adding a new Chapter 200.9, in italics, as follows:

200.9 This Chapter shall be known and cited as the "Chicago Leaded Gasoline Tax Ordinance" and the tax herein imposed shall be known and cited as the "Chicago Leaded Gasoline Tax."

200.9-1.A. For the purposes of this Chapter, when any of the following words or terms are used herein they shall have the meaning or construction ascribed to them in this section:

City: The term "City" shall mean the City of Chicago, Illinois.

Department: The term "Department" or "Department of Revenue" shall mean the Department of Revenue of the City.

Director: The term "Director" or "Director of Revenue" shall mean the Director of Revenue of the City.

Leaded Motor Fuel: The term "Leaded Motor Fuel" shall mean any motor fuel that contains one-half gram or more of tetra ethyl lead, tetra methyl lead or any other lead alkyls, per gallon.

Motor Fuel: The term "Motor Fuel" shall mean all volatile and inflammable liquids produced, blended or compounded for the purpose of, or which are suitable or practicable for, operating motor vehicles.

Motor Vehicles: The term "Motor Vehicles" shall mean motor vehicles as defined by "The Illinois Vehicle Code" and watercraft propelled by an internal combustion engine.

Distributor: The term "Distributor" or "Distributor of Leaded Motor Fuel" shall mean any person who either produces, refines, blends, compounds, or manufactures leaded motor fuel in this City, or transports or has transported leaded motor fuel to a location within the City, or receives leaded motor fuel in this City on which this tax has not been paid, or in any way sells leaded motor fuel to a retail dealer for purpose of resale in the City. However, any person who transports leaded motor fuel into the City for his own use and consumption, and not for sale or resale, shall not be deemed a distributor.

Retail Dealer: The term "Retail Dealer" or "Retail Dealer of Leaded Motor Fuel" shall mean any person who is engaged in the business of selling leaded motor fuel in the City of Chicago to a purchaser for use or consumption and not for resale in any form.

Person: The term "Person" shall mean any natural individual, firm, trust, estate, partnership, association, joint stock company, joint venture, corporation, receiver, trustee, conservator or representative appointed by any court.

Sale: The term "sale" or "resale" or "purchase" or any similar term shall mean any transfer of the ownership or title, or both, including any exchanges or barter, conditional or otherwise, in any manner or by any means whatsoever for a valuable consideration.

200.9-2.A. A tax is hereby imposed upon the privilege of purchasing leaded motor fuel within the City of Chicago at a rate of seven cents per gallon. The tax shall be paid by the purchaser of the leaded motor fuel. The ultimate incidence of and liability for payment of such tax shall be upon such purchaser and nothing in this Chapter shall be construed to impose a tax upon the occupation of distributing or selling leaded motor fuel. The tax herein levied shall be in addition to any and all other taxes. The tax shall be pro-rated in sales of less than a gallon.

B. Except as provided in this Chapter for the collection of the tax herein levied upon the purchase of leaded motor fuel which is in the possession of retail dealers of such leaded motor fuel on the effective date of this Chapter, the tax herein levied shall be collected by each distributor of leaded motor fuel who sells leaded motor fuel to a retail dealer of leaded motor fuel doing business in the City of Chicago.

Any distributor of leaded motor fuel who shall pay the tax levied by this Chapter to the Department of Revenue shall collect the tax from any retail dealer of leaded motor fuel to whom the sale of said leaded motor fuel is made, and any such retail dealer shall in turn then collect the tax from the purchaser of said leaded motor fuel. The tax shall be paid to the person required to collect it as trustee for and on account of the City of Chicago.

If any business selling leaded motor fuel at the retail level shall receive leaded motor fuel upon which no tax has been collected by the distributor, then the retail operator shall collect such tax and remit such tax directly to the Department within thirty (30) days of the receipt of such leaded motor fuel.

C. Distributors of leaded motor fuel doing business on effective date of this Ordinance shall register with the Department of Revenue within thirty (30) days after such effective date. A person becoming a Distributor of leaded motor fuel after the adoption of this Chapter shall register with the Department within thirty (30) days after the commencement of business. Distributors of leaded motor fuel shall file each month with the Department a report of sales of leaded motor fuel in such form as prescribed and furnished by the Department. Such report of sales must be mailed in sufficient time to be postmarked on or before the last day of the month following the month for which return is due. Each report of sales of leaded motor fuel shall be accompanied by a remittance of the appropriate amount of tax applicable to the sales reported. Payment of the tax imposed herein shall be made to the "Department of Revenue."

D. Within 60 days after the effective date of this Chapter, every retail dealer of leaded motor fuel doing business in the City of Chicago shall file with the Department on forms prescribed by it, a sworn inventory of all leaded motor fuel in his possession or control on January 1, 1985. With said inventory the retail dealer shall pay to the Department the taxes due from the sale of all leaded motor fuel which were in such retail dealer's

possession on January 1, 1985, and for which the tax herein levied has not been collected on behalf of the City by a distributor of leaded motor fuel.

E. The distributor or retail dealer remitting the tax directly to the Department shall be entitled to a commission of 1% of the tax to be remitted to compensate him for the cost of collection, filing returns and supplying information to the Department upon request, except that no commission shall be allowed for any tax not remitted when due.

F. This tax shall not apply to sales of leaded motor fuel by a distributor to another distributor holding a valid registration certificate or by a distributor to another distributor or a retail dealer whose place of business is outside the City.

200.9-3.A. Any tax not paid or remitted when due shall bear interest of 2% per month, or fraction thereof, until the tax is paid or remitted.

B. In addition to any interest charged, any tax not paid or remitted when due shall subject the person failing to pay or remit such to a 10% late payment penalty, unless a late filing penalty is due as provided in subsection C.

C. In addition to any interest charge, any remittance return not filed when due shall subject the person failing to file such to a 10% late filing penalty calculated upon the total tax liability due for such filing period.

D. Where the failure to pay or remit any tax, or file any return, required under this Chapter on the date prescribed is due to reasonable cause, the penalties provided in subsections B or C of this Section shall not apply.

E. Any payment or return not physically received by the Department by the due date shall be considered late.

200.9-4. The Director is hereby empowered to adopt, promulgate, and to enforce, rules and regulations relating to any matter or thing pertaining to the administration and enforcement of the provisions of this Chapter, including provisions for the re-examination, correction and amendment of all returns. The Director, or any agent or employee designated in writing by him, is hereby authorized to examine the books and records of any distributor or retail dealer during regular business hours, in order to verify the accuracy of any return made, or if no return was made to ascertain the tax imposed by this Chapter.

200.9-5.A. If it shall appear to the Director that any person has violated any provision of this Chapter or any rule or regulation promulgated hereunder, or if the amount of any tax payment is incorrect in that it does not include all taxes payable for such calendar month or period, or if the Director shall find that the collection of any taxes which have accrued but are not yet due will be jeopardized by delay, and declares said taxes to be immediately due and payable, or if it shall appear to the Director that he has made any final assessment which did not include taxes payable for the periods involved, or if it appears to the Director that any person has, by reason of any act or omission or by operation of law, become liable for the payment of any taxes, interest or penalties not originally incurred by him, the Director may in any of the above events determine and assess the amount of such taxes or deficiency, as the case may be, together with the interest and penalties due and unpaid, and immediately serve notice upon such person of such determination and assessment and make

a demand for payment of the tax together with interest and penalties thereon. If the person incurring any such liability has died, such assessment may at the discretion of the Director be made against his personal representatives. Such determination and assessment by the Director shall be deemed a final assessment at the expiration of 20 days from the date of the service of such written notice thereof and demand for payment, unless such person shall have filed with the Director a written protest and a petition for a hearing, specifying its objections thereto, within this 20 day period. Upon the receipt of such petition within the 20 days allowed, the Director shall fix the time and place for a hearing and shall notify the petitioner thereof. The Director may amend his determination and assessment at anytime before it becomes final. In the event of such amendment the person affected shall be given notice thereof and an opportunity to be heard in connection therewith. At any hearing held as herein provided, the determination and assessment that has been made by the Director shall be prima facie correct and the burden shall be upon the protesting person to prove that it is incorrect. Upon the conclusion of such hearing a decision shall be made by the Director either canceling, increasing, modifying or affirming such determination and assessment and notice thereof given to the petitioner. Such notice shall contain a statement by the Director of the cost of the certification of the record computed at the rate of 5 cents per 100 words, which cost shall be charged to the petitioner if the determination or assessment is affirmed. The record shall consist of the notices and demands caused to be served by the Director, the original determination and assessment of the Director, the written protest and petition for hearing, the testimony introduced at such hearing, the exhibits produced at such hearing, or certified copies thereof, the decisions of the Director and such other documents in the nature of pleadings filed in the proceeding.

B. Whenever any person shall fail to pay any tax as herein provided, the City's Corporation Counsel shall, upon the request of the Department, bring or cause to be brought an action to enforce the payment of said tax on behalf of the City in any court of competent jurisdiction.

C. If the Mayor, after hearing held by or for him, shall find that any person has willfully evaded payment or remittance of the tax imposed by this Chapter, he may suspend or revoke all City licenses held by such tax evader. Said person shall have an opportunity to be heard at such hearing to be held not less than 7 days after notice is given to him of the time and place of the hearing to be held, addressed to him at his last known place of business. Pending notice, hearing and finding, any license issued by the City possessed by said person may be temporarily suspended. Any suspension or revocation of any license shall not release or discharge said person from his civil liability for the payment or collection and remittance of the tax, nor from prosecution for such offense.

200.9-6.A. Every distributor or retail dealer required to collect and remit the tax imposed herein shall keep accurate and complete books and records of his business of selling leaded motor fuel. All such books and records which are required to be kept by this Chapter shall be kept in the English language and shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees.

B. It shall be presumed that all sales of leaded motor fuel in this City are subject to tax under this Chapter until the contrary is established. The burden of proving that a sale is not taxable hereunder shall be upon the distributor or retail dealer.

200.9-7.A. Whenever it appears that an amount of tax, interest or penalty has been paid in error to the Department of Revenue by the person remitting such tax directly to the Department, whether such amount be paid through a mistake of fact or an error of law other than an error resulting from the tax, any of its provisions or its application being declared invalid or unconstitutional, not later than three years from the date upon which such payment was made, such person may file a claim for credit or refund with the Department on forms provided by said Department for that purpose. No credit or refund shall be allowed for any amount paid by such person unless it appears that he bore the burden of such amount and did not shift the burden to another person, or if he had shifted such burden that he had unconditionally repaid such amount to the person to whom he had shifted such burden.

B. Any credit or refund that is allowed under this Section shall bear interest at the rate of one-half of one percent (1/2%) per month, or any fraction thereof, from the date when the erroneous payment for which credit or refund is being allowed was made to the Department, until a credit memorandum is issued or a refund is paid.

C. A claim for credit or refund shall be considered to have been filed with the Department on the date upon which it is received by the Department, and receipt of any claim for credit or refund filed under this Section shall be acknowledged by the Director or any designated person on his behalf, said receipt to describe the claim in sufficient detail as to identify it, and to state the date upon which the claim was received by the Department.

D. As soon as practicable after a claim for credit or refund is filed, the Director, or his designate, shall examine the same and determine the amount of credit or refund due, if any, and shall issue a Notice of Tentative Determination of Claim and notify the claimant of such determination. If the claimant disagrees with the determination, he shall file a protest and challenge thereto within 20 days after the date of Notice of Tentative Determination of Claim has been mailed to him. Upon receipt of such protest within the 20 days allowed, the Director, or his designate, shall fix the time and place for a hearing thereon, giving notice to the claimant thereof, not less than 7 days prior thereto. At any hearing held as herein provided, the Tentative Determination of Claim shall be prima facie correct and the burden shall be upon the claimant to prove that it is incorrect. Upon the conclusion of the hearing, a decision shall be made by the Director and notice thereof given to the claimant. In the event no protest or challenge to the Tentative Determination of Claim is filed within the 20 day period hereinabove set forth, said notice shall thereafter become and operate as a final determination.

E. The Director may in his discretion issue a letter of credit to a claimant who may be able to use said credit in the foreseeable future, or a refund certificate in lieu of a credit memorandum on application by a person who cannot use said credit, or sell or assign the same. Refund certificates shall be numbered serially as they are issued and shall be paid in the order of their issuance from funds that are appropriated to the Department for that purpose.

200.9-8. Any officer or employee of any corporation subject to the provisions of this Chapter who has the control, supervision or responsibility of filing returns and making payment or remittance of the amount of tax herein imposed, and who willfully fails to file such return or to make such payment or remittance to the Department shall be personally liable for such amounts, including interest and penalties thereon, in the event that after

proper proceedings for the collection of such amounts, as provided in this Chapter, such corporation is unable to pay such amounts to the Department; and the personal liability of such officer or employee as provided herein shall survive the dissolution of the corporation.

200.9-9. Any distributor or retail dealer required to collect the tax imposed by this Chapter and who sells or transfers his business of selling leaded motor fuel or a major part of the assets of such business, other than a sale of assets (including inventory) in the ordinary and usual course of such business, is required to file a notice of such intended sale or transfer with the Department at least 45 days prior to the date of such sale or transfer, setting forth the name of the seller or transferor, the purchaser or transferee, a description of the property or business sold, the amount of the purchase or transfer price and such other information as the Department may reasonably request. Within 30 days after such sale or transfer, such seller or transferor shall file any remittance returns and pay any tax due and not paid up to the date of sale or transfer. At least 45 days before the sale or transfer referred to above takes place, the purchaser or transferee shall also file a notice of intended sale or transfer with the Department, setting forth the same information as required in the seller's or transferor's notice and further requesting that the Department perform an audit of the seller's or transferor's books and records or to do whatever else is necessary to determine how much tax is due up to the date of sale or transfer. The purchaser's or transferee's notice may be made in conjunction with the seller's or transferor's notice. If the purchaser or transferee fails to file the notice as required herein, the purchaser or transferee shall be personally liable to the Department for the amount of tax, interest and penalty owed by the seller or transferor to the Department up to the amount of the reasonable value of the property acquired by the purchaser or transferee. If a notice is filed, the Department shall notify both the seller (or transferor) and the purchaser (or transferee) of the amount to be withheld from the purchase or transfer price to cover all taxes, interest and penalties due under this Chapter and unpaid up to the date of sale or transfer. The purchaser or transferee shall withhold this amount from the purchase or transfer price or if payment of money or property is not involved, he shall withhold the performance that constitutes consideration for the sale or transfer, until the seller or transferor produces a receipt from the Department showing that such tax, interest and penalty had been paid or a certificate from the Department showing no tax is due. The purchaser or transferee is relieved of any duty to withhold from the purchase or transfer price and shall have no liability for tax, interest or penalty due hereunder from the seller or transferor, if the Department fails to notify the purchaser or transferee of such amount claimed due at least five days before the date of such sale or transfer. If the purchaser or transferee is notified by the Department of the amount to be withheld from the purchase or transfer price and does withhold such amount, the purchaser's or transferee's liability for any tax, interest or penalty hereunder shall be limited to the amount withheld. If the purchaser or transferee fails to withhold from the purchase or transfer price the amount requested by the Department, the purchaser or transferee shall be liable for any tax, interest or penalty due in excess of any amount withheld, but not exceeding the amount of the reasonable value of the property acquired by him. The purchaser or transferee shall pay over to the Department any amount withheld hereunder upon notification of the refusal of the seller or transferor to pay any tax, interest or penalty due hereunder and upon notification of the Department claim against the purchaser or transferee for any such money. Nothing in this section shall be construed to relieve the seller or transferor of his liability for tax, interest and penalty due from him, except that any payments received from the purchaser or transferee as provided herein shall reduce such liability payable to the Department.

200.9-10. *The tax herein required to be collected by any distributor or retail dealer of leaded motor fuel pursuant to this Chapter shall constitute a debt owed by such distributor or retail dealer to the City of Chicago.*

200.9-11. *All proceeds resulting from the imposition of this tax including interest and penalties shall be deposited in the Corporate fund of the City.*

200.9-12. *Any person found guilty of violating, disobeying, neglecting, or refusing to comply with any of the provisions of this Chapter except when otherwise specifically provided, upon conviction thereof shall be punished by a fine of not less than \$50.00 nor more than \$200.00 for the first offense and not less than \$300.00 nor more than \$500.00 for the second and each subsequent offense in any 180-day period, provided, however, that all actions seeking the imposition of fines only shall be filed as quasi-criminal actions subject to the provisions of the Illinois Code of Civil Procedure (Ill. Rev. Stat. 1983, Ch. 110, par. 1-101, et seq.). A person who commits repeated offenses in excess of three within any 180-day period may also be punished as committing a misdemeanor by incarceration in the County Jail for a term not to exceed six months under the procedures set forth in Section 1-2-1.1 of the Illinois Municipal Code (Ill. Rev. Stat. 1983, Ch. 24, par. 1-2-1.1) and under the provisions of the Illinois Code of Criminal Procedure (Ill. Rev. Stat. 1983, Ch. 38, pars. 100-1, et seq.) in a separate proceedings. A separate and distinct offense shall be regarded as committed each day upon which said person shall continue any such violation, or permit any such violation to exist, after notification thereof.*

200.9-13. *If any provision of this Chapter or application thereof to any person or circumstance is held unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Chapter which can be given effect without the invalid application or provision, and to this end each such invalid provision or invalid application of this Chapter is severable, unless otherwise provided by this Chapter. In particular, but without limitation, each provision creating an exception to or an exemption or exclusion from the imposition of the tax is severable. It is hereby declared to be the legislative intent of the City Council that this Chapter would have been adopted had any such unconstitutional or otherwise invalid provision or application not been included.*

SECTION 2. This ordinance shall be effective ten days after passage and due publication, but no earlier than January 1, 1985.

CHAPTER 200.3 OF MUNICIPAL CODE AMENDED CONCERNING CHICAGO EMPLOYER'S EXPENSE TAX.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of Proceedings of December 7, 1984, pages 11540 thru 11542, recommending that the City Council pass a proposed ordinance amending Chapter 200.3 of the Municipal Code of Chicago concerning the Chicago Employers' Expense Tax.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Evans, Sawyer, Beavers, Hutchinson, Vrdolyak, Burke, Streeter, Henry, Nardulli, D. Davis, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Damato, Cullerton, Laurino, O'Connor, Natarus, Oberman, Hansen, McLaughlin, Volini, Orr -- 26.

Nays -- Aldermen Huels, Majerczyk, Madrzyk, Kellam, Sheahan, Kelley, Krystyniak, W. Davis, Smith, Orbach, Schulter, Stone -- 12.

Alderman Bloom moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Chapter 200.3 of the Municipal Code of Chicago is hereby amended by deleting the language bracketed and inserting the language in italics as follows:

* * * * *

200.3-1. Definitions and Constructions. For the purposes of this Chapter, when any of the following words or terms are used herein, they shall have the meaning and construction ascribed to them in this Section:

- G. Employee. The term "Employee" shall mean and include any individual permitted to work for remuneration by any employer in any activity, enterprise, profession, trade or undertaking of any nature conducted or engaged in, or ordinarily conducted or engaged in, with the object of gain, benefit, or advantages, whether direct or indirect, to the taxpayer or to another or others. For purposes of this Chapter, said term excludes any individual performing:

* * * * *

4. Services in the employ of [a not-for-profit organization and] any organization described in Sections 501(c), 501(d), 401(c) of Title 26 of the United States Code, as qualified by Sections 502 and 503 of said Title 26, unless such organization normally, annually, receives unrelated business income in excess of fifty percent (50%) of its total income. For purposes of this ordinance, unrelated business income shall have the meaning set forth in Sections 511, 512, 513, 514 and 515 of Title 26 of the United States Code.

* * * * *

- H. Full-Time Employee. The term "Full-Time Employee" shall mean an individual who earns or to whom are accrued wages from employment of at least \$900 in any calendar quarter of a year [or an individual who is employed for some portion of a day within each of eight (8) or more calendar weeks within said calendar quarter,] from or for the same employer who is subject to the tax imposed by this chapter.

200.3-2. Employers' Expense Tax. A. A tax is hereby imposed upon every employer who, in connection with his business, engages, hires, employs or contracts with, fifteen (15) or more individuals as commission merchants and full-time employees, or any combination thereof, to perform work or render services in whole or in part within the City of Chicago on and after January 1, 1974. The amount of such tax shall be Five Dollars (\$5.00) per month for each commission merchant and full-time employee, to whom commission or employment compensation is paid or to whom such commission or compensation has accrued, or is shown as a business expense taken under the United States, or State of Illinois income taxes as a cost of doing business or under accounting practices acceptable for said tax purposes to the United States or Illinois state governments. The incidence of this tax shall be upon the employer alone as an employee's expense tax and shall not be transferred directly or indirectly to the commission merchant or full-time employee under any circumstances.

* * * * *

D. *The tax is due for each calendar quarter the employer has fifteen or more full-time employees or commission merchants, or combination thereof, at any time during said quarter except that for any month within said quarter the employer's number of full-time employees or commission merchants, or combination thereof, falls below fifteen then no tax shall be due for that month.*

* * * * *

200.3-4. Payments, Returns and Extensions of Time. A. The taxes herein imposed shall become due and payable for the preceding calendar quarter on [January 1st, April 1st, and October 1st of each year] *the last day of the month following said calendar quarter* and shall be considered [become] delinquent if not paid on or before *such date* [the 20th day following the date due and payable]. Each employer subject to the tax herein imposed shall execute and file an employers' expense tax return, on forms prepared for that purpose by the Department of Revenue, concurrently with the payment of taxes imposed herein.

* * * * *

200.3-5. Interest and Penalties. All taxes imposed by this ordinance and remaining unpaid after delinquency, including any deficiency in the payment of taxes, shall bear interest at the rate of [one] *two* percent [(1%)] (2%) per month, or fraction thereof, and the delinquent taxpayer shall be liable for said tax and interest and, in addition thereto, unless the Director of Revenue determines that the delinquency is not due to any fault on the part of the taxpayer, the said delinquent taxpayer shall be liable for a late payment penalty of ten percent (10%) of the amount of the underpayment.

SECTION 2. Section 200.3-9 B of Chapter 200.3 of the Municipal Code of Chicago is deleted in its entirety.

SECTION 3. This ordinance shall be effective ten days after passage and due publication.

CHAPTER 104 OF MUNICIPAL CODE
AMENDED CONCERNING EXPANSION
OF TAX TO INCLUDE SUBSCRIPTION
AND CABLE TELEVISION.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 7, 1984, pages 11543 thru 11547, recommending that the City Council pass a proposed ordinance amending Chapter 104 of the Municipal Code of Chicago concerning expansion of the Chicago Amusement Tax to include subscription and cable television.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Tillman, Evans, Bloom, Sawyer, Humes, Hutchinson, Langford, Streeter, Kellam, Kelley, Sherman, Henry, D. Davis, Hagopian, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, Natarus, Oberman, Hansen, Orbach, Volini, Stone -- 28.

Nays -- Aldermen Roti, Beavers, Vrdolyak, Majerczyk, Krystyniak, Smith, Pucinski, Schulter -- 8.

Alderman Hansen moved to reconsider the foregoing vote. The motion was lost.

Alderman Burke was excused from voting under the provisions of Rule 14 of the Council's Rules of Order.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Municipal Code of the City of Chicago, Chapter 104, is hereby amended by deleting the language contained in brackets and adding the language in italics below as follows:

104-1. As used in this ordinance:

The word "amusement" means, (1) any theatrical, dramatic, musical or spectacular performance, motion picture show, flower, poultry or animal show, animal act, circus, rodeo, athletic contest, sport, game or similar exhibition for public entertainment, including, without being limited to, boxing, wrestling, skating, dancing, swimming, racing or riding on animals or vehicles, baseball, basketball, softball, football, tennis, golf, hockey, track and field games, bowling, billiard and pool games; (2) any entertainment offered for the public participation, including, without being limited to, dancing, carnival, amusement park rides and games, bowling, billiard and pool games; (3) *any transmission or broadcast of programs by means of wire, radiowaves, microwaves or otherwise for public entertainment, including, but not limited, to transmissions or broadcasts by a cable television or subscription television service.*

104-2. A [city] City amusement tax is imposed upon the patrons of any amusements within the [city] City [,excepting automatic amusement machines,] of an amount equal

to four percent of the [receipts from] admission fees or other charges [, exclusive of federal and state taxes,] to witness, *to view* or to participate in such amusements; provided, however, that [said] *any tax imposed under this Chapter* shall not apply to *patrons of automatic amusement machines as defined in Chapter 104.2 of the Municipal Code of Chicago*, or be imposed upon the privilege of witnessing or participating in any stock show or business show *which is not open to the general public*, or, *except as limited below*, be imposed upon the privilege of witnessing or participating in any amusement *sponsored or conducted by* and the proceeds of which, after payment of reasonable expenses, inure exclusively to the benefit of:

- (1) religious, educational and charitable institutions, societies or organizations;
- (2) societies or organizations for the prevention of cruelty to children or animals;
- (3) societies or organizations conducted for the sole purpose of maintaining symphony orchestras, opera performances and artistic presentations, including, but not limited to, musical presentations, and receiving substantial support from voluntary contributions;
- (4) societies or organizations conducted and maintained for the purpose of civic improvement;
- (5) fraternal organizations, Legion posts, social and political groups which conduct amusements, sponsored occasionally but not oftener than twice yearly for periods not longer than thirty days;

Provided, however, that no part of the net earnings under paragraphs (1) to (5) inure to the benefit of any shareholder or person.

(6) organizations or persons in the armed services of the United States, or National Guard organizations, reserve officers' associations, or organizations or posts of war veterans, or auxiliary units or societies of such posts or organizations, if such posts, organizations, units or societies are organized in the State of Illinois, and if no part of their earnings inure to the benefit of any private shareholder or person;

(7) organizations or associations created and maintained for the purpose of benefiting the members, dependents or heirs of members of the police or fire departments of any political subdivision of the State of Illinois.

Provided, however, that said tax shall not apply to or be imposed upon the receipts of motion picture shows where the admission fees do not exceed ninety cents per single admission; and in the case of motion picture shows, where in whole or in part, the admission fees exceed ninety cents per single admission, said tax shall apply to and be imposed upon that portion of the receipts in excess of ninety cents per single admission derived from admission fees in excess of ninety cents. The exemption provided herein shall apply only to motion picture shows which exhibit motion pictures exclusively.

Provided, further, that said tax shall not apply to or be imposed upon the gross receipts of resident professional theatre companies.

A resident professional theatre company, as used in this ordinance, is hereby defined as being any society, organization, association, corporation or person advancing the

cultural interests of the City of Chicago through the local production of live theatrical and dramatic presentations to a seated audience in any auditorium or theatre whose maximum seating capacity, including all balconies, is not more than seven hundred fifty (750) persons.

Provided, further, that in the case of any amusement for which exemption from payment of amusement tax is provided under any of the above classifications, written application for such exemption shall be filed with the City Comptroller *by the person or persons required to collect the tax*, on forms prescribed by [him] *the Director of Revenue* at least 15 days prior to the holding of such performance or event. *Failure to apply for such exemption shall make such amusement taxable, notwithstanding any other provision of this Chapter, unless the Director of Revenue determines that such failure was not due to any fault on the part of the person or persons required to collect the tax.*

For the purpose of determining the amount of the amusement tax due under this section, admission fees or other charges shall be computed exclusive of *this tax and any federal and state taxes imposed upon the amusement patron.*

It is unlawful, for any person to produce, present or conduct any such amusements, [for gain or profit,] without collection of the tax. *All taxes imposed by this Chapter and remaining unpaid after they are due shall bear interest at the rate of 2% per month, or fraction thereof, and the person required to remit such tax shall be liable for said tax and interest and, in addition thereto, unless the Director of Revenue determines that the failure to remit such tax is not due to any fault on the part of the person required to remit the tax, such person shall be liable for a late payment penalty of 10% of the amount of the underpayment.*

104-3. It shall be the duty of every owner, manager or operator of *an amusement[s] or of a place where an amusement is being held* to secure said tax from the patron and [pay over] *remit such tax* to the Director of Revenue not later than the [tenth] *last day* of each calendar month for all admission [receipts] *fees or other charges received* during the preceding calendar month, excepting upon amusements produced, presented or conducted in a public place of amusement under a term license issued pursuant to Section 104.1-9 of this Code, in which case the tax shall be [paid] *remitted* each day. A verified statement of such [receipts] *admission fees or charges* in the form prescribed from time to time by the [City Comptroller] *Director of Revenue* shall accompany the [payment] *remittance*. Acceptance by the City of any amount tendered in payment of the tax shall be without prejudice to any claim, demand or right on account of any deficiency. Cancelled admission tickets and complete and accurate records, [book] *books*, and accounts in detail of all such receipts shall be kept at the place of amusement or such other place in the City as may be designated in writing by the person liable for collection of the tax addressed to the [City Comptroller] *Director of Revenue* and the [City Comptroller] *Director of Revenue* or some person appointed therefor by him shall have access to the place of amusement and to the cancelled admission tickets, records, books and accounts at all reasonable times for audit. *Every owner, manager or operator referred to herein which is required to collect the tax imposed by this Chapter shall be considered a tax collector for the City.* All amusement tax collected [by owners, managers or operators of amusements] shall be [collected and] *held by such tax collector* as trustee for and on behalf of the City of Chicago. *The failure of the tax collector to collect the tax herein imposed shall not excuse or release the patron from his obligation to pay the tax.*

SECTION 2. If any provision, clause, sentence, paragraph, section, or part of this ordinance, or application thereof to any person or circumstance, shall for any reason, be adjudged by a court of competent jurisdiction to be unconstitutional or invalid, said judgment shall not affect, impair or invalidate the remainder of this chapter and the application of such provision to other persons, firms, corporations, public agencies or circumstances, but shall be confined in its operation to the provision, clause, sentence, paragraph, section, or part thereof directly involved in the controversy in which such judgment shall have been rendered and is hereby declared to be the legislative intent of the City Council that this ordinance would have been adopted even if such unconstitutional or invalid provision, clause, sentence, paragraph, section or part thereof had not been included.

SECTION 3. This ordinance shall be effective January 1, 1985.

CHAPTER 101 OF MUNICIPAL CODE AMENDED
CONCERNING ESTABLISHMENT OF GENERAL
BUSINESS LICENSE AND PENALTIES
FOR FAILURE TO OBTAIN SAME.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 7, 1984 pages 11547-11548, recommending that the City Council pass a proposed ordinance amending Chapter 101 of the Municipal Code of Chicago by the establishment of a general business license and imposing penalties for failure to obtain such license.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Madrzyk, Burke, Langford, Streeter, Kellam, Kelley, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, Orbach, Schulter, Volini, Orr -- 40.

Nays -- Aldermen Majerczyk, Brady -- 2.

Alderman Krystyniak moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

CHAPTER 101 OF MUNICIPAL CODE AMENDED
CONCERNING ESTABLISHMENT OF GENERAL
BUSINESS LICENSE AND PENALTIES
FOR FAILURE TO OBTAIN SAME.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 7, 1984 pages 11547-11548, recommending that the City Council pass a proposed ordinance amending Chapter 101 of the Municipal Code of Chicago by the establishment of a general business license and imposing penalties for failure to obtain such license.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Madrzyk, Burke, Langford, Streeter, Kellam, Kelley, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, Orbach, Schulter, Volini, Orr -- 40.

Nays -- Aldermen Majerczyk, Brady -- 2.

Alderman Krystyniak moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Chapter 101 of the Municipal Code of Chicago is hereby amended by deleting the language bracketed and inserting the language in italics below as follows:

101-1. It shall be unlawful for any person to conduct, engage in, maintain, operate, carry on, or manage a business or occupation for which a license is required by any provision of this Code, *including Section 101-1.1 below*, without a license first having been procured for such business or occupation. Any person violating this section shall be fined not less than [ten], *twenty* dollars nor more than two hundred dollars for each offense, and every day such violation continues shall constitute a separate and distinct offense. *In addition, any person who continues to violate this section after notification of such violation may be punished as committing a misdemeanor by incarceration in the County Jail for a term not to exceed six months under the procedure set forth in Section 1-2-1.1 of the Illinois Municipal Code and under the provisions of the Illinois Code of Criminal Procedure.*

Any business or occupation for which a license is required under Section 101-1.1 below or any other provision of this code, and to which no license to operate for the period in question has been issued, may be closed by the Director of Revenue until such license is procured, except that if the license not procured is a renewal license and the prior license for such business or occupation had terminated less than one year prior to any issuance of a notice of violation, the Director of Revenue shall be required to issue a 30 day notice of violation before the closure may take place.

101-1.1 All persons who conduct, engage in, maintain, operate, carry on, or manage a business or occupation for which a license is not required under any other provision of this code, other than those businesses or occupations which are exempt from City licensing pursuant to law, shall be required to register with the Department of Revenue of the City and obtain a general business license for such business or occupation. The license fee for

said license shall be \$25.00 per calendar year. All such businesses or occupations licensed hereunder or under any other provision of this code shall provide the following information to the Department of Revenue (1) the names of the owners (excepting stockholders who own less than 25% of the voting shares) general partners and officers of the business or occupation, where applicable, (2) the addresses of all offices of such business or occupation located within the City, (3) a brief description of the nature of the business or occupation conducted, (4) the number of employees, whether compensated or not, employed by such business or occupation, (5) notification of any bankruptcy proceedings instituted by the business or occupation within 30 days of filing such proceedings, and (6) any other information as may be required by the Director of Revenue for the protection of the public health, safety or welfare of the patrons of such businesses or occupations, their employees and the general public.

SECTION 2. If any provision of this ordinance or application thereof to any person or circumstance is held unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this ordinance which can be given effect without the invalid application or provision, and to this end each such invalid provision or invalid application of this ordinance is severable.

SECTION 3. This ordinance shall be effective ten days after passage and publication but no earlier than January 1, 1985.

CHAPTER 185 OF MUNICIPAL CODE AMENDED CONCERNING RATE FOR WATER SERVICE.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 7, 1984, pages 11548-11554; recommending that the City Council pass a proposed ordinance amending Chapter 185 of the Municipal Code concerning the rate for water service.

Alderman Burke moved to substitute the following ordinance:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That Chapter 185, Section 185-26 of the Municipal Code of the City of Chicago is hereby amended by adding that language in italics and deleting that language bracketed as follows:

185-26. The minimum amount to be charged for water service to any building, structure or premises fronted by a public street, in or to which such building, structure or premises any water supply is laid, but excepting such service as is wholly controlled by meter, shall be as follows:

Per Annum

For buildings having a front width
of 12 feet or less.....\$[22.40] 24.60

For buildings have a front width:

	Per Annum
Exceeding 12 feet but not exceeding 15 feet.....	[30.80] 33.60
Exceeding 15 feet but not exceeding 18 feet.....	[42.10] 45.90
Exceeding 18 feet but not exceeding 21 feet.....	[50.90] 55.50
Exceeding 21 feet but not exceeding 24 feet.....	[53.90] 58.70
Exceeding 24 feet but not exceeding 27 feet.....	[62.40] 68.00
Exceeding 27 feet but not exceeding 30 feet.....	[73.40] 80.00
Exceeding 30 feet but not exceeding 33 feet.....	[81.40] 88.70
Exceeding 33 feet but not exceeding 36 feet.....	[84.70] 92.30
Exceeding 36 feet but not exceeding 40 feet.....	[98.50] 107.40
Exceeding 40 feet but not exceeding 44 feet.....	[104.80] 114.20
Exceeding 44 feet but not exceeding 48 feet.....	[113.00] 123.20
Exceeding 48 feet but not exceeding 52 feet.....	[121.70] 132.60
Exceeding 52 feet but not exceeding 56 feet.....	[130.00] 141.70
Exceeding 56 feet but not exceeding 62 feet.....	[138.80] 151.30
Exceeding 62 feet but not exceeding 67 feet.....	[143.90] 156.80
Exceeding 67 feet but not exceeding 72 feet.....	[152.50] 166.20
Exceeding 72 feet but not exceeding 77 feet.....	[161.00] 175.50
Exceeding 77 feet but not exceeding 82 feet.....	[169.60] 184.90
Exceeding 82 feet but not exceeding 87 feet.....	[180.80] 197.10

For each additional five feet, or major fraction thereof, in excess of 87 feet a charge of [eight dollars and sixty cents (8.60)] *Nine Dollars and forty cents (9.40)* shall be made.

Wings, bays, or projections of a depth not greater than seventy-five percent of the depth of the main portion of the structure shall have but one-half of their front width included in computing the front width of the building.

In applying the aforesaid schedule to buildings, structures or premises where the outline is as a right-angle triangle, only two-thirds of the measurement of the base of such triangular outline shall be taken as the front width.

Where the measurement of the front width of a building of rectangular outline is greater than the measurement of its depth, the measurement of such depth may be taken instead of the measurement of the front width in applying schedule of frontage charge.

For each story in height of building in excess of one story, a charge of [thirteen dollars and seventy cents (13.70)] *Fourteen dollars and ninety cents (14.90)* per annum shall be made in addition to the foregoing.

The term story as used in the foregoing shall include:

- (a) Basements containing two or more finished rooms, not including laundry rooms.
- (b) Basements or attics used for business purposes, other than those used exclusively for storage, and in which no person is regularly employed.
- (c) Attics containing two or more finished rooms.

Outbuildings, rear buildings on alleys shall be exempt from service charge when located in the rear of other buildings assessed such service charge; but such buildings shall not be considered as rear buildings when fronted by any street.

For the purpose of assessment, the occupancies of buildings structures or premises shall be classified as nearly as may be possible as follows:

Class A. Buildings used as private residences exclusively, which are occupied by members of one family only, and in which no portion of the building is rented or maintained for rent to other persons.

Class B. (b1) Flat or apartment buildings containing one or more flats or apartments with a minimum of one water closet, one bath, and one sink.

(b2) Flat or apartment buildings not having baths for any of the flats or apartments.

The amounts to be charged for service to buildings in Class "A" shall be the amounts heretofore specified as minimum charge for service. This charge shall include service for all ordinary domestic fixtures and openings, but shall not include service for outbuildings, air conditioning, or use of hose for sprinkling, washing or like purposes, or other devices which require large quantities of water. Such service as is not included shall be charged for additionally at rates hereinafter specified.

The amounts to be charged for service to buildings in Class "B" shall be the amounts heretofore specified as minimum charge for service, and this charge shall include, in class (b1), one flat or apartment equipped with not less than one water closet, one bath or one sink, and in class (b2), one water closet and two family sinks, each of such sink being open to use of not to exceed one family. If either sink is open to use of other families a charge of [\$28.20] \$30.70 per annum shall be made for each such other family.

For each other flat or apartment equipped with not less than one water closet, one bath and one sink, a charge of [\$65.40] \$71.30 per annum shall be made.

For fixtures for use of apartments having less than the above equipment the following:

For each water closet -	per annum	[\$28.20]	\$30.70
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If such water closet is open to the use of more than one family an additional charge of [28.20] \$30.70 shall be made for each such family.

For each wash basin -	per annum	[\$8.60]	\$9.40
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For each family sink which is open to the use of not more than one family -	per annum	[\$28.20]	\$30.70
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If such sink is open to the use of more than one family, an additional charge of [\$28.20] \$30.70 per annum shall be made for each such family.

All openings at trays used for private laundry purposes shall be allowed with service charge, but service for outbuildings, air conditioning, use of hose for sprinkling, washing or like purposes, or other devices which require large quantities of water, shall not be included. Such service as is not included shall be charged for additionally at rates hereinafter specified.

For other special water fixtures or for any other special or unusual use of water for which no charge has been specified, the Commissioner of Water shall determine the amount to be charged for such special fixture and for such use of water, such charge to be based on an estimate of the amount of water used.

SECTION 2. Chapter 185, Section 185-27 of the Municipal Code of Chicago, is hereby amended by deleting the language contained in brackets below and inserting the language in italics, as follows:

185-27. In addition to other rates and charges assessed against any building, structure or premises, the supply to which is not controlled by meter, annual rates, or rates for other periods where so specified, shall be assessed where fixtures, devices or occupancies are found, as follows:

For hose such as is ordinarily used for sprinkling, washing or like purposes, per season:

For a frontage of 30 feet or less.	.\$[19.90]	\$21.70
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For a frontage exceeding 30 feet but not exceeding 50 feet.	.[28.20]	30.70
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For each additional 25 feet of frontage or major fraction thereof.	.[5.70]	6.20
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For aquariums with water connection, and a capacity not to exceed ten cubic feet of water, per season.[19.90] 21.70

For each additional ten cubic feet or major fraction thereof.[19.90] 21.70

For fountains, per season:

Each jet 1/16 of an inch or less.[45.30] 49.40

Exceeding 1/16 of an inch but not exceeding 1/8 of an inch.[180.80] 197.10

Exceeding 1/8 of an inch but not exceeding 1/4 of an inch.[448.60] 489.00

Gardens sprinkled or irrigated which are not part of adjoining premises:

For 3,000 square feet or less, per season.[19.90] 21.70

For each additional 3,000 square feet or major fraction thereof.[8.60] 9.40

For street sprinklers, motor driven, operated for profit, per month, each.[335.70] 365.90

Air-conditioning charges for each horsepower.[52.90] 57.70

For building construction:

At the rate of [ninety cents (0.90)] *one dollar (\$1.00)* for every 1,000 cubic feet of building volume, or fraction thereof, provided, however, that no charge shall be less than [eight dollars and fifty cents (\$8.50)] *nine dollars and thirty cents (\$9.30)*.

For alterations, repairs, or reconstruction of buildings:

An amount equal to twenty-five percent of the amount of the fee charged for a building permit issued pursuant to Chapter 43 of this Code.

For other special water fixtures, or for any other special or unusual use of water for which no charge has been heretofore specified, the Commissioner of Water shall determine the amounts to be charged for such special fixtures or for such use of water, such charge to be based upon an estimate of the amount of water used.

SECTION 3. Chapter 185, Section 185-28 of the Municipal Code of Chicago, is hereby amended by deleting the language contained in brackets below and inserting the language in italics, as follows:

185-28. When water is used for temporary purposes, or for purposes not herein otherwise specified, the quantity of water so used, or to be used, shall be estimated by the Commissioner of Water and shall be charged for at the rate of [twenty cents (\$0.20)] *twenty-two cents (\$0.22)* per one hundred gallons.

The amount to be charged for the use of water for such temporary or other purpose, when the quantity of water used or to be used shall have been estimated by the Commissioner, shall be paid in advance to the Department of Water by the person desiring to use such water at the rates herein fixed for such use.

SECTION 4. Chapter 185, Section 185-31 of the Municipal Code of Chicago, is hereby amended by deleting the language contained in brackets below and inserting the language in italics, as follows:

185-31. The rate for metered water shall be [five dollars and thirty-two cents (\$5.32)] *five dollars and eighty cents (\$5.80)* per one thousand cubic feet, subject to a discount of [thirteen cents (\$0.13)] *fourteen cents (\$0.14)* approximately 2 1/2 percent for each one thousand cubic feet changed if payment is received by the Bureau of Water Service within twenty-one calendar days of the time the bill therefore is mailed as shown by the records of the Bureau of Water Service. If such payment is made to an agent of the City of Chicago authorized to collect water rates the said agent shall transmit the amount of any bills so paid to the cashier of the Bureau of Water Service, in order that payment is received in the Bureau within twenty-one calendar days of the time the bill therefor is mailed as shown by the records of the Bureau. An expired discount may be allowed on only one bill for any premises in each calendar year. Where the correctness of a bill is disputed and where complaint of such incorrectness has been made within the period during which the bill for the premises involved would be subject to the usual discount and where the adjusting of such complaint requires additional time, said discount may be allowed up to and including the fifth day succeeding the re-mailing of such bill.

SECTION 5. This ordinance shall be in full force and effect May 1, 1985.

The motion to substitute *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Burke, Streeter, Kelley, Henry, W. Davis, Smith, D. Davis, Gabinski, Frost, Banks, Cullerton, Laurino, Natarus, Oberman, Hansen, McLaughlin, Orbach, Volini, Orr, Stone -- 29.

Nays -- Aldermen Huels, Majerczyk, Madrzyk, Langford, Kellam, Krystyniak, Nardulli, Hagopian, Pucinski, Schulter -- 10.

Alderman Oberman then presented the following amendment to the substitute ordinance:

SECTION 5. A new Section 185-25.1 of the Municipal Code of Chicago shall be created as follows:

185-25.1 At the close of each fiscal year, the Department of Water shall prepare a statement of the Revenues and Expenditures of the Water System of the City and a Balance

Sheet thereof. The Department of Water shall then prepare an ordinance, for submission to the City Council, establishing the rates to be charged for water service in the following year. The fee, charges, and rates established by said ordinance shall be sufficient at all times to pay the cost of Operation and Maintenance of the Water System, to make principal and interest payments on any Outstanding Bonds, and to establish and maintain any reserve funds or accounts as may be covenanted for in bond ordinances authorizing the issuance of Outstanding Bonds.

SECTION 6. This ordinance shall be in full force and effect May 1, 1985.

On motion of Alderman Oberman, the foregoing proposed amendment was *Adopted*.

Alderman Burke then moved to *Pass* the substitute ordinance as amended. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Evans, Bloom, Sawyer, Beavers, Hutchinson, Vrdolyak, Burke, Streeter, Kelley, Henry, W. Davis, Smith, D. Davis, Banks, Damato, Cullerton, Laurino, O'Connor, Natarus, Oberman, Hansen, Orbach, Volini, Orr, Stone -- 26.

Nays -- Aldermen Huels, Majerczyk, Madrzyk, Brady, Langford, Kellam, Krystyniak, Nardulli, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Pucinski, McLaughlin, Schultzer -- 16.

Alderman Burke moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That Chapter 185-26 of the Municipal Code of the City of Chicago is hereby amended by adding that language in italics and deleting that language bracketed as follows:

185-26. The minimum amount to be charged for water service to any building, structure or premises fronted by a public street, in or to which such building, structure or premises any water supply is laid, but excepting such service as is wholly controlled by meter, shall be as follows:

	Per Annum	
For buildings having a front width of 12 feet or less.....	\$(22.40)	24.60
For buildings have a front width:		
Exceeding 12 feet but not exceeding 15 feet.....	[30.80]	33.60
Exceeding 15 feet but not exceeding 18 feet.....	[42.10]	45.90
Exceeding 18 feet but not exceeding 21 feet.....	[50.90]	55.50
Exceeding 21 feet but not exceeding 24 feet.....	[53.90]	58.70

	Per Annum	
Exceeding 24 feet but not exceeding 27 feet.....	[62.40]	68.00
Exceeding 27 feet but not exceeding 30 feet.....	[73.40]	80.00
Exceeding 30 feet but not exceeding 33 feet.....	[81.40]	88.70
Exceeding 33 feet but not exceeding 36 feet.....	[84.70]	92.30
Exceeding 36 feet but not exceeding 40 feet.....	[98.50]	107.40
Exceeding 40 feet but not exceeding 44 feet.....	[104.80]	114.20
Exceeding 44 feet but not exceeding 48 feet.....	[113.00]	123.20
Exceeding 48 feet but not exceeding 52 feet.....	[121.70]	132.60
Exceeding 52 feet but not exceeding 56 feet.....	[130.00]	141.70
Exceeding 56 feet but not exceeding 62 feet.....	[138.80]	151.30
Exceeding 62 feet but not exceeding 67 feet.....	[143.90]	156.80
Exceeding 67 feet but not exceeding 72 feet.....	[152.50]	166.20
Exceeding 72 feet but not exceeding 77 feet.....	[161.00]	175.50
Exceeding 77 feet but not exceeding 82 feet.....	[169.60]	184.90
Exceeding 82 feet but not exceeding 87 feet.....	[180.80]	197.10

For each additional five feet, or major fraction thereof, in excess of 87 feet a charge of [eight dollars and sixty cents (8.60)] *Nine Dollars and forty cents (9.40)* shall be made.

Wings, bays, or projections of a depth not greater than seventy-five percent of the depth of the main portion of the structure shall have but one-half of their front width included in computing the front width of the building.

In applying the aforesaid schedule to buildings, structures or premises where the outline is as a right-angle triangle, only two-thirds of the measurement of the base of such triangular outline shall be taken as the front width.

Where the measurement of the front width of a building of rectangular outline is greater than the measurement of its depth, the measurement of such depth may be taken instead of the measurement of the front width in applying schedule of frontage charge.

For each story in height of building in excess of one story, a charge of [thirteen dollars and seventy cents (13.70)] *Fourteen dollars and ninety cents (14.90)* per annum shall be made in addition to the foregoing.

The term story as used in the foregoing shall include:

- (a) Basements containing two or more finished rooms, not including laundry rooms.
- (b) Basements or attics used for business purposes, other than those used exclusively for storage, and in which no person is regularly employed.
- (c) Attics containing two or more finished rooms.

Outbuildings, rear buildings on alleys shall be exempt from service charge when located in the rear of other buildings assessed such service charge; but such buildings shall not be considered as rear buildings when fronted by any street.

For the purpose of assessment, the occupancies of buildings structures or premises shall be classified as nearly as may be possible as follows:

Class A. Buildings used as private residences exclusively, which are occupied by members of one family only, and in which no portion of the building is rented or maintained for rent to other persons.

Class B. (b1) Flat or apartment buildings containing one or more flats or apartments with a minimum of one water closet, one bath, and one sink.

(b2) Flat or apartment buildings not having baths for any of the flats or apartments.

The amounts to be charged for service to buildings in Class "A" shall be the amounts heretofore specified as minimum charge for service. This charge shall include service for all ordinary domestic fixtures and openings, but shall not include service for outbuildings, air conditioning, or use of hose for sprinkling, washing or like purposes, or other devices which require large quantities of water. Such service as is not included shall be charged for additionally at rates hereinafter specified.

The amounts to be charged for service to buildings in Class "B" shall be the amounts heretofore specified as minimum charge for service, and this charge shall include, in class (b1), one flat or apartment equipped with not less than one water closet, one bath or one sink, and in class (b2), one water closet and two family sinks, each of such sink being open to use of not to exceed one family. If either sink is open to use of other families a charge of [\$28.20] \$30.70 per annum shall be made for each such other family.

For each other flat or apartment equipped with not less than one water closet, one bath and one sink, a charge of [\$65.40] \$71.30 per annum shall be made.

For fixtures for use of apartments having less than the above equipment the following:

For each water closet -	per annum	[\$28.20]	\$30.70
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If such water closet is open to the use of more than one family an additional charge of [28.20] \$30.70 shall be made for each such family.

For each wash basin -	per annum	[\$8.60]	\$9.40
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For each family sink which is open to the use of not more than one family -	per annum	[\$28.20]	\$30.70
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If such sink is open to the use of more than one family, an additional charge of [\$28.20] \$30.70 per annum shall be made for each such family.

All openings at trays used for private laundry purposes shall be allowed with service charge, but service for outbuildings, air conditioning, use of hose for sprinkling, washing or like purposes, or other devices which require large quantities of water, shall not be included. Such service as is not included shall be charged for additionally at rates hereinafter specified.

For other special water fixtures or for any other special or unusual use of water for which no charge has been specified, the Commissioner of Water shall determine the amount to be charged for such special fixture and for such use of water, such charge to be based on an estimate of the amount of water used.

SECTION 2. Chapter 185, Section 185-27 of the Municipal Code of Chicago, is hereby amended by deleting the language contained in brackets below and inserting the language in italics, as follows:

185-27. In addition to other rates and charges assessed against any building, structure or premises, the supply to which is not controlled by meter, annual rates, or rates for other periods where so specified, shall be assessed where fixtures, devices or occupancies are found, as follows:

For hose such as is ordinarily used for sprinkling, washing or like purposes, per season:

For a frontage of 30 feet or less.	[\$19.90]	\$21.70
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For a frontage exceeding 30 feet but not exceeding 50 feet.	[28.20]	30.70
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For each additional 25 feet of frontage or major fraction thereof.	[5.70]	6.20
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For aquariums with water connection, and a capacity not to exceed ten cubic feet of water, per season.	[19.90]	21.70
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For each additional ten cubic feet or major fraction thereof.	[19.90]	21.70
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For fountains, per season:

Each jet 1/16 of an inch or less.	[45.30]	49.40
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Exceeding 1/16 of an inch but not exceeding 1/8 of an inch.	[180.80]	197.10
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Exceeding 1/8 of an inch but not exceeding 1/4 of an inch.	[448.60]	489.00
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Gardens sprinkled or irrigated which are not part of adjoining premises:

For 3,000 square feet or less, per season.	[19.90]	21.70
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For each additional 3,000 square feet or major fraction thereof.	[8.60]	9.40
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For street sprinklers, motor driven operated for profit, per month, each.	[335.70]	365.90
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Air-conditioning charges for each horsepower.	[52.90]	57.70
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For building construction:

At the rate of [ninety cents (0.90)] *one dollar (\$1.00)* for every 1,000 cubic feet of building volume, or fraction thereof, provided, however, that no charge shall be less than [eight dollars and fifty cents (\$8.50)] *nine dollars and thirty cents (\$9.30)*.

For alterations, repairs, or reconstruction of buildings:

An amount equal to twenty-five percent of the amount of the fee charged for a building permit issued pursuant to Chapter 43 of this Code.

For other special water fixtures, or for any other special or unusual use of water for which no charge has been heretofore specified, the Commissioner of Water shall determine the amounts to be charged for such special fixtures or for such use of water, such charge to be based upon an estimate of the amount of water used.

SECTION 3. Chapter 185, Section 185-28 of the Municipal Code of Chicago, is hereby amended by deleting the language contained in brackets below and inserting the language in italics, as follows:

185-28. When water is used for temporary purposes, or for purposes not herein otherwise specified, the quantity of water so used, or to be used, shall be estimated by the Commissioner of Water and shall be charged for at the rate of [twenty cents (\$0.20)] *twenty-two cents (\$0.22)* per one hundred gallons.

The amount to be charged for the use of water for such temporary or other purpose, when the quantity of water used or to be used shall have been estimated by the Commissioner, shall be paid in advance to the Department of Water by the person desiring to use such water at the rates herein fixed for such use.

SECTION 4. Chapter 185, Section 185-31 of the Municipal Code of Chicago, is hereby amended by deleting the language contained in brackets below and inserting the language in italics as follows:

185-31. The rate for metered water shall be [five dollars and thirty-two cents (\$5.32)] *five dollars and eighty cents (\$5.80)* per one thousand cubic feet, subject to a discount of [thirteen cents (\$0.13)] *fourteen cents (\$0.14)* approximately 2 1/2 percent for each one thousand cubic feet changed if payment is received by the Bureau of Water Service within twenty-one calendar days of the time the bill therefore is mailed as shown by the records of the Bureau of Water Service. If such payment is made to an agent of the City of Chicago authorized to collect water rates the said agent shall transmit the amount of any bills so paid to the cashier of the Bureau of Water Service, in order that payment is received in the Bureau within twenty-one calendar days of the time the bill therefor is mailed as shown by the records of the Bureau. An expired discount may be allowed on only one bill for any premises in each calendar year. Where the correctness of a bill is disputed and where complaint of such incorrectness has been made within the period during which the bill for the premises involved would be subject to the usual discount and where the adjusting of such complaint requires additional time, said discount may be allowed up to and including the fifth day succeeding the re-mailing of such bill.

SECTION 5. A new Section 185-25.1 of the Municipal Code of Chicago shall be created, in italics, as follows:

185-25.1. At the close of each fiscal year, the Department of Water shall prepare a statement of the Revenues and Expenditures of the Water System of the City and a Balance Sheet thereof. The Department of Water shall then prepare an ordinance, for submission to the City Council, establishing the rates to be charged for water service in the following year. The fee, charges, and rates established by said ordinance shall be sufficient at all times to pay the cost of Operation and Maintenance of the Water System, to make principal and interest payments on any Outstanding Bonds, and to establish and maintain any reserve funds or accounts as may be covenanted for in bond ordinances authorizing the issuance of Outstanding Bonds.

SECTION 6. This ordinance shall be in full force and effect May 1, 1985.

CHAPTER 185.1, SECTION 185.1-2(a) OF MUNICIPAL CODE
AMENDED CONCERNING RATE FOR SEWER SERVICE.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 7, 1984, pages 11554-11555, recommending that the City Council pass a proposed ordinance amending Chapter 185.1, Section 185.1-2(a) of the Municipal Code concerning the rate for sewer service.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

Alderman Burke moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Municipal Code of the City of Chicago, Chapter 185.1, Section 185.1-2(a) is hereby amended by deleting the language appearing within brackets and adding the language in italics below as follows:

185.1-2(a) A charge for sewer service and use of the sewerage system of the City is hereby established. The charge shall be an amount equal to [50%] 48% of the amount charged for water service pursuant to Chapter 185 of this Code, whether such water service is metered or otherwise; property which is exempt from payment of a water service charge pursuant to Chapter 185, Section 185-47 of this Code shall not be exempt from payment of a sewer usage fee, but shall pay an amount equal to [50%] 48% of the water rate which would be otherwise applicable, but for an exemption pursuant to Chapter 185, Section 185-47. However, such property as is owned and used in the immediate conduct of carrying out of the purposes of any charitable, religious or educational institution, including the residence occupied by the janitor or caretaker of a religious institution if located on the premises of such religious institution, shall be exempt from the first one thousand dollar (\$1,000.00) charge for sewer service on an annual basis.

SECTION 2. This ordinance shall be in full force and effect, after passage and due publication, on January 1, 1985.

AUTHORITY GRANTED FOR ISSUANCE OF CHICAGO-O'HARE
INTERNATIONAL AIRPORT SPECIAL FACILITY REVENUE
BONDS FOR AMERICAN AIRLINES, INCORPORATED.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 7, 1984, pages 11555 thru 11563, recommending that the City Council pass a proposed ordinance authorizing the issuance of Chicago-O'Hare International Airport Special Facility Revenue Bonds for American Airlines, Inc. Project.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Madrzyk, Brady, Langford, Streeter, Kellam, Kelley, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, Orbach, Schuiter, Volini, Orr, Stone -- 42.

Nays -- Alderman Majerczyk -- 1.

Alderman Gabinski moved to reconsider the foregoing vote. The motion was lost.

Alderman Burke was excused from voting under the provision of Rule 14 of the Council's Rules of Order.

Alderman Burke then requested that the record reflect that said passed ordinance was transmitted to the Mayor who affixed his signature to the same at 4:22 P.M.

The following is said ordinance as passed:

WHEREAS, The City of Chicago (the "City") is a duly constituted and existing municipality within the meaning of Section 1, Article VII of the 1970 Constitution of the State of Illinois (the "Constitution") having a population in excess of 25,000 and is a home rule unit under Section 6(a), Article VII of the Constitution; and

WHEREAS, The City currently owns and operates an airport known as Chicago-O'Hare International Airport (the "Airport"); and

WHEREAS, The City, as a home rule unit and pursuant to the Constitution, is authorized and empowered to issue its revenue bonds to finance the costs of the design, reconstruction, improvement and modernization of facilities at the Airport; and

WHEREAS, The City is in the process of planning and designing a major redevelopment of the Airport and as part of such redevelopment the City and American Airlines, Inc. (the "Airline") entered into an Airport Use Agreement and Terminal Facilities Lease dated as of February 1, 1983, as amended (the "Airport Use Agreement"); and

WHEREAS, The City Council enacted an ordinance on July 6, 1983, authorizing the execution and delivery of an agreement between the Airline and the City providing for the issuance of the City's special facility revenue bonds for the purpose of financing the costs of the design, reconstruction, improvement and modernization of Terminal 3 and Concourses H and K and related facilities at the Airport; and

WHEREAS, On December 29, 1983, in order to finance a portion of such costs, the City issued \$170,000,000 aggregate principal amount of its Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1983 A through D (American Airlines, Inc. Project); and

WHEREAS, The Airline has requested the City to issue additional special facility revenue bonds for the purpose, among others, of financing additional costs relating to the design, reconstruction, improvement and modernization of Terminal 3 and Concourses H

and K and certain parking and service facilities at the Airport, all as described in Exhibit A to each of the hereinafter described Special Facility Use Agreements (the "Project"); and

WHEREAS, The City and the Airline desire to enter into one or more Special Facility Use Agreements, each dated as of December 1, 1984 (the "Special Facility Use Agreement"), in the form submitted to this meeting, in order to provide, among other things, for the payment by the Airline of such amounts as will be sufficient to enable the City to pay when due the principal of, premium, if any, and interest on the Series 1984 Bonds (as hereinafter defined); and

WHEREAS, The City desires to enter into one or more Indentures of Trust, each dated as of December 1, 1984 (the "Indentures"), with Irving Trust Company, in the City of New York, New York, as trustee (the "Trustee"), in the form submitted to this meeting, pursuant to which the City will issue one or more series of Series 1984 Bonds and provide for the security therefor; and

WHEREAS, The financing of the cost of (i) designing, constructing and equipping the Project; (ii) paying interest on the Series 1984 Bonds; (iii) funding a reserve account for the payment of each series of Series 1984 Bonds; and (iv) paying the expenses of issuing the Series 1984 Bonds, is authorized by the Constitution and constitutes a valid public purpose thereunder; and

WHEREAS, The City proposes to issue and sell the Series 1984 Bonds hereinafter authorized and designated "Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1984 (American Airlines, Inc. Project)" (the "Series 1984 Bonds") in one or more series upon a negotiated basis to the Underwriter named in the hereinafter described Bond Purchase Agreement (the "Underwriter"); and

WHEREAS, The City and the Underwriter desire to enter into a Bond Purchase Agreement in the form submitted to this meeting (the "Bond Purchase Agreement") pursuant to which the City will sell and the Underwriter will purchase the Series 1984 Bonds; and

WHEREAS, There has been prepared and presented to this meeting of the City Council a draft of the Preliminary Official Statement of the City (the "Preliminary Official Statement") relating to the Series 1984 Bonds; and

WHEREAS, In order to satisfy certain requirements relating to the Project contained in 26 Code of Federal Regulations Part 1, Sections 1-103(n)-1T through 1-103(n)-6T (the "Volume Cap Regulations"), the Airline has requested that the City enter into an agreement containing covenants relating to the Airline's waiver of certain federal income tax benefits required under the Volume Cap Regulations (the "American Agreement"); and

WHEREAS, In order to satisfy the requirements of the Volume Cap Regulations with respect to the project at the Airport financed with the City's special facility revenue bonds for use by United Air Lines, Inc. ("United") the City has executed and delivered an agreement containing covenants relating to United's waiver of certain federal income tax benefits required under the Volume Cap Regulations (the "United Agreement"); and

WHEREAS, It is now deemed desirable that the Airline and the City enter into an Amendment to Special Facility Use Agreements, dated as of December 1, 1983 (the

"Amendment of 1983 Agreements"), with the Airline, in the form submitted to this meeting, amending Exhibits A and B attached to the Special Facility Use Agreements between the City and the Airline, dated as of December 1, 1983; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. Definitions. The following words and terms as used in this ordinance shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Airline" means American Airlines, Inc., a Delaware corporation.

"Airport" means Chicago-O'Hare International Airport, which is owned and operated by the City.

"Airport Use Agreement" means the Airport Use Agreement and Terminal Facilities Lease between the City and the Airline, dated as of February 1, 1983, as amended.

"Amendment of 1983 Agreements" means the Amendment to Special Facility Use Agreements, dated as of December 1, 1983, by and between the City and the Airline.

"American Agreement" means an agreement between the City and the Airline containing covenants relating to the Airline's waiver of certain federal income tax benefits required under the Volume Cap Regulations (defined in the recitals hereto).

"Bond Purchase Agreement" means the Bond Purchase Agreement by and among the City, the Airline and the Underwriter.

"City" means the City of Chicago, and its successors and assigns.

"City Clerk" means the City Clerk of the City or, with respect to attestation or affixing the City seal, the Deputy City Clerk of the City.

"Constitution" means the 1970 Constitution of the State of Illinois.

"Final Official Statement" means the Official Statement of the City to be dated the date of the Bond Purchase Agreement, together with all appendices attached thereto, relating to the Series 1984 Bonds.

"Indentures" means the Indentures of Trust, each dated as of December 1, 1984, by and between the City and the Trustee relating to the Series 1984 Bonds.

"Ordinance" means this Ordinance.

"Preliminary Official Statement" means the Preliminary Official Statement of the City, relating to the Series 1984 Bonds.

"Project" means the design, reconstruction, improvement and modernization of Terminal 3 and Concourses H and K and certain parking and service facilities located at the Airport and as further described in Exhibit A to the Special Facility Use Agreements.

"Series 1984 Bonds" means the bonds, in one or more series, more fully described and authorized to be issued by the City in Section 3 hereof.

"Special Facility Use Agreements" means the Special Facility Use Agreements, each dated as of December 1, 1984, by and between the City and the Airline.

"Trustee" means Irving Trust Company, in the City of New York, New York, as Trustee under each of the Indentures, and its successors in trust.

"Underwriter" means Salomon Brothers, Inc. and any other person, if any, named as an underwriter in the Bond Purchase Agreement.

"United" means United Air Lines, Inc.

"United Agreement" means an agreement between the City and United containing covenants relating to United's waiver of certain federal income tax benefits required under the Volume Cap Regulations.

"Volume Cap Regulations" means 26 Code of Federal Regulations Part 1, Sections 1.103(n)-1T through 1.103(n)-6T.

SECTION 2. Authorization of the Project. The Project shall be and is hereby authorized to be financed as described herein. The estimated cost of (1) the design, reconstruction, improvement and modernization of the Project; (2) the payment of interest on the Series 1984 Bonds; (3) providing for a reserve account for the payment of each series of Series 1984 Bonds; and (4) the expenses of issuing the Series 1984 Bonds will be provided by the issuance of the Series 1984 Bonds. It is hereby found and declared that the construction and financing of the Project and the use thereof by the Airline, as hereinafter provided, constitutes a valid public purpose within the meaning of the Constitution, and that in order to further secure the Series 1984 Bonds, the pledge and assignment by the City under each of the Indentures of certain of its rights under the related Special Facility Use Agreement to the Trustee is necessary and proper. The Project is authorized to be designed, reconstructed, improved and modernized according to the description and in the manner provided in Exhibits A, B and C attached to the Special Facility Use Agreements.

SECTION 3. Authorization and Payment of Series 1984 Bonds. For the purposes of financing the cost of the Project there are hereby authorized to be issued by the City its Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1984 (American Airlines, Inc. Project) in one or more series in an aggregate principal amount not to exceed \$150,000,000. Each series of Series 1984 Bonds shall be issuable only in fully registered form; shall be issued in the denominations authorized in the Indenture related to such series; and shall be dated and numbered as provided in the Indenture related to such series.

Each series of Series 1984 Bonds shall mature no later than December 1, 2020, and, except for a short period ending not later than the fifth business day in February, 1985, during which the Series 1984 Bonds may bear interest at a fixed rate, shall initially bear interest at a daily variable interest rate, all as more fully set forth in Section 202 of the Indenture related to such series and thereafter at such other interest rate as may be established in accordance with the provisions of the Indenture related to such series,

provided that in no event shall any series of Series 1984 Bonds bear interest at a rate in excess of the lesser of twenty-five percent (25%) per annum or, so long as any series of Series 1984 Bonds is secured by a Letter of Credit (as defined in the related Indenture), with respect to such Bonds, the maximum interest rate stated in such Letter of Credit for purposes of calculating the stated amount thereof.

The final maturity date of each series of Series 1984 Bonds, the principal amount of each series, the aggregate principal amount of the Series 1984 Bonds, the number of series of Series 1984 Bonds, the interest rate of each such series for the first Interest Period (as defined in the related Indenture) and the aggregate purchase price to be paid for each series of Series 1984 Bonds shall be determined as provided in Section 6 hereof.

Each series of Series 1984 Bonds shall be subject to mandatory and optional redemption prior to maturity upon the terms and conditions set forth in the Indenture related to such series.

The principal of and premium, if any, on each series of Series 1984 Bonds shall be payable at the principal corporate trust office of the Trustee. Payment of interest on each series of Series 1984 Bonds shall be made to the registered owner thereof and shall be paid by check or other form of draft of the Trustee mailed to the registered owner at his address as it appears on the registration books of the City kept by the Trustee or at such other address as is furnished to the Trustee in writing by such registered owner, or in certain circumstances by wire transfer, all as further provided in the Indenture related to such series.

SECTION 4. Series 1984 Bonds are Limited Obligations. The bonds of each series of Series 1984 Bonds, together with the obligation to pay interest thereon, shall be limited obligations of the City secured solely by a pledge of certain "Special Facility Revenues" (as that term is defined in the related Indenture) derived by the City under the related Special Facility Use Agreement, and by other specified sources pledged under the Indenture related to such series, and shall be a valid claim of the owners thereof only against the funds and other moneys held by the Trustee with respect to such series and such Special Facility Revenues derived from the related Special Facility Use Agreement, which Special Facility Revenues shall be used for no other purpose than to pay the principal of, premium, if any, and interest on such series of Series 1984 Bonds, except as may be expressly authorized otherwise in the related Special Facility Use Agreement or the related Indenture. The bonds of each series of Series 1984 Bonds and the obligation to pay interest thereon are not general obligations of the City and do not constitute an indebtedness or a loan of credit of the City, or a charge against the City's general credit or taxing powers, within the meaning of any constitutional or statutory provision of the State of Illinois, or otherwise.

SECTION 5. Assignment. As security for the due and punctual payment of the principal of, premium, if any, and interest on each series of Series 1984 Bonds, and as security for the rights of the Bank under the Reimbursement Agreement (as such terms are defined in the related Indenture) to the extent provided in the related Indenture, the City will, in the related Indenture, assign and pledge to the Trustee (i) certain Special Facility Revenues derived by the City under the related Special Facility Use Agreement and (ii) certain rights and remedies of the City under the related Special Facility Use Agreement to enforce payment thereof.

SECTION 6. Approval of the Bond Purchase Agreement and Official Statement; Execution and Delivery of the Bond Purchase Agreement. (a) The form of the Bond Purchase Agreement presented to this meeting is hereby approved in all respects. The Mayor or the City Comptroller of the City, with the concurrence of the Chairman of the Committee on Finance of the City Council, is hereby authorized and directed to execute and deliver a Bond Purchase Agreement in substantially the form of the Bond Purchase Agreement presented to this meeting, together with such changes and completions thereof as may be approved by the Mayor or the City Comptroller, as the case may be, subject to the limitations contained in Paragraph (b) of this Section 6, the execution thereof to constitute conclusive evidence of the approval of such changes and completions. The sale to the Underwriter of the Series 1984 Bonds pursuant to the terms and conditions of the Bond Purchase Agreement is hereby approved by this City Council.

(b) Authority is hereby delegated to the Mayor or the City Comptroller to determine the aggregate principal amount of the Series 1984 Bonds, the principal amount of each series of Series 1984 Bonds, the final maturity date of each series of Series 1984 Bonds, the interest rate for the first Interest Period for each series of Series 1984 Bonds and the purchase price of each series of Series 1984 Bonds; provided, however, that (i) the aggregate principal amount of all series of the Series 1984 Bonds shall not exceed \$150,000,000, (ii) the number of series of Series 1984 Bonds shall not exceed five (5); (iii) the interest rate for the first Interest Period shall not exceed fifteen percent (15%); (iv) the final maturity date of each series of Series 1984 Bonds shall not be later than December 1, 2020; and (v) the aggregate purchase price for each series of Series 1984 Bonds shall not be less than ninety-five percent (95%) of the principal amount thereof to be issued.

(c) To evidence the exercise of the authority delegated to the Mayor and the City Comptroller pursuant to Paragraph (b) of this Section 6, the Mayor or the City Comptroller is hereby directed to execute and file with the Trustee a certificate setting forth the determinations made pursuant to the authority granted in such Paragraph, which certificate shall constitute conclusive evidence of the proper exercise of such authority.

(d) The form of Preliminary Official Statement of the City with respect to the Series 1984 Bonds presented to this meeting, the distribution thereof to prospective purchasers and the use thereof by the Underwriter in connection with the offering of the Series 1984 Bonds are hereby authorized. The Mayor or the City Comptroller is hereby authorized to execute and permit the distribution of the Final Official Statement, in substantially the form of said Preliminary Official Statement, with such changes, omissions, insertions and revisions as the Mayor or the City Comptroller shall deem advisable, and with such further changes, omissions, insertions and revisions as shall be necessary to conform the Final Official Statement to the provisions of the instruments, as executed and delivered, authorized by the provisions of this Ordinance to be executed and delivered in the name and on behalf of the City and to any other instruments executed and delivered in connection with the issuance of the Series 1984 Bonds, and the Mayor or the City Comptroller are authorized to execute and deliver such Final Official Statement to the Underwriter in the name and on behalf of the City.

(e) Pursuant to each of the Indentures, the Mayor shall execute the Series 1984 Bonds on behalf of the City, by facsimile signature, and the corporate seal of the City or a facsimile thereof shall be affixed, imprinted, engraved or otherwise reproduced on the Series 1984 Bonds and attested by the facsimile signature of the City Clerk. The Series 1984 Bonds shall upon such execution on behalf of the City be delivered to the Trustee for

authentication and thereupon shall be authenticated by the Trustee and shall be delivered pursuant to written order of the City authorizing and directing the delivery of the Series 1984 Bonds to or upon the order of the Underwriter.

SECTION 7. Execution of Documents. (a) The Special Facility Use Agreements, the Indentures and the Amendment of 1983 Agreements, in substantially the forms submitted to this meeting, are hereby authorized and approved. The American Agreement, in the form approved by the Mayor or the City Comptroller, is hereby authorized and approved. The United Agreement, as executed and delivered by the Mayor or the City Comptroller, is hereby ratified and approved. The Mayor or the City Comptroller of the City is hereby further authorized to execute on behalf of the City a statement carrying forward the City's 1984 unused private activity bond limit to the extent available under Section 103 of the Internal Revenue Code of 1954, as amended, specifying the Airport as the project with respect to which the unused bond limit is being carried forward.

(b) The Mayor or the City Comptroller is hereby authorized to execute the Special Facility Use Agreements, the Indentures, the Amendment of 1983 Agreements and the American Agreement for and on behalf of the City, and the City Clerk is hereby authorized, as appropriate, to attest the same and to affix thereto the corporate seal of the City. The Special Facility Use Agreements, the Indentures and the Amendment of the 1983 Agreements may contain such changes consistent with the purposes and intent of this Ordinance as shall be approved by the Mayor or the City Comptroller, and the American Agreement may contain such covenants relating to the Airline's waiver of certain federal income tax benefits required under the Volume Cap Regulations as shall be approved by the Mayor or the City Comptroller, the execution or acceptance thereof to constitute conclusive evidence of this City Council's approval of the form thereof and any and all changes or revisions therein. From and after the execution and delivery of the agreements mentioned in Paragraph (a) of this Section 7, the officers, agents and employees of the City are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of such agreements as executed.

(c) No further approval or action of this body shall be necessary or required for the actions, executions and deliveries contemplated in and directed in this Section 7 to be effective and any such actions, executions and deliveries will constitute the legal and validly binding actions of the City.

SECTION 8. Appointment of Trustee, Remarketing Agent and Indexing Agent. Salomon Brothers, Inc. is hereby appointed as Remarketing Agent under each of the Indentures for the purpose of determining the interest rate on each series of Series 1984 Bonds, and the Mayor or the City Comptroller is hereby authorized to appoint an Indexing Agent, when required, under each of the Indentures. The appointment of Irving Trust Company, in the City of New York, New York, as Trustee under each Indenture, is hereby authorized, approved and confirmed.

SECTION 9. Hearing. The publication on November 16, 1984, in the Chicago Tribune, of notice of the public hearing held with respect to the issuance of the Series 1984 Bonds in accordance with the provisions of Section 103(k) of the Internal Revenue Code of 1954, as amended, is hereby ratified and confirmed in all respects and the holding of said hearing by the Chairman of the Committee on Finance on November 30, 1984, is hereby ratified and confirmed in all respects.

SECTION 10. Performance Provisions. The Mayor, the City Comptroller and the City Clerk for and on behalf of the City shall be, and each of them is hereby authorized and directed to do any and all things necessary to effect the performance of all obligations of the City under and pursuant to this Ordinance, the execution and delivery of each series of Series 1984 Bonds and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor, the City Comptroller and the City Clerk shall be, and they are hereby, further authorized and directed for and on behalf of the City, to execute all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this Ordinance or to evidence said authority, including an appropriate certificate pursuant to Section 103(c) of the Internal Revenue Code of 1954, as amended, for inclusion in the transcript of proceedings with respect to the Series 1984 Bonds, and to exercise and otherwise take all necessary action to the full realization of the rights, accomplishments and purposes of the City under the Special Facility Use Agreements, the Indentures, the Final Official Statement, the Bond Purchase Agreement, the Amendment of 1983 Agreements, the United Agreement and the American Agreement, and to discharge all of the obligations of the City hereunder and thereunder.

SECTION 11. Designation of Another to Affix Signature. The Mayor and the City Comptroller may each designate another person to act as their respective proxy and to affix their respective signature to the Series 1984 Bonds, whether in temporary or definitive form, and any instrument, agreement, certificate or document required to be signed by the Mayor or the City Comptroller pursuant to this Ordinance, in such case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, certificates and documents which such person shall be authorized to sign as proxy for the Mayor and the City Comptroller, respectively. A written signature of the Mayor or of the City Comptroller, respectively, executed by the person so designated underneath, shall be attached to each notice. Each notice, with the signatures attached, shall be recorded in the Journal of the Proceedings of the City Council and filed with the City Clerk. When the signature of the Mayor is placed on an instrument, certificate or document at the direction of the Mayor in the specified manner, the same, in all respects, shall be as binding on the City as if signed by the Mayor in person. When the signature of the City Comptroller is so affixed to an instrument, certificate or document at the direction of the City Comptroller, the same, in all respects, shall be binding on the City as if signed by the City Comptroller in person.

SECTION 12. Severability. It is the intention of this City Council that, if any section, paragraph, clause or provision of this Ordinance shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

SECTION 13. Captions. The captions or headings of this Ordinance are for convenience only and in no way define, limit or describe the scope or intent of any provision of this Ordinance.

SECTION 14. Provisions in Conflict Repealed; Publication. All ordinances, resolutions, and orders, or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed. This Ordinance shall be made available to the public by the City Clerk, City Hall, Chicago, Illinois. Copies are to be made available in

the Office of the City Clerk for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this Ordinance.

SECTION 15. Effective Immediately. This ordinance shall be in full force and effect from and after its adoption.

[Special Facility Use Agreement, Bond Purchase Agreement,
Preliminary Official Statement and Indenture of Trust
omitted for printing purposes but on file and
available for public inspection in the
Office of the City Clerk.]

TRANSFER OF FUNDS AUTHORIZED AND DIRECTED IN
MAYOR'S OFFICE OF INQUIRY AND INFORMATION.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 7, 1984, pages 11563 thru 11565, recommending that the City Council pass a proposed ordinance authorizing the Transfer of Funds in Mayor's Office of Inquiry and Information.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Kelley, Krystyniak, Henry, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, Orbach, Schuler, Volini, Orr, Stone -- 43.

Nays -- Alderman Majerczyk -- 1.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1984. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 1984 payable from such appropriations.

FROM:

Account	Number	Amount
Salaries and Wages on Payroll	100-1180-005	\$22,491

12/12/84

UNFINISHED BUSINESS

11905

TO:

Account	Number	Amount
Postage and Postal Charges	100-1180-130	\$1,000
Stationery and Office Supplies	100-1180-350	\$5,491
Materials and Supplies	100-1180-340	\$6,000
Rental of Equipment and Services	100-1180-157	\$10,000

SECTION 2. That the sole purpose of this transfer of funds is for the purchase of postage; the payment of outstanding invoices for Shell Oil Company; payment of outstanding invoices for office supplies; and for the payment of invoices for the rental of equipment.

SECTION 3. This ordinance shall be effective upon due passage.

TRANSFER OF FUNDS AUTHORIZED AND DIRECTED IN
DEPARTMENT OF LAW.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 7, 1984, pages 1165-1166, recommending that the City Council pass a proposed ordinance authorizing the Transfer of Funds in Department of Law.

On motion of Alderman Burke, the said proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Burke, Langford, Streeter, Kelley, Sherman, Henry, W. Davis, Smith, D. Davis, Gabinski, Mell, Frost, Banks, Damato, O'Connor, Natarus, Hansen, Orbach, Volini, Stone -- 28.

Nays -- Aldermen Vrdolyak, Huels, Majerczyk, Madrzyk, Brady, Kellam, Krystyniak, Nardulli, Hagopian, Santiago, Kotlarz, Cullerton, Laurino, Pucinski, Oberman, McLaughlin, Schulter -- 17.

Alderman Bloom moved to reconsider the foregoing vote. The motion was lost.

The following is said ordinance as passed:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1984. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 1984 payable from such appropriations:

FROM:

Account	Number	Amount
Interest on Tax Anticipation Notes	100-9112-959	\$400,000

TO:

Account	Number	Amount
Legal	100-9112-145	\$400,000

SECTION 2. That the sole purpose of this transfer of funds is for the payment of legal expenses incurred.

SECTION 3. This ordinance shall be effective upon due passage.

AUTHORITY GRANTED FOR REPROGRAMMING OF
COMMUNITY DEVELOPMENT BLOCK GRANT
FUNDS YEAR IX.

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 7, 1984, pages 11542-11543, recommending that the City Council pass a proposed resolution authorizing reprogramming of Community Development Block Grant Funds IX to Year IX Renewal Relocation Program in the amount of \$858,618.

On motion of Alderman Burke, the said proposed resolution was passed by a viva voce vote.

The following is said resolution as passed:

WHEREAS, The City Council of the City of Chicago passed an Ordinance on June 6, 1984, establishing procedures for the Community Development Block Grant Program which required that the City shall not reprogram funds in excess of \$7,500 appropriated for any object or purpose set forth in the C.D.B.G. Appropriation Ordinance or allocations from prior block grant years without the approval of the City Council; and

WHEREAS, The Department of Housing has re-evaluated the priority and funding needs of the original projects within the Year IX Urban Renewal Program and requests a reprogramming of funds among the Year IX Urban Renewal activities to make the most effective use of the funds; and

WHEREAS, The City deems it desirable to reallocate the Community Development Block Grant funds among the various Urban Renewal Program activities to allow the program to be carried out efficiently; now, therefore,

Be It Resolved by the City Council of the City of Chicago:

SECTION 1. The Acquisition Program be decreased by \$518,518 from \$3,136,049 to \$2,617,531.

SECTION 2. The Demolition Program be decreased by \$188,600 from \$591,200 to \$402,600.

SECTION 3. The Relocation Program be increased by \$858,618 from \$1,460,381 to \$2,318,999.

SECTION 4. The Site Improvement Program be decreased by \$151,500 from \$2,151,500 to \$2,000,000.

SECTION 5. This resolution shall be effective from and after its passage.

MUNICIPAL CODE AMENDED BY ESTABLISHMENT
OF NEW CHAPTER 10.1 ENTITLED "UNIFORM
REVENUE PROCEDURES".

On motion of Alderman Burke, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 7, 1984, pages 11581 thru 11591, recommending that the City Council pass a proposed ordinance amending the Municipal Code of Chicago by the addition of a new Chapter 10.1 entitled "Uniform Revenue Procedures".

On motion of Alderman Burke, the said proposed ordinance was *Passed* by a viva voce vote.

The following is said ordinance as passed:

WHEREAS, The City of Chicago has numerous tax ordinances; and

WHEREAS, Those tax ordinances are not uniform as to penalty, interest, administrative provisions and procedures; and

WHEREAS, Greater uniformity is needed to create an effective City of Chicago tax structure; and

WHEREAS, An amnesty ordinance is pending; and

WHEREAS, The City, after such amnesty is over, needs to aggressively pursue its tax collection; and

WHEREAS, This ordinance confers broad and extensive powers to the Department of Revenue and the Director; and

WHEREAS, In both the Federal and State governments such powers conferred on the tax enforcement authority is balanced by the legislative branches via the Joint Committee of Congress and the Auditor General, respectively; now, therefore,

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. The Municipal Code of Chicago is hereby amended by adding a new Chapter 10.1 provided that the Ordinance previously submitted shall be amended by adding the language underscored and deleting the language in brackets, to read as follows:

10.1-1.A. This Chapter shall be known and cited as the "Uniform Revenue Procedures Ordinance", and shall be a supplement to all chapters of this code or other ordinances of the City that impose a tax or other revenue measure.

B. The provisions of this Chapter shall apply to the extent that they are not inconsistent with the provisions of such chapters or other ordinances they are supplementing. Except that 10.1-18 shall apply to all ordinances that impose a tax or revenue measure as well as all provisions affecting the Department of Revenue.

10.1-2. For the purpose of this Chapter, when any of the following words or terms are used herein shall have the meaning or construction ascribed to them in this section:

City: The term "City" shall mean the City of Chicago, Illinois.

City Council: The term "City Council" shall mean the City Council of the City.

Code: The term "Code" shall mean the Municipal Code of Chicago.

Department: The term "Department" or "Department of Revenue" shall mean the Department of Revenue of the City.

Director: The term "Director" or "Director of Revenue" shall mean the Director of Revenue of the City.

Person: The term "person" shall mean any natural individual, firm, society, foundation, institution, partnership, association, joint stock company, joint venture, public or private corporation, or a receiver, executor, trustee, conservator or other representative appointed by order of any court.

Tax: The term "tax" shall mean any sum payable, other than as interest, penalties or fines, pursuant to a revenue measure or tax ordinance imposed under any of the chapters of this Code [or any other ordinance] passed by the City Council.

Tax Collector: The term "tax collector" shall mean any person required to collect and remit any tax.

Tax Ordinance: The term "tax ordinance" shall mean any chapter of this Code or other ordinance passed by the City Council which imposes a tax.

Taxpayer: The term "taxpayer" shall mean any person required to pay any tax and upon whom the legal incidence of the tax is placed.

10.1-3.A. For any tax ordinance that does not have an interest charge for late payment or underpayment of the tax imposed by such ordinance, an interest charge of 2% per month, or fraction thereof, shall apply to any such late payment or underpayment.

B. For any tax ordinance that does not have a penalty for late payment or underpayment of the tax imposed by such ordinance, a late penalty of 10% of the amount of the late payment or underpayment shall apply except that this penalty shall not apply if a late filing penalty as provided in Subsection C below is due.

C. For any tax ordinance that does not have a penalty for late filing of any remittance return or tax return, a late filing penalty of 10% of the amount of the total tax due, for the period the return is being filed, shall apply.

D. The penalties provided in Subsections B and C above shall not apply if the Director determines that the failure to pay or remit any tax or file any return was due to reasonable cause. The Department of Revenue shall issue Regulations which shall establish criteria as to what constitutes reasonable cause.

E. For any tax ordinance that does not have a penalty for willful failure to pay or remit any tax imposed by by such ordinance, a penalty of 20% of the amount of any late payment or underpayment shall apply, if the Director makes a determination that there was willful failure to pay or remit the tax.

F. Unless otherwise provided in the tax ordinance, payment or remittance of any tax imposed by such ordinance and the filing of any remittance or tax return shall be considered late unless it is physically received by the Department by the due date.

G. Unless otherwise provided in the tax ordinance, any payment received for a period will first be applied to penalties for said period, then to interest due for said period, then to tax due for said period [.] unless the taxpayer specifically designates the payment to be applied to a specific item, e.g., tax, interest or penalty.

10.1-4.A. Every tax collector and taxpayer shall keep accurate books and records of the business or activity that requires him to collect or pay a tax, including original documents and books of entry denoting the transactions which gave rise or may have given rise to the tax liability. All such books and records which are required to be kept by this Chapter shall be kept in the English language and shall, at all times during business hours of the day, be subject to inspection by the Department or its duly authorized agents and employees.

B. It shall be presumed that all tax, interest and penalties assessed by the Director are due and owing until the contrary is established. The burden of proving that any tax, interest or penalty is not due shall be upon the tax collector and taxpayer.

10.1-5.A. As to any tax ordinance, the Director is empowered to adopt, promulgate, and to enforce, rules and regulations relating to any matter or thing pertaining to the administration and enforcement of the provisions of such tax ordinance, including provisions for the re-examination, correction and amendment of all returns. The Director is also empowered to assess tax, interest or penalty due under any tax ordinance, [and to compromise disputed claims in connection with these taxes.]

B. The Director, or any agent or employee designated in writing by him, is hereby authorized to examine the books and records of any tax collector or taxpayer during regular business hours, in order to verify the accuracy of any return made, or if no return was made to ascertain the tax imposed by this Chapter.

[C. The Director of Revenue and all investigators and employees of the Department who may be designated by the Director shall have full police powers to enforce the provisions of any tax ordinance, and shall have the right to arrest or cause to be arrested any person who violates any of the provisions of said tax ordinance.]

[D.] C. Any rule or regulation adopted under any tax ordinance or pursuant to this Chapter shall be published in one or more newspapers of general circulation in the City, no fewer than 10 days and no more than 30 days prior to its effective date.

10.1-6.A. If it shall appear to the Director that any person has violated any provision of a tax ordinance or any rule or regulation promulgated, or if the amount of any tax payment is incorrect in that it does not include all taxes payable for such period, or if the Director shall find that the collection of any taxes which have accrued but are not yet due will be jeopardized by delay, and declares said taxes to be immediately due and payable, or if it shall appear to the Director that he has made any final assessment which did not include taxes payable for the periods involved, or if it appears to the Director that any person has, by reason of any act or omission or by operation of law, become liable for the payment of any taxes, interest or penalties not originally incurred by him, the Director may in any of the above events determine and assess the amount of such taxes or deficiency, as the case may be, together with the interest and penalties due and unpaid, and immediately serve written notice upon such person of such determination and assessment and make a demand for payment of the tax together with interest and penalties thereon. If the person incurring any such liability has died, such assessment may at the discretion of the Director be made against his personal representative. Any person to whom a determination and assessment is issued by the Director shall have 20 days from the date of the receipt of a written notice thereof and a demand for payment to file with the Director a written protest and a petition for a hearing, specifying its objectives thereto. Upon the receipt of such petition within the 20 days allowed, the Director shall fix the time and place for a hearing and shall notify the petitioner thereof. If a protest to a determination and assessment and a petition for a hearing is not filed within the 20-day period, the determination and assessment shall become final without further notice and without the necessity of a final assessment being issued, and such determination and assessment shall be deemed a final determination and assessment. The Director may amend his determination and assessment at any time before it becomes final. In the event of such amendment the person affected shall be given notice thereof and an opportunity to be heard in connection therewith. At any hearing held as herein provided, the determination and assessment that has been made by the Director shall be *prima facie* correct and the burden shall be upon the protesting person to prove that it is incorrect. Upon the conclusion of such hearing a decision shall be made by the Director either cancelling, increasing, modifying or affirming such determination and assessment and notice thereof given to the petitioner. Such notice shall contain a statement by the Director of the cost of the certification of the record computed at the rate of 5 cents per 100 words, which cost shall be charged to the petitioner if the determination or assessment is affirmed. The record shall consist of the notices and demands caused to be served by the Director, the original determination and assessment of the Director, the written protest

and petition for hearing, the testimony introduced at such hearing, the exhibits produced at such hearing, or certified copies thereof, the decisions of the Director and such other documents in the nature of pleadings filed in the proceeding.

B. Whenever any person shall fail to pay any tax, the City's Corporation Counsel shall, upon the request of the Department, bring or cause to be brought an action to enforce the payment of said tax on behalf of the City in any court of competent jurisdiction.

C. If the Mayor of the City, after hearing held by or for him, shall find that any person has willfully evaded payment or remittance of any tax, he may suspend or revoke all City licenses held by such tax evader. Said person shall have an opportunity to be heard at such hearing to be held not less than 7 days after notice is given to him of the time and place of the hearing to be held, addressed to him at his last known place of business. Pending notice, hearing and finding, any license issued by the City possessed by said person may be temporarily suspended. Any suspension or revocation of any license shall not release or discharge said person from his civil liability for the payment or collection and remittance of the tax, nor from prosecution for such offense.

10.1-7.A. For the purpose of administering and enforcing the provisions of this Chapter or any tax ordinance, the Department, or any officer or employee of the Department designated, in writing, by the Director thereof, may conduct investigations and hearings concerning any matters covered by this Chapter or any tax ordinance and may examine any books, papers, records or memoranda bearing upon the business or activities of any such person, and may require the attendance of such person or any officer or employee of such person, or of any person having knowledge of such business, and may take testimony and require proof for its information. In the conduct of any investigation or hearing authorized by this Chapter or any other tax ordinance, neither the Department nor any officer or employee thereof shall be bounded by the technical rules of evidence, and no informality in any proceeding, or in the manner of taking testimony, shall invalidate any order, decision, rule or regulation made or approved or confirmed by the Department. The Director, or any officer or employee of the Department authorized by the Director thereof, shall have power to administer oaths to such persons. The books, papers, records and memoranda of the Department or parts thereof, may be proved in any hearing, investigation, or legal proceeding by a reproduced copy thereof under the certificate of the Director. Such reproduced copy shall, without further proof, be admitted into evidence before the Department or in any legal proceeding.

B. The Department or any officer or employee of the Department designated in writing by the Director, shall at his own instance, or upon the written request of any other party to the proceeding, issue subpoenas requiring the attendance of and the giving of testimony by witnesses, and subpoenas duces tecum requiring the production of books, papers, records or memoranda. All subpoenas and subpoenas duces tecum issued under the terms of this Chapter may be served by any person over 18 years of age. The fees of witnesses for attendance and travel shall be the same as the fees of witnesses before the circuit court of this State; such fees to be paid when the witness is excused from further attendance. When the witness is subpoenaed at the instance of the Department or any officer or employee thereof, such fees shall be paid in the same manner as other expenses of the Department, and when the witness is subpoenaed at the instance of any other party to any such proceeding the Department may require that the cost of service of the subpoena or subpoena duces tecum and the fee of the witness be borne by the party at whose instance the witness is summoned. In such case, the Department, in its discretion, may require a

deposit to cover the cost of such service and witness fees. A subpoena or subpoena duces tecum issued as aforesaid shall be served in the same manner as a subpoena issued by the circuit court.

Any circuit court of this State, or any judge thereof, upon the application of the Department or any officer or employee thereof, or upon the application of any other party to the proceeding, may, in its or his discretion, compel the attendance of witnesses, the production of books, papers, records or memoranda and the giving of testimony before the Department or any officer or employee thereof conducting an investigation or holding a hearing authorized by this Chapter, by an attachment for contempt, or otherwise, in the same manner as production of evidence may be compelled before said court.

The Department or any officer or employee thereof, or any other party in an investigation or hearing before the Department, may cause the depositions of witnesses to be taken in the manner prescribed by law for like depositions in civil actions in courts of this State, and to that end compel the attendance of witnesses and the production of books, papers, records or memoranda.

10.1-8. Any officer or employee of any corporate taxpayer or corporate tax collector who has the control, supervision or responsibility of filing tax returns or remittance returns and making payment of or remitting the amount of tax imposed by any tax ordinance, and who willfully fails to file such return or to remit or make such payment to the Department shall be personally liable for such amounts [including interest and penalties thereon,] to the extent such amounts of tax are collected by the corporate taxpayer or tax collector for the City and are then remitted to the City. [in] In the event that after proper proceedings for the collection of such amounts, such corporation is unable to pay such amounts to the Department; and the personal liability of such officer or employee as provided herein shall survive the dissolution of the corporation.

10.1-9. Any tax collector or taxpayer who is required to file a remittance or tax return with the Department on a monthly, quarterly, yearly or other periodic basis and who is selling or transferring any business which requires him to collect or pay a tax or which is directly related to the activity which requires him to collect or pay a tax, or a major part of the assets of such business, other than a sale of assets (including inventory) in the ordinary and usual course of his business, is required to file a notice of such intended sale or transfer with the Department at least [45] 30 days prior to the date of such sale or transfer, setting forth the name of the seller or transferor, purchaser or transferee, a description of the property or business sold, the amount of the purchase or transfer price and such other information as the Department may reasonably request. Within 30 days after such sale or transfer such seller or transferor shall file any remittance returns and pay any tax due and not paid up to the date of the sale or transfer. At least [45] 30 days before the sale or transfer referred to above takes place, the purchaser or transferee shall also file a notice of intended sale or transfer with the Department, setting forth the same information as required in the seller's or transferor's notice and further requesting that the Department perform an audit of the seller's or transferor's books and records or to do whatever else is necessary to determine how much tax is due up to the date of sale or transfer. The purchaser's or transferee's notice may be made in conjunction with the seller's or transferor's notice. If the purchaser or transferee fails to file the notice as required herein, the purchaser or transferee shall be personally liable to the Department for the amount of tax, interest and penalty owed by the seller or transferor to the Department up to the amount of the reasonable value of the property acquired by the

purchaser or transferee. If a notice is filed, the Department shall notify both the seller (or transferor) and the purchaser (or transferee) of the amount to be withheld from the purchase or transfer price to cover all taxes, interest and penalties due under any tax ordinance and unpaid up to the date of sale or transfer. The purchaser or transferee shall withhold this amount from the purchase or transfer price or if payment of money or property is not involved, he shall withhold the performance that constitutes consideration for the sale or transfer, until the seller or transferor produces a receipt from the Department showing that such tax, interest and penalty had been paid or a certificate from the Department showing no tax is due. The purchaser or transferee is relieved of any duty to withhold from the purchase or transfer price and shall have no liability for tax, interest or penalty due hereunder from the seller or transferor, if the Department fails to notify the purchaser or transferee of such amount claimed due at least five days before the date of such sale or transfer. If the purchaser or transferee is notified by the Department of the amount to be withheld from the purchase or transfer price and does withhold such amount, the purchaser's or transferee's liability for any tax, interest or penalty hereunder shall be limited to the amount withheld. If the purchaser or transferee fails to withhold from the purchase or transfer price the amount requested by the Department, the purchaser or transferee shall be liable for any tax, interest or penalty due in excess of any amount withheld, but not exceeding the amount of the reasonable value of the property acquired by him. The purchaser or transferee shall pay over to the Department any amount withheld hereunder upon notification of the refusal of the seller or transferor to pay any tax, interest or penalty due and upon notification of the Department's claim against the purchaser or transferee for such money. Nothing in this section shall be construed to relieve the seller or transferor of his liability for tax, interest and penalty due from him, except that any payments received from the purchaser or transferee as provided herein shall reduce such liability payable to the Department.

10.1-10. Any tax required to be collected by any tax collector pursuant to any tax ordinance, and any tax collected by such tax collector, shall constitute a debt owed by such tax collector to the City.

10.1-11. For tax ordinances which do not already provide for a refund, whenever it appears that an amount of tax, interest or penalty has been paid in error to the Department of Revenue by the person remitting or paying the tax directly to the Department as opposed to remitting or paying the tax to a tax collector, such person, may file a claim, not later than three years from the date upon which such payment was made, for credit or refund with the Department on *forms provided by said Department for that purpose. Such claim shall only be allowed if such amount is paid through a mistake of fact or an error of law other than an error resulting from the tax, any of its provisions or its application being declared invalid or unconstitutional. No credit or refund shall be allowed for any amount paid by such taxpayer unless it appears that he bore the burden of such amount and did not shift the burden to another person, or if he did shift such burden that he unconditionally repaid such amount to said person before filing his claim.*

B. Any credit or refund that it allows under this Section shall bear interest at the rate of [one-half] three-quarters of one percent [(1/2%)] (3/4%) per month, or any fraction thereof, from the date when the erroneous payment for which credit or refund is being allowed was made to the Department, until a credit memorandum is issued or a refund is paid.

C. A claim for credit or refund shall be considered to have been filed with the Department on the date upon which it is received by the Department, and receipt of any claim for credit or refund filed under this Section shall be acknowledged by the Director or any designated person on his behalf, said receipt to describe the claim in sufficient detail as to indentify it, and to state the date upon which the claim was received by the Department.

D. As soon as practicable after a claim for credit or refund is filed, the Director, or his designate, shall examine the same and determine the amount of credit or refund due, if any, and shall issue a Notice of Tentative Determination of Claim and notify the claimant of such determination. If the claimant disagrees with the determination, he shall file a protest and challenge thereto within 20 days after the date of Notice of Tentative Determination of Claim has been mailed to him. Upon receipt of such protest within 20 days allowed, the Director, or his designate, shall fix the time and place for a hearing thereon, giving notice to the claimant thereof, not less than 7 days prior thereto. At any hearing held as herein provided, the Tentative Determination of Claim shall be prima facie correct and the burden shall be upon the claimant to prove that it is incorrect. Upon the conclusion of the hearing, a decision shall be made by the Director and notice thereof given to the claimant. In the event no protest or challenge to the Tentative Determination of Claim is filed within the 20 day period hereinabove set forth, said notice shall thereafter become and operate as a final determination.

E. The Director may in his discretion issue a letter of credit to a claimant who may be able to use said credit in the foreseeable future, or a refund certificate in lieu of a credit memorandum on application by a person who cannot use said credit, or sell, or assign the same. Refund certificates shall be numbered serially as they are issued and shall be paid in the order of their issuance from funds that are appropriated to the Department for that purpose.

10.1-12.A. In addition to any other remedy provided by law, the Department shall have a lien, for any tax imposed, or interest or penalty that may be due, upon all real and personnel property located or found within the City which is owned by any person to whom a final assesement or revised final assessment has been issued pursuant to this Chapter or any tax ordinance. Such lien shall not be effective against any purchaser with respect to any item in a person's stock in trade purchased from the person in the usual course of such person's business. Notice of such lien on real property shall be filed by the Department with the Registrar of Titles or the Recorder of Deeds of the county in which the real property is located. The Department shall issue "a final notice prior to lien" requesting payment, ten (10) days prior to the filing of a lien. Notice of such lien on personal property shall be filed by the Department with the Illinois Secretary of State.

B. Nothing in subsection A above shall be construed to give the Department a preference over the rights of any mortgagee, judgment creditor or other lien holder arising prior to the filing of the Department notice of lien.

C. In addition to any other remedy provided by this Chapter or otherwise by law, the Department may foreclose on its lien on real property to the same extent and in the same manner as in the enforcement of other liens. No proceedings to foreclose shall be instituted more than 7 years after the filing of the Department's notice of lien, except that this time limitation period shall not run during any period of time in which a review is pending on the assessment which is the basis for the lien or in which an order of any court has the

effect of enjoining or restraining the Department from instituting the foreclosure proceedings.

D. In addition to any other remedy provided by this Chapter or otherwise by law, the Department may enforce its lien on personal property by distraint and sale of such personal property. The Department must first demand payment of the assessed amount, and if after 10 days following receipt of the demand, the person who was assessed fails to pay the amount due and if a review is not pending, the Department may issue a warrant requesting the sheriff of the county within which the property is located to levy upon the property and rights to property of such person found within the City for payment of the amount of tax, interest, penalty and costs due. The sheriff may seize and sell such property found within the City and return to the City the money collected by virtue thereof. No proceedings shall be commenced more than 7 years after the notice of lien was filed.

E. All fees for the recording of notices of liens or releases of liens shall be added to the sum payable by the person who owned the property subject to the lien.

10.1-13. Whenever notice is required by this Chapter, such notice may be given by United States registered or certified mail, addressed to the person concerned at his last known address, and proof of such mailing shall be sufficient for the purposes of this Chapter. Notice of any hearing provided for by this Chapter shall be so given not less than 14 days prior to the day fixed for the hearing. Following the initial contact of a person represented by an attorney, the Department shall not contact the person concerned but shall only contact the attorney representing the person concerned.

All hearings provided for in this Chapter shall be at the Department's office.

10.1-14. All information received by the Department from returns or reports filed under this Chapter or any tax ordinance, or from any investigation conducted under this Chapter or any tax ordinance, shall be confidential, except for official purposes, and any person who divulges any such information in any manner, except in accordance with a proper judicial order or as otherwise provided by law, shall be punished by a jail sentence not to exceed six months or by a fine not to exceed \$500[.] or both.

Nothing in this Chapter prevents the Director from publishing or making available to the public [the names and addresses of persons filing returns or reports under this Chapter, or] reasonable statistics concerning the operation of a tax by grouping the contents of returns so the information in any individual return is not disclosed.

Nothing in this Chapter prevents the Director from divulging to the United States Government or the government of any state, or any officer or agency thereof, for exclusively official purposes, information received by the Department in administering this Chapter, provided that such other governmental agency agrees to divulge requested tax information to the Department.

The furnishing of information to a seller or purchaser under section 10.1-8 of this Chapter is an official purpose within the meaning of this section.

The furnishing upon request of the City's auditor or his authorized agent, for official use, of returns or reports filed and information related thereto under this Chapter is deemed to be an official purpose within the meaning of this Section.

10.1-15. Except in the case of a fraudulent return, or in the case of an understatement of 25% or more of the tax liability on a return, or in the case of a failure to file a return, or with the consent of the person to whom the notice of the tax liability or determination and assessment is to be issued, no notice of tax liability or determination and assessment shall be issued for any period more than [5] 3 years after the date the return for said period was filed with the Department. If an amended return was filed for any period, the [5] 3 years starts running from the date the amended return was filed [.] to the extent of the liability disclosed on the amended return.

10.1-16. Any person found guilty of willfully violating, disobeying, [neglecting,] or refusing to comply with any of the provisions of this Chapter or of any tax ordinance except when otherwise specifically provided, upon conviction thereof shall be punished by a fine of not less than \$50.00 nor more than \$200.00 for the first offense and not less than \$300.00 nor more than \$500.00 for the second and each subsequent offense in any 180-day period, provided, however, that all actions seeking the imposition of fines only shall be filed as quasi-criminal actions subject to the provisions of the Illinois Code of Civil Procedure (Ill. Rev. Stat. 1983, Ch. 110, par. 1-101, et seq.). A person who commits repeated offenses in excess of three within any 180-day period may also be punished as committing a misdemeanor by incarceration in the County Jail for a term not to exceed six months under the procedures set forth in Section 1-2-1.1 of the Illinois Municipal Code (Ill. Rev. Stat. 1983, Ch. 24, par. 1-2-1.1) and under the provisions of the Illinois Code of Criminal Procedure (Ill. Rev. Stat. 1983, Ch. 38, pars. 100-1, et seq.) in a separate proceeding. A separate and distinct offense shall be regarded as committed each day upon which said person shall continue any such violation, or permit any such violation to exist, after notification thereof.

10.1-17. If any provision of this Chapter or application thereof to any person or circumstance is held unconstitutional or otherwise invalid, such invalidity shall not affect other provisions or applications of this Chapter which can be given effect without the invalid application or provisions, and to this end each such invalid provision or invalid application of this Chapter is severable, unless otherwise provided by this Chapter. Any invalidity of this Chapter or its provisions shall not affect the tax ordinances or their provisions supplemented by this Chapter.

10.1-18.A. The Finance Committee, in addition to the powers granted unto it under the terms of the Municipal Code of the City of Chicago, shall have the power to investigate the operations and effects of the City of Chicago taxes and tax systems; to investigate the administration of such taxes by the Department of Revenue or any executive department establishment or agency charged with their (taxes) administration; and to make such other investigation in respect to such system of taxes as the Finance Committee may deem necessary.

B. The Finance Committee shall publish from time to time, for public examination and analysis, its findings, conclusions and results of any review and investigation.

C. The Finance Committee, upon approval of the Chairman of said Committee is authorized to secure directly from the Department of Revenue information, suggestions, data, rulings estimates and statistics for the purpose of making investigations reports and studies, relating to the City of Chicago's tax structure, policy and administration. In the study or investigation of the City of Chicago's tax policy, structure and administration, the

Finance Committee is authorized to secure directly from the Department of Revenue such tax returns, or copies of tax returns and other relevant information as the Committee deems necessary for such study or investigation, and the Department of Revenue is authorized and directed to furnish such tax returns to the Finance Committee together with a brief report with respect to each tax return, as to any action taken or proposed to be taken by the Department as a result of any audit of the return.

D. Nothing contained herein shall prevent the Finance Committee from commissioning an outside auditor or consultant to perform such audit, review or investigation on its behalf and report such finds to the Finance Committee.

E. The Finance Committee or its delegates shall be subject to the same disclosure requirements set forth in §10.1-14 of this Ordinance.

SECTION 2. This ordinance shall take effect ten days after passage and due publication.

AUTHORITY GRANTED FOR ESTABLISHMENT OF EMPLOYEE
BENEFITS OFFICE AT CITY HALL.

On motion of Alderman Madrzyk, the City Council took up for consideration the report of the Committee on Administration, Reorganization and Personnel deferred and published in the Journal of the Proceedings of December 7, 1984, pages 11591- 11592, recommending that the City Council pass a proposed order granting authority for the establishment of an Employee Benefits Office.

On motion of Alderman Madrzyk, the said proposed order was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

The following is said order as passed:

Ordered, That the Bureau of Employees Benefits establish an office at 121 N. LaSalle Street, Chicago, to service City Employees.

MISCELLANEOUS BUSINESS.

***Rules Suspended -- BOARD OF EDUCATION MEMORIALIZED
TO HOLD CONTINUOUS NEGOTIATIONS WITH VARIOUS
UNIONS UNTIL SCHOOL STRIKE IS SETTLED.***

Alderman O'Connor moved to *Suspend the Rules Temporarily* for the immediate consideration of a proposed resolution memorializing the Board of Education to hold continuous negotiations with the various striking unions until the school strike is settled. The motion *Prevailed*.

The following is said proposed resolution:

WHEREAS, The Chicago Public School System has been shut down for the past eight days; and

WHEREAS, The school shutdown works a great hardship upon the children of the City of Chicago, their parents and the entire citizenry of the City; and

WHEREAS, The Board has failed to meet on this day with the collective bargaining units representing the striking workers; and

WHEREAS, There is at present no set schedule to continue negotiations set by the mediator or the Board of Education; and

WHEREAS, It is in the best interest of the City of Chicago that the schools be open and operational; now, therefore,

Be It Resolved, That we, the City Council hereby memorialize the Board of Education and ask that they enter into immediate and continuous and simultaneous negotiations with all seven bargaining agents representing the striking workers until such time as the matter is resolved and schools are reopened.

On motion of Alderman O'Connor, seconded by Aldermen Mell, Stone, Natarus, Langford, Oberman and Pucinski, the foregoing proposed resolution was *Adopted*, by a viva voce vote.

***Rules Suspended -- FEDERAL GOVERNMENT PETITIONED
TO EXPRESS OPPOSITION TO APARTHEID.***

Alderman Henry moved to *Suspend the Rules Temporarily* for the immediate consideration of a proposed resolution petitioning the federal government to express opposition to the system of apartheid. The motion *Prevailed*.

The following is said proposed resolution:

WHEREAS, The Republic of South Africa has recently passed and put into effect a new constitution which continued this illegal system of apartheid by excluding Black South Africans from participation in the national government on all levels; and

WHEREAS, Malnutrition, high unemployment, and a lack of all political and human rights of equality for Black people in South Africa; and

WHEREAS, Over 3.5 million Blacks-Africans, Asiana and "Coloreds" (people of mixed descent) have been forcibly relocated under apartheid; over 2.5 million Africans have been resettled to remote barren areas known as "homelands"; that in these "homelands", 50% of all children die before the age of five; and

WHEREAS, The laws of South Africa make it illegal even to express opposition to apartheid, and its political, social and economic ramifications; allow for the detention of persons without charge; denies access to counsel or trial; and allows many persons held in detention never to be heard from, beaten, tortured and murdered; and

WHEREAS, Following a two-day strike this year, 13 South African labor union leaders were placed in detention and have not been heard from since; now, therefore,

Be It Resolved, That the City Council of Chicago in meeting this 12th day of December, 1984, petition the federal government, President Reagan, and the Congress of the United States, to join with us and other voices across the world calling for the immediate release of all illegally detained persons who were arrested either for their participation in the trade union movement, and specifically their opposition to apartheid.

On motion of Alderman Henry, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

PRESENCE OF VISITORS NOTED.

Honorable Harold Washington, Mayor, called the Council's attention to the presence of the following visitors:

Alderman Burke introduced Alderman Oberman's son who was in the audience;

25 students from Kennedy-King College, accompanied by Mary Ann Kaufman;

Mayor Way Foo Why of the City of Dah-Lee-An, China, accompanied by Deputy Secretary General Jong Doo Oh and other members of his government.

Time Fixed for Next Succeeding Regular Meeting.

By unanimous consent Alderman Burke thereupon presented a proposed ordinance which reads as follows:

Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the next regular meeting of the City Council of the City of Chicago to be held after the meeting held on Wednesday, the twelfth (12th) day of December, 1984, at 10:00 A.M., be and the same is hereby fixed to be held on Tuesday, the eighteenth (18th) day of December, 1984, at 10:00 A.M., in the Council Chamber in the City Hall.

SECTION 2. This ordinance shall take effect and be in force from and after its passage.

On motion of Alderman Burke, the foregoing proposed ordinance was *Passed*, by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Hueis, Majerczyk, Madrzyk, Burke, Brady, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Stemberk, Krystyniak, Henry, Marzullo, Nardulli, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Damato, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 50.

Nays -- None.

Alderman Natarus moved to reconsider the foregoing vote. The motion was lost.

12/12/84

MISCELLANEOUS BUSINESS

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Adjournment.

Thereupon, Alderman Burke moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned* to meet in regular meeting on Tuesday, December 18, 1984, at 10:00 A.M., in the Council Chamber in the City Hall.

A handwritten signature in cursive script, reading "Walter S. Kozubowski".

WALTER S. KOZUBOWSKI,
City Clerk.