

(Published by the Authority of the City Council of the City of Chicago)

COPY



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

Regular Meeting—Thursday, November 13, 1986

at 2:00 P.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 Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone.

Absent -- Aldermen Roti, O'Connor.

Call to Order.

On Thursday, November 13, 1986 at 4:36 P.M. (the hour appointed for the meeting was 2:00 P.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 Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 48.

Quorum present.

Invocation.

Reverend Albert D. Tyson III, Saint Stephen A.M.E. Church, opened the meeting with prayer.

REPORTS AND COMMUNICATIONS FROM CITY OFFICERS.

Referred -- MAYOR'S APPOINTMENT OF MR. ROBERT M.
WEISSBOURD AS MEMBER OF BOARD OF
TRUSTEES OF COMMUNITY COLLEGE
DISTRICT NUMBER 508.

Honorable Harold Washington, Mayor, submitted the following communication, which was, at the request of two aldermen present (under the provisions of Council Rule 43), *Referred to the Committee on Education*:

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 13, 1986.

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

LADIES AND GENTLEMEN -- I have appointed Robert M. Weissbourd as a member of the Board of Trustees of Community College District No. 508 for a term ending June 30, 1988, replacing Eugene Moats.

Your favorable consideration of this appointment will be appreciated.

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

Referred -- MAYOR'S APPOINTMENT OF MS. NELVIA BRADY
AS MEMBER OF BOARD OF TRUSTEES OF
COMMUNITY COLLEGE DISTRICT
NUMBER 508.

Honorable Harold Washington, Mayor, submitted the following communication, which was, at the request of two aldermen present (under the provisions of Council Rule 43),
Referred to the Committee on Education:

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 13, 1986.

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

LADIES AND GENTLEMEN -- I have appointed Nelvia Brady as a member of the Board of Trustees of Community College District No. 508 for a term ending June 30, 1989, replacing Edward Meegan.

Your favorable consideration of this appointment will be appreciated.

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

Referred -- MAYOR'S APPOINTMENT OF MS. RAFFAELLA
NANETTI AS MEMBER OF COMMERCIAL DISTRICT
DEVELOPMENT COMMISSION.

11/13/86

COMMUNICATIONS, ETC.

36587

Honorable Harold Washington, Mayor, submitted the following communication, which was, at the request of two aldermen present (under the provisions of Council Rule 43), *Referred to the Committee on Housing:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 13, 1986.

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

LADIES AND GENTLEMEN -- I have appointed Raffaella Nanetti as a member of the Commercial District Development Commission, for a five year term, replacing Walter Clark, who has resigned as a member of the Commission.

Your favorable consideration of this appointment will be appreciated.

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

Referred -- MAYOR'S REAPPOINTMENT OF MR. SAMUEL
WILLIAM SAX AS MEMBER OF PUBLIC BUILDING
COMMISSION OF CHICAGO.

Honorable Harold Washington, Mayor, submitted the following communication, which was, at the request of two aldermen present (under the provisions of Council Rule 43), *Referred to the Committee on Finance:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 13, 1986.

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

LADIES AND GENTLEMEN -- I have reappointed Samuel William Sax as a member of the Public Building Commission of Chicago, for a term ending September 30, 1991.

Your favorable consideration of this appointment will be appreciated.

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

Placed on File -- MAYOR'S APPOINTMENT OF MR. SOL BRANDZEL
AS MEMBER OF BOARD OF ETHICS.

Honorable Harold Washington, Mayor, submitted the following communication, which was
Placed on File:

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 13, 1986.

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

LADIES AND GENTLEMEN -- I have appointed Sol Brandzel as a member of the Board of Ethics of the City of Chicago.

I submit this communication for your information.

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

Referral -- WITHDRAWAL OF MAYOR'S APPOINTMENT OF MR.
ROBERT HALLOCK AS MEMBER OF BOARD OF
TRUSTEES OF COMMUNITY COLLEGE
DISTRICT NUMBER 508.

Honorable Harold Washington, Mayor, submitted the following communication, which was, at the request of two aldermen present (under the provisions of Council Rule 43),
Referred to the Committee on Education:

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 13, 1986.

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

LADIES AND GENTLEMEN -- I hereby withdraw the nomination of Robert Hallock as a member of the Board of Trustees of Community College District No. 508, submitted to the City Council on October 15, 1986.

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

Referred -- ABOLITION OF WORKING CASH FUND AND
CONSOLIDATION OF SAME WITH CORPORATE
FUND.

11/13/86

COMMUNICATIONS, ETC.

36589

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

November 13, 1986.

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

LADIES AND GENTLEMEN -- At the request of the City Comptroller, I transmit herewith an ordinance providing for the consolidation of the City's Working Cash Fund with the Corporate Fund.

Your favorable consideration of this ordinance will be appreciated.

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

Referred -- INTERGOVERNMENTAL AGREEMENT RELATIVE TO
TUCKPOINTING OF CITY HALL AND CLEANING
OF COUNTY BUILDING AND CITY HALL.

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

November 13, 1986.

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, I transmit herewith an ordinance authorizing and directing the Commissioner of Public Works to enter into an intergovernmental agreement between the City of Chicago and the County of Cook for a joint undertaking relative to the tuckpointing of City Hall and the cleaning of City Hall and the County Building.

Your favorable consideration of this ordinance will be appreciated.

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

Referred -- AGREEMENT OF LIMITED AGENCY WITH STATE
OF ILLINOIS FOR NOISE IMPACT STUDY AT
CHICAGO-O'HARE INTERNATIONAL
AIRPORT.

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

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 13, 1986.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of the Department of Aviation, I transmit herewith an ordinance authorizing an Agreement of Limited Agency between the City of Chicago and the State of Illinois for a Part 150 Noise Impact Study at Chicago-O'Hare International Airport.

Your favorable consideration of this ordinance will be appreciated.

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

Referred -- AGREEMENT OF LIMITED AGENCY WITH STATE OF
ILLINOIS FOR CAPITAL PROJECTS AT CHICAGO-O'HARE
INTERNATIONAL AIRPORT.

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

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 13, 1986.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of the Department of Aviation, I transmit herewith an ordinance authorizing an Agreement of Limited Agency between the City of Chicago and the State of Illinois for capital projects at Chicago-O'Hare International Airport.

11/13/86

COMMUNICATIONS, ETC.

36591

Your favorable consideration of this ordinance will be appreciated.

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

Placed on File -- RESIGNATION OF HONORABLE
WILSON FROST AS ALDERMAN OF 34TH
WARD OF CITY OF CHICAGO.

Honorable Harold Washington, Mayor, submitted the following communication, which was
Placed on File:

CITY COUNCIL
CITY OF CHICAGO

November 13, 1986.

*Honorable Harold Washington, Mayor
City Hall, Room 507
Chicago, Illinois 60602*

Dear Mayor Washington:

I hereby resign my office of Alderman of the 34th Ward of the City of Chicago, effective
at 12:00 noon on December 1, 1986.

Very truly yours,
(Signed) WILSON FROST,
Alderman, 34th Ward.

Referred -- MAYOR'S APPOINTMENT OF MS. ANNETTE
BITOY AS ALDERMAN OF 34TH WARD.

Honorable Harold Washington, Mayor, submitted the following communication, which
was, at the request of two aldermen present (under the provisions of Council Rule 43),
Referred to the Committee on Committees, Rules and Appointments:

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 13, 1986.

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

LADIES AND GENTLEMEN -- I have received this day the resignation of the Honorable Wilson Frost from the office of Alderman of the 34th Ward of the City of Chicago, effective at 12:00 noon on December 1, 1986.

Pursuant to Chapter 24, paragraph 3-4-14 of the Illinois Revised Statutes, I herewith appoint Annette Bitoy to the office of Alderman of the 34th Ward of the City of Chicago, to succeed the Honorable Wilson Frost, said appointment to take effect at 12:00 noon on December 1, 1986.

Your favorable consideration of this appointment will be appreciated.

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

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

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

Placed on File -- OATHS OF OFFICE.

Oaths of office of the following:

Carmen W. Iacullo as a Trustee, Laborer's and Retirement Board Employees; filed on November 12, 1986;

Jerome Stone as a member, Board of Directors of Chicago Public Library; filed on November 13, 1986.

*Placed on File -- RECOMMENDATIONS BY COMMISSIONER OF
DEPARTMENT OF PLANNING AND ZONING
ADMINISTRATOR.*

Also, a communication signed by Ms. Elizabeth Hollander, Commissioner of Planning, under date of November 10, 1986, showing the recommendations of the Commissioner and Zoning Administrator concerning map amendments for which public hearings were held November 10, 1986, in accordance with provisions of Section 11.9-4 of the Chicago Zoning Ordinance as passed by the City Council on January 31, 1969, which were *Placed on File*.

City Council Informed As To Certain Actions Taken.

PUBLICATION OF JOURNAL.

The City Clerk informed the City Council that all those ordinances, etc. which were passed by the City Council on November 5, 1986, 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 November 13, 1986, 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 November 5, 1986, 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.

FILING OF CERTIFIED COPIES OF ORDINANCES WITH
COUNTY CLERK OF COOK COUNTY.

The City Clerk further informed the City Council that he filed with the County Clerk of Cook County, on November 11, 1986, ordinances passed by the City Council on various dates:

April 9, 1986.

Authority granted for Supplemental Appropriation of Funds to comply with Collective Bargaining Agreement with Chicago Fire Fighters Union, Local No. 2;

Authority granted for Year 1986 Supplemental Levy of Taxes to fund Collective Bargaining Agreement with Chicago Fire Fighters Union, Local No. 2;

September 12, 1986.

Authority granted for Approval of Amendments to 1986 Annual Appropriation Ordinance;

September 24, 1986.

Authority granted for 1986 Supplemental Levy of Property Taxes;

Authority granted for Approval of Supplemental Appropriation to 1986 Annual Appropriation Ordinance;

A Certification of Compliance with the Truth in Taxation Act signed by the Honorable Harold Washington, Mayor, on November 7, 1986.

**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:

Referred -- ZONING RECLASSIFICATIONS OF PARTICULAR AREAS.

Applications (in duplicate) together with the proposed ordinances for amendment of the Chicago Zoning Ordinance, as amended, for the purpose of reclassifying particular areas, which were *Referred to the Committee on Zoning*, as follows:

Timothy P. Cronin -- to classify as a C2-1 General Commercial District instead of a B5-1 General Service District the area shown on Map No. 14-H bounded by

West Higgins Road; North Harlem Avenue; a line 175 feet south of West Higgins Road; a line 168.79 feet west of North Harlem Avenue; and a line 222.32 feet south of West Higgins Road;

William E. Dec -- to classify as an R5 General Residence District instead of an M1-2 Restricted Manufacturing District the area shown on Map No. 9-G bounded by

North Racine Avenue; a line 100 feet north of and parallel to West School Street; the alley next west of and parallel to North Racine Avenue; a line 44.47 feet long starting from a point 149.61 feet north of West School Street, to a point 345.29 feet southwesterly of North Racine Avenue (as measured along the east line of the Chicago, Milwaukee, St. Paul and Pacific Railroad); and Chicago, Milwaukee, St. Paul and Pacific Railroad;

Shell Oil Company -- to classify as an M1-1 Restricted Manufacturing District instead of a B4-1 Restricted Service District the area shown on Map No. 13-0 bounded by

the south line of the right-of-way of Pennsylvania Railroad; South Wood Street; West 59th Street; and South Honore Street;

Trident Developments, Inc. -- to classify as a Business Planned Development instead of Business Planned Development No. 307 and a C4 Motor Freight Terminal District the area shown on Map No. 6-G bounded by

South Archer Avenue; the westerly line of the south fork of the South Branch of the Chicago River; a line 425.80 feet north of and parallel to West 33rd Street; a line 507 feet east of and parallel to South Ashland Avenue; West 33rd Street; a line 221 feet east of and parallel to South Ashland Avenue; a line 425.80 feet north of and parallel to West 33rd Street; and South Ashland Avenue.

Referred -- CLAIMS AGAINST CITY OF CHICAGO.

Also, claims against the City of Chicago, which were *Referred to the Committee on Claims and Liabilities*, filed by the following:

Allied American Ins. Co. and Maria Rivera, Allstate Ins. Co. (2) Jacqueline and Raven Clark, Ronald and Paul Hayes;

Correa Luis;

Dugo Phillip;

Economy Fire and Cas. Co. and David Harvey, Eichman Richard;

Fletcher Evangeline;

Handlin Patricia, Hastings Colden, Hurwich Judith;

Illinois Bell Telephone Co.;

Jackson Christopher;

Kessler Sheldon, Kimbrough Clester, Kirkley Marcia;

Lyter Timothy;

Madison Freda, Marshall McKinley, McCarthy Norman, Meador David, Murphy Richard;

111th and Michigan Currency Exchange, Inc.;

Pemberton Donald;

Qualls Albert;

Rafalson Ben, Riley Arthur, Rosenow Roofing Co., Ruane Margaret;

Sanchez Nick, Small Marvin;

Thornton Mitchell;

Weiss Deborah, White Alice, Williams Martha.

REPORTS OF COMMITTEES.

COMMITTEE ON FINANCE.

Withdrawn -- APPOINTMENT OF MR. ROBERT C. HOWARD
AS MEMBER OF BOARD OF MUNICIPAL
INVESTIGATION.

The Committee on Finance submitted the following report:

CHICAGO, November 13, 1986.

To the President and Members of the City Council:

Your Committee on Finance, having had under consideration a communication signed by Honorable Harold Washington, Mayor (which was referred on October 27, 1986) withdrawing the appointment of Robert C. Howard as a member of the Board of Municipal Investigation, submitted to the City Council on February 26, 1986, begs leave to report and recommend that Your Honorable Body *Accept* the proposed communication 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.

On motion of Alderman Burke, the committee's recommendation was *Concurred In* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 48.

Nays -- None.

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

TRANSFER OF SURPLUS FUNDS AUTHORIZED FROM PUBLIC
BUILDING COMMISSION TO CREDIT OF
CITY OF CHICAGO.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the transfer of surplus funds from the Public Building Commission to the credit of the City of Chicago.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Gabinski, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 40.

Nays -- Aldermen Hagopian, Santiago, Mell -- 3.

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

The following is said ordinance as passed:

WHEREAS, The Public Building Commission of Chicago has issued and sold revenue bonds, and the City of Chicago has entered into leases with the Public Building Commission of Chicago for the use and occupancy of the following buildings and facilities owned and constructed or renovated by the Public Building Commission of Chicago with said bond proceeds; and the City of Chicago has adopted ordinances for the levy and collection of taxes against all taxable properties within its boundaries sufficient to pay the rentals provided by said leases:

Building or Facility	Lease	Bond Indenture
Incinerator Residue Disposal Site, Stearns Quarry (CS-2)	Recorded January 4, 1971, as Document No. 21357855 (dated December 1, 1970)	\$56,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1971*
Fire Stations CF-2, CF-3, CF-4, CF-5, CF-6, CF-7, CF-8 and CF-11	Recorded June 30, 1971, as Document No. 21530403 (dated June 30, 1971)	\$135,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'B' of 1971*
Health Center, CH-1		
Sanitation Facilities CS-1, CS-3 and CS-6		
Police Facilities CP-1 and CP-2		

Building or Facility	Lease	Bond Indenture
Health Center, CH-3 Sanitation Facilities CS-4	Recorded December 31, 1974, as Document No. 22951246 (dated December 26, 1974)	\$38,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1975*
Fire Stations CF-1, CF-9 and CF-10	Recorded November 20, 1975, as Document No. 23299558 (dated November 6, 1975)	\$36,000,000 Public Building Commission of Chicago Building Revenue Bonds Series 'B' of 1975
Health Center, CH-2		
Police Academy, CP-4		
Central Library Building CPL-1		
Police Facilities CP-5 and CP-8	Recorded July 21, 1978, as Document No. 24546590 (dated June 15, 1978)	\$30,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1978
Sanitation Facilities CS-5, CS-11, CS-12 and CS-13		
Library for Handicapped CPL-2		
Navy Pier -- Phase I	Recorded October 23, 1979, as Document No. 25205132 (dated September 12, 1979)	\$29,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1979

*Also involves other projects for other lessees.

; and

WHEREAS, Under the provision of said Bond Indentures that portion of the rentals paid to the Public Building Commission of Chicago pursuant to the terms of said leases and not required for the payment of interest, principal, administrative, maintenance and operation

and renewal, replacement, and improvement costs, under the terms of said Bond Indentures, may be transferred by the Public Building Commission of Chicago for additional administrative expenses incident to projects constructed or renovated by the Commission for the City of Chicago under the particular Bond Indenture involved; or to the Construction Accounts of the Commission for projects constructed or renovated by the Commission for the City of Chicago under the particular Bond Indenture; and

WHEREAS, Any funds remaining to the credit of the City of Chicago in the Commission's various surplus accounts, after making the aforesaid transfers and payments, will be credited (unless otherwise directed by the City of Chicago, as hereinafter proposed) to the next annual rentals due and payable by the City of Chicago to the Public Building Commission of Chicago under the applicable lease and bond indenture; and

WHEREAS, The Public Building Commission of Chicago anticipates that as of December 31, 1986, the following funds will be in the surplus accounts under the indicated Bond Indentures to the credit of the City of Chicago:

Bond Indenture	Lease	Project	Anticipated Surplus
\$56,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1971	Recorded January 4, 1971, as Document No. 21357855 (dated December 1, 1970)	Incinerator Residue Disposal Site Stearns Quarry	\$2,790,000
\$135,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'B' of 1971	Recorded June 30, 1971, as Document No. 21530403 (dated June 30, 1971)	CF-2, CF-3, CF-4 CF-5, CF-6, CF-7, CF-8, CF-11, CH-1 CS-1, CS-3, CS-6, CP-1 and CP-2	725,000
\$38,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1975	Recorded December 31, 1974, as Document No. 22951246 (dated December 26, 1974)	CH-3 CS-4	40,320
\$36,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'B' of 1975	Recorded November 20, 1975, as Document No. 23299558 (dated November 6, 1975)	CF-1, CF-9 CF-10, CH-2 CP-4 and CPL-1	480,000

Bond Indenture	Lease	Project	Anticipated Surplus
\$30,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1978	Recorded July 21, 1978 as Document No. 24546590 (dated June 15, 1978)	CP-5, CP-8 CS-5, CS-11, CS-12, CS-13 and CPL-2	\$4,260,000
\$29,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1979	Recorded October 23, 1979 as Document No. 25205132 (dated September 12, 1979)	Navy Pier - Phase I	210,000

;and

WHEREAS, The Public Building Commission of Chicago has approved a Budget in the amount of \$14,502,249 for the proper operation, maintenance, and repair of the Richard J. Daley Center (including steam to the City Hall) for the fiscal year January 1, 1987 to December 31, 1987, and the City of Chicago's share of said Budget is \$2,223,057; and

WHEREAS, The Public Building Commission has, by resolution of its Board of Commissioners, requested the City of Chicago to approve and consent to the allocation, transfer and use of said surplus funds of \$4,705,374, without prior appropriation by the City Council of the City of Chicago, as follows:

Bond Indenture	Lease	Purpose	Amount
\$56,000,000 Public Building Revenue Bonds, Series 'A' of 1971	Recorded January 4, 1971, as Document No. 21357855 (dated December 1, 1970)	Transfer to the credit of the City of Chicago cost of: CH-2 City Hall/Central Office	\$48,615
\$135,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'B' of 1971	Recorded June 30, 1971, as Document No. 21530403 (dated June 30, 1971)	Transfer to the credit of the City of Chicago cost of: CH-2 City Hall/Central Office	356,359
\$38,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1975	Recorded December 31, 1974, as Document No. 22951246 (dated December 26, 1974)	Transfer to the credit of the City of Chicago cost of: CH-2 City Hall/Central Office	40,320

Bond Indenture	Lease	Purpose	Amount
\$36,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'B' of 1975	Recorded November 20, 1975, as Document No. 23299558 (dated November 6, 1975)	Transfer to the credit of the City of Chicago cost of: CH-2 City Hall/	\$394,023
		Central Office CF-22 Fire Station	85,977
\$30,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1978	Recorded July 21, 1978, as Document No. 24546590 (dated June 15, 1978)	Transfer to the credit of the City of Chicago cost of: CF-22 Fire Station	274,023
		CF-24 Fire Stations	273,000
		CPL-12 Lakeview Library	800,000
		Toward the City's share of the Operating Maintenance and Repair Budget for Richard J. Daley Center (including steam to City Hall) for the period January 1, 1987 to December 31, 1987	2,223,057
\$29,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1979	Recorded October 23, 1979, as Document No. 25205132 (dated September 12, 1979)	Transfer to the credit of the City of Chicago cost of: CF-24 Fire Stations	210,000

now, therefore,

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

SECTION 1. That the City of Chicago does hereby approve and authorize the transfer and application of the moneys, in the estimated amount of \$2,223,057 standing to its credit on December 31, 1986, in the Surplus Account under that certain Bond Indenture for \$30,000,000 Public Building Commission of Chicago Revenue Bonds, Series 'A' of 1978, in satisfaction and payment of its portion, namely \$2,223,057 of said Budget for the operation, maintenance and repair of the Richard J. Daley Center for the fiscal year January 1, 1987 to December 31, 1987.

SECTION 2. That the City of Chicago does hereby approve and authorize the transfer and application of \$2,482,317 of the balance of the moneys in the estimated amount of \$6,282,263 standing to its credit on December 31, 1986 in the Surplus Accounts under the various Bond Resolutions to the following projects:

Bond Resolution	Amount	Project and Purpose
\$56,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1971	\$48,615	Construction Account for: CH-2 City Hall/Central Office Building Renovation
\$135,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'B' of 1971	356,359	Construction Account for: CH-2 City Hall/Central Office Building Renovation
\$38,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1975	40,320	Construction Account for: CH-2 City Hall/Central Office Building Renovation
\$36,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'B' of 1975	394,023 85,977	Construction Account for: CH-2 City Hall/Central Office Building Renovation CF-22 Fire Station Renovation 30 East 114th Street
\$30,000,000 Public Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1978	274,023 273,000 800,000	Construction Account for: CF-22 Fire Station Renovation 30 East 114th Street CF-24 Fire Stations Nineteen Roof Replacements CPL-12 Lakeview Library
\$29,000,000 Public		Construction Account for:

Bond Resolution	Amount	Project and Purpose
Building Commission of Chicago Building Revenue Bonds, Series 'A' of 1979	210.000	CF-24 Fire Stations Nineteen Roof Replacements

SECTION 3. That this ordinance shall be in full force and effect immediately upon its passage and publication as required by law.

AMENDMENT OF LEGAL DESCRIPTION OF SITE DESIGNATED
FOR CARDENAS ELEMENTARY SCHOOL.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing an amendment to the legal description of the site designated for the Cardenas Elementary School.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Gabinski, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 40.

Nays -- Aldermen Hagopian, Santiago, Mell -- 3.

The following is said ordinance as passed:

WHEREAS, The Public Building Commission of Chicago, on October 1, 1985, by Resolution No. 3149 designated a site for acquisition and construction of modular classroom facilities for the Cardenas Elementary School located in the vicinity of South Central Park Avenue and West 24th Street; and

WHEREAS, The City Council of the City of Chicago on May 30, 1986 at pages 30100, 30101 and 30102 of the Journal of Proceedings, approved the site designated by the Public Building Commission for said facilities; and

WHEREAS, The legal description for the site as approved by the City Council of the City of Chicago contained an error therein with respect to the subject property; and

WHEREAS, The Public Building Commission of Chicago has requested, pursuant to the requirements of Section 14 of the Public Building Commission Act of the State of Illinois, as amended, that the City Council of the City of Chicago approve the amendment of the legal description for the site designation in order to correct the legal description of the site designated for the Cardenas Elementary School (Project BE-63); and

WHEREAS, The subject area as amended lies wholly within the territorial limits of the City of Chicago, is conveniently located, and is of sufficient size to provide appropriate architectural setting and adequate landscaping for such facilities; now, therefore,

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

SECTION 1. The City Council of the City of Chicago does hereby approve the following legal description, as amended, for the site to be acquired for the enlargement and improvement of the Cardenas Elementary School:

Project BE-63.

Cardenas Elementary School.

Lots 1 to 5 inclusive in Charles E. Sweibergs Subdivision of Skinner's Subdivision of Lots 25, 26, 27, and 28 of Block 4 of Millard and Decker's Subdivision of the East half of East half of the Northwest quarter of Section 26, Township 39 North, Range 13, East of the Third Principal Meridian in Cook County, Illinois

Also

Lots 29 to 32 inclusive in Block 4 in Millard and Decker's Subdivision of the East half of East Half of the Northwest quarter of Section 26, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

SECTION 2. The sole purpose for the adoption of this ordinance is to amend the legal description for the site designated for the Cardenas Elementary School (Project BE-63) by substituting the hereinabove legal description in lieu and in place of that set forth in the ordinance heretofore adopted by the City Council of the City of Chicago on May 30, 1986, at pages 30100, 30101 and 30102 of the Journal of Proceedings, and in all other respects the provisions of said ordinance are hereby approved, ratified and affirmed.

SECTION 3. This ordinance shall be effective immediately upon the passage thereof.

AUTHORITY GRANTED FOR EXECUTION AND FILING OF
AMENDED APPLICATION WITH URBAN MASS
TRANSPORTATION ADMINISTRATION.

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

WHEREAS, The U. S. Department of Transportation is authorized to make grants for mass transportation projects; and

WHEREAS, On October 2, 1979, the U. S. Secretary of Transportation approved the joint request of the Mayor and Governor to withdraw the south leg of Interstate 494, known as the Crosstown Expressway; and

WHEREAS, Such approval authorized the Mayor to develop a program of highway and transit substitute projects which required the concurrence of the Metropolitan Planning Organization; and

WHEREAS, On February 21, 1980, the Metropolitan Planning Organization concurred in the Mayor's program, rendering each project, contained therein, eligible for Federal financial assistance; and

WHEREAS, This program of substitute projects included central area transit improvement projects; and

WHEREAS, By ordinances passed by the City Council on September 10, 1980, (C.J. p. 3600), September 14, 1981 (C.J. p. 6984) and November 23, 1982, (C.J. p. 13716) the Mayor was authorized to file applications and execute contracts with the Urban Mass Transportation Administration and the Illinois Department of Transportation for funds totalling \$665,000 for transit related technical studies; and

WHEREAS, \$465,000 of these funds were passed through to the Chicago Transit Authority for which it provided the 15% local match of \$69,750 to carry out its portion of the transit related technical studies; and

WHEREAS, The Chicago Transit Authority returned \$265,000 to the City of Chicago for planning on central area transit improvements for which the City must provide the 15% local match of \$39,750; and

WHEREAS, It is now necessary to provide an amendment to allow the City of Chicago to revise the scope of the grant by including planning for central area transit improvements, and to allow the City to increase the amount of its local match by \$39,750 for a total City match of \$54,750; and

WHEREAS, Under this amendment each agency will receive funding in the amounts indicated below:

	Original Allocation	Amendment No. 1	Amendment No. 2	This Amendment
C.T.A.	\$500,000	500,000	465,000	200,000
City	<u>100,000</u>	<u>165,000</u>	<u>200,000</u>	<u>465,000</u>
	\$600,000	\$665,000	\$665,000	\$665,000; and

WHEREAS, It is required by the U. S. Department of Transportation in accordance with the provisions of Title VI of the Civil Rights Act of 1964, that in connection with the filing of an application for assistance under the Urban Mass Transportation Act of 1964, as amended, the applicant give an assurance that it will comply with Title VI of Civil Rights Act of 1964 and the U. S. Department of Transportation requirements thereunder; and

WHEREAS, It is the goal of the applicant that minority business enterprise be utilized to the fullest extent possible in connection with this project, and that definitive procedures shall be established and administered to ensure that minority businesses shall have the maximum feasible opportunity to compete for contracts when procuring construction contracts, supplies, equipment contracts, or consultant and other services; now, therefore,

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

SECTION 1. That the Mayor, on behalf of the City of Chicago, is authorized to execute and file an amended application with the Urban Mass Transportation Administration which will revise the scope of work to include planning for central area transit improvements.

SECTION 2. That the City of Chicago will provide the local cash match of \$39,750 from Account Number 100-9112-802.

SECTION 3. That the City Comptroller is directed to disburse grant funds as needed to carry out the planning of central area transit improvements.

SECTION 4. That the Mayor, the Commissioner of Public Works, and the City Comptroller are authorized to execute, the City Clerk to attest, and the Corporation Counsel to approve as to form and legality contracts/agreements and amendments thereto pertaining to the planning of central area transit improvements between the City of Chicago and each of the following agencies: the Urban Mass Transportation Administration, the Illinois Department of Transportation and the Chicago Transit Authority.

SECTION 5. That the Mayor is authorized to provide an assurance or any other document required by the Urban Mass Transportation Administration effectuating the purposes of Title VI of the Civil Rights Act of 1964.

SECTION 6. That the Mayor is authorized to set forth and execute affirmative minority business policies in connection with the projects procurement needs.

SECTION 7. That the Commissioner of Public Works is authorized to furnish such additional information as the U. S. Department of Transportation or Illinois Department of Transportation may require in connection with this project.

SECTION 8. That this ordinance shall be in force and effect from and after its passage.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Gabinski, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 40.

Nays -- Aldermen Hagopian, Santiago, Mell -- 3.

AUTHORITY GRANTED FOR EXECUTION OF AGREEMENT WITH
SOO LINE RAILROAD COMPANY FOR IMPROVEMENT
OF VARIOUS DIVISION STREET RAILROAD
GRADE CROSSINGS.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of an agreement between the City of Chicago and the Soo Line Railroad Company for the improvement of the Division Street railroad grade crossings at Cherry Avenue, Hickory Avenue, Hooker Street and Halsted Street.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Gabinski, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 40.

Nays -- Aldermen Hagopian, Santiago, Mell -- 3.

The following is said ordinance as passed:

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

SECTION 1. The Mayor is authorized to accept, the City Clerk to attest, and the Commissioner of Public Works and the City Comptroller to approve, upon approval of the Corporation Counsel as to form and legality, an Agreement between the Soo Line Railroad Company and the City of Chicago for the improvement of the Division Street railroad grade crossings at Cherry Avenue, Hickory Avenue, Hooker Street and Halsted Street, with said Agreement to be in substantially the following form:

City-Railroad Agreement

*An Agreement Between The City Of Chicago
And The Soo Line Railroad Company
For A Railway-Highway Grade Crossing
Improvement Project*

*Federal Project No. M-5000(566)
City Section No. 83-B3027-00-RR
State Job No. C-88-013-83*

This Agreement made and entered into by and between the City of Chicago, Cook County, Illinois, hereinafter referred to as the "City", and the Soo Line Railroad Company, referred to as the "Company".

Witnesseth:

Whereas, a Federal-Aid Urban Route crosses, at grade, tracks of the Company at the following four (4) locations in the City of Chicago:

1. Division Street (FAU Route 1394) at Hooker Street. One track. Mile Post NO.NE. AAR-DOT No. 371 913 P;
2. Division Street (FAU Route 1394) at Hickory Street. One track. Mile Post NO.NE. AAR-DOT No. 371 910 U;
3. Division Street (FAU Route 1394) at Cherry Street. One track. Mile Post NO.NE. AAR-DOT No. 371 899 W;
4. Division Street (FAU Route 1394) at Halsted Street. Two tracks. Mile Post 01.28. AAR-DOT No. 371 876 P; and

Whereas, the State and the City and the Soo Line Railroad Company, in the interest of safe and efficient movement of vehicular traffic, find it necessary to improve one track at Hooker Street, one track at Hickory Street, one track at Cherry Street, and one track at Halsted Street using modular rubber panels, and remove the westerly track at Halsted Street; said improvements to be completed under Federal Project No. M-5000 (566), City Section No. 83-B3027-00-RR, and State Job No. C-88-013-83, hereinafter called the "Project".

Now, Therefore, in consideration of the premises and of the mutual covenants and agreements as hereinafter contained, the parties hereto agree as follows:

Section 1. The "Standard Provisions for Highway-Railroad Agreements" attached hereto are hereby made a part of this Agreement, and all references to "Road Authority" therein shall be interpreted to mean "City".

Section 2. The City shall secure or cause to be secured all rights-of-way or easements required for its roadway project, and shall construct and complete said Project all without cost or assessment to the Company.

Section 3. The parties hereto shall construct, or cause to be constructed, the following items of work:

1. Work by the Company: The Company shall furnish, or cause to be furnished, at the expense of the City, all of the labor, materials, work equipment, construction engineering and inspection required to perform and complete:

- (a) The preparation of plans and specifications for work contemplated to be performed as provided in Section 3, Subsection 1.
- (b) The reconstruction of the tracks through the roadways, consisting of subgrade drainage, new ties, crushed rock ballast and welded rail as shown generally on attached Exhibit "A".
- (c) The installation of prefabricated rubber crossing extended to behind the proposed curb lines on the tracks, thence extended with flange and guard timbers adjacent to each rail, through the sidewalk crossing areas for placement of bituminous concrete extensions of the rubber crossings.
- (d) The removal of the unused westerly track at the Halsted Street crossings.
- (e) Incidental work necessary to complete the items hereinabove specified.
- (f) This work shall be performed in coordination with the City's work as described under Section 3, Subsection 2 of this Agreement. The Company agrees to complete the work described herein by November 15, 1987. In the event this completion date is not met, the City and the Company shall negotiate a revised schedule and reach agreement as to the responsibility for any added costs resulting from such delays.

The estimated total cost of the work to be performed hereunder by the Company, at the expense of the City, as outlined above shall not exceed \$349,217 as indicated in the detailed estimate of cost attached hereto and marked Exhibit "B".

2. Work by the City: The City shall furnish or cause to be furnished at its expense, all of the labor, materials, work equipment, construction engineering and inspection required to perform and complete:
- (a) The preparation of detailed plans and specifications for the work contemplated to be performed as provided in Section 3, Subsection 2.
 - (b) All necessary utility and storm sewer work for the approach project.
 - (c) Construction of curb, gutter and pavement for the approach project on both sides of the railroad crossing as improved under Section 3(1) above.
 - (d) Certain construction supervision as required to assure completion of the Company's work as described in Section 3, Subsection 1.
 - (e) Incidental work necessary to complete the items hereinabove specified.

Section 4. Upon completion of the crossing improvement described herein, it is anticipated that the crossing warning devices shall conform to Part VIII of the "Manual on Uniform Traffic Control Devices for Streets and Highways." In the event it is determined that deficiencies exist, the Company shall make whatever modifications are necessary and said work will be added to Section 3, Subsection 1 of this Agreement.

Section 5. All required work at the grade crossing shall be performed by the Company with its own forces.

Section 6. Submittal of bills by the Company and payment by the City shall be in the manner described in Section 2 of the "Standard Provisions" which are attached.

Section 7. The Company shall keep an accurate and detailed account of the actual cost and expense as incurred by it, or for its account, in the performance of the work for Federal, State or City audit purposes. Daily work reports showing the number of personnel worked, equipment used and material used shall be signed by the Company and the City. These shall be used as the basis for preparing the Company bills. It is the responsibility of the Company to obtain the City Resident Engineer's signature on these daily work reports. They shall be attached as a back-up to the billing.

Section 8. If at any time subsequent to the installation of the rubber surface crossing pavement the railroad and highway grades are separated, or the grade crossings are closed, or for any other reason it is found that their operations are no longer necessary, then the Company and the City shall negotiate an agreement for their removal and reinstallation at other railway-highway grade crossings on the Company's lines in the City, subject to the approval of the properly constituted public authorities.

Section 9. In compliance with the Federal-Aid Highway Program Manual, Volume 6, Chapter 6, Section 2, Subsection 1, dated April 25, 1975 (and supplements), which determines railroad benefits and liability, the proposed grade crossing improvement referred to herein meets Classification 1 of Paragraph 6(b) a category not considered as a benefit to the Company, and no contribution by the Company is required.

Section 10. Upon completion of the Project herein provided, the Company shall maintain, or provide for the maintenance of, all railroad improvements in accordance with the Illinois Commerce Commission General Order 138, and this maintenance obligation shall continue in accordance with Federal and/or State laws as they may be revised from time to time in the future. The roadway and crossing approaches shall be maintained in accordance with established jurisdictional authority.

Section 11. This Agreement shall be binding upon the parties hereto, their successors or assigns.

Section 12. Payments will be made from Fund Number 963-6285-XXX.

Section 13. The Company's authorized representative certifies that, to the best of his knowledge, the Company and/or any subcontractor used by the Company has not been convicted of bribery or attempting to bribe an officer or employee of the State of Illinois, nor has the Company and/or subcontractor made an admission of guilt of such conduct which is a matter of record.

[Signature forms omitted for printing purposes.]

Standard Provisions for Highway -- Railroad Agreement attached to this agreement reads as follows:

Standard Provisions For Highway -- Railroad Agreements

1. All of the Company's work shall be performed in accordance with the terms, stipulations and conditions as contained in the Federal-Aid Highway Program Manual, Volume 1, Chapter 4, Section 3, dated April 25, 1975, and any supplements thereto.
2. The Company, for performance of its work, may bill the Road Authority monthly for the Road Authority's share of the actual costs and expenses incurred. The progressive invoices may be rendered on the basis of the estimated percentage of the work completed. The Road Authority after verifying that the bill is reasonable and proper, shall promptly reimburse the Company for 95 percent of the amount billed, but not to exceed the estimated amount.

The Company, upon the completion of its work, shall send the Road Authority a detailed final statement of its actual expense as incurred, including allowable additives. After the Road Authority's representatives have checked the final statement and have agreed that the costs are reasonable and proper, insofar as they are able to ascertain, the Road Authority shall reimburse the Company in an amount, less previous payments, if any, equal to 95 percent of the amount billed.

After the Federal, State or Road Authority representatives have audited the expenses as incurred, by the Company, the final inspection of the installation has been made, the Road Authority shall reimburse the Company for the retained percentage and the suspended items of expense less the deductions of any item (or items) or expense found by Federal, State or Road Authority representatives as not being eligible for reimbursement.

3. It is understood that the project herein contemplated shall be subject to all appropriate Federal laws, rules, regulations, orders and approvals pertaining to all agreements, in general. The use of said guidelines for reimbursement between the parties hereto shall not be deemed to require reimbursement of the Road Authority by the Federal Highway Administration as a condition precedent to the Road Authority's obligation.
4. All work herein provided to be done by the Road Authority or its contractor or contractors on the right-of-way or upon, over, under and across the railroad tracks of the Company shall be done in a manner as not to interfere unnecessarily with the movement of trains or traffic upon the tracks of the Company. The Road Authority shall require its contractor or contractors to use all care and precaution necessary to avoid accident, damage or interference to the Company's tracks or to the trains or traffic using its tracks, and to notify the Company of a sufficient time in advance whenever the contractor is about to perform work adjacent to the tracks to enable the Company to arrange for, or furnish flagging and such other protective service as might be necessary to insure safety of railroad operations, and the Company shall have the right to furnish all such flagging or protective

services as in its judgment is necessary, and the Road Authority or its contractor or contractors shall reimburse the Company for the cost thereof. Whenever safeguarding of trains or traffic of the Company is mentioned in this Agreement, it is intended to cover all users of the Company's track having permission for such use.

5. The Road Authority shall require its contractor or contractors, upon completion of the work, to remove all machinery, equipment, temporary buildings, falsework, debris and rubbish from the Company's right-of-way, to provide proper drainage away from the company's tracks, and to leave the tracks and right-of-way in a neat condition, satisfactory to the Company's Chief Engineer or his authorized representative.
6. Any contract between the Road Authority and its contractor or subcontractor to perform the work herein provided to be done by the Road Authority shall require the said contractor or subcontractor to protect the Company and any other railroad occupying or using the Company's right-of-way or lines of railroad with the permission of the Company party to this agreement, against all loss and damage arising from the activities of the contractor, his forces, or any of his subcontractors or agents, and shall further provide that the contractor shall furnish to the Company a Railroad Protective Liability Insurance Policy providing for protection of the Company, in accordance with the Federal Highway Administration Federal-Aid Highway Program Manual Vol. 6, Ch. 6, Sec. 2, Subsec. 2, dated April 25, 1975. The limits of such policy shall be not less than \$2,000,000 combined single limit per occurrence for bodily injury, death, property damage and physical damage to property, with an aggregate limit of not less than \$6,000,000 per policy period. Said insurance shall be delivered to and approved by the Company prior to the entry upon or use of its property as to commencement of work upon, over, under and across or adjacent to the tracks of the Company by any contractor.
7. Subsequent to the award of any contract, and before any work is started on this project, a conference shall be held between the representatives of the Road Authority, the Company, and the interested contractor at a time and place as designated by the Road Authority, for the purpose of coordinating the work to be performed by the several parties and at such time a schedule of operations will be adopted.
8. The Company will credit the Road Authority for the salvage value of all track, communication and signal line materials used on a temporary basis during the construction of the project, and accepted by the Company for return to its stock. Such salvage value is to be computed in accordance with the regulations set forth in said Federal-Aid Highway Program Manual.

The Road Authority shall be afforded a reasonable opportunity to inspect materials recovered by the Company prior to disposal by sale of scrap. The Company will give written notice, or oral notice with prompt written confirmation, to the Road Authority of the time and place where such materials will be available for inspection.

9. The Company's estimates provide for the reimbursement to the Company for the premium cost of purchase by the Company of Comprehensive Risk Insurance to protect said company and the Road Authority from claims to which they may become legally liable as a result of the force account work to be performed by the Company's forces as required by this Agreement. Such Comprehensive Risk Insurance shall be in lieu of self-insurance for Workmen's Compensation and Public Liability and Property Damage as provided in said Federal Highway Administration Federal-Aid Highway Program Manual. Coverage of Railroad Comprehensive Risk Insurance shall be \$2,000,000 combined single limit of liability for Bodily Injury/Property Damage.
10. When the roadway is to be closed to vehicular traffic while the railroad work is being performed, the Road Authority at its expense shall furnish, erect, maintain and remove the traffic control devices necessary to detour highway traffic after the Company gives two weeks' advance notice to the Road Authority's Engineer.

When the Company is to perform its work while maintaining highway traffic, the Road Authority shall furnish or cause to be furnished, at its expense, the signs, barricades and traffic control devices for erection by the Company after two weeks' advance notice is given the Road Authority's Engineer. The Company, at the expense of the Road Authority shall erect, maintain, relocate and remove the signs, barricades, and other traffic control devices, including the furnishing of flagmen, as required to maintain highway traffic throughout the time the railroad work is being performed.

[Exhibits A and B attached to the agreement printed on
pages 36614 through 36633
of this Journal].

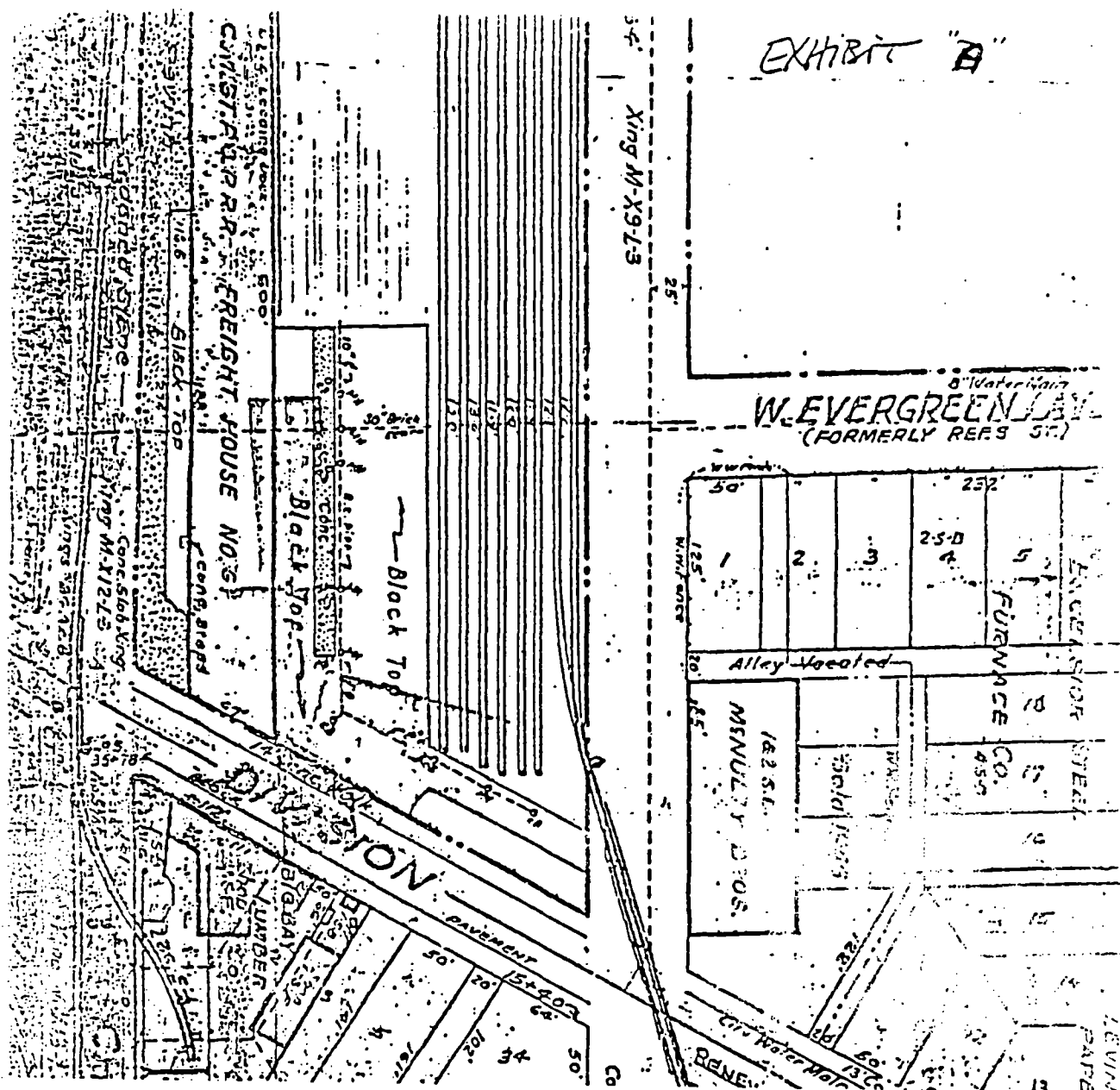
SECTION 2. The City Clerk is hereby directed to transmit two (2) certified copies of this ordinance to the Division of Highways, Department of Transportation of the State of Illinois, through the District Engineer of District No. 1 of the Division of Highways.

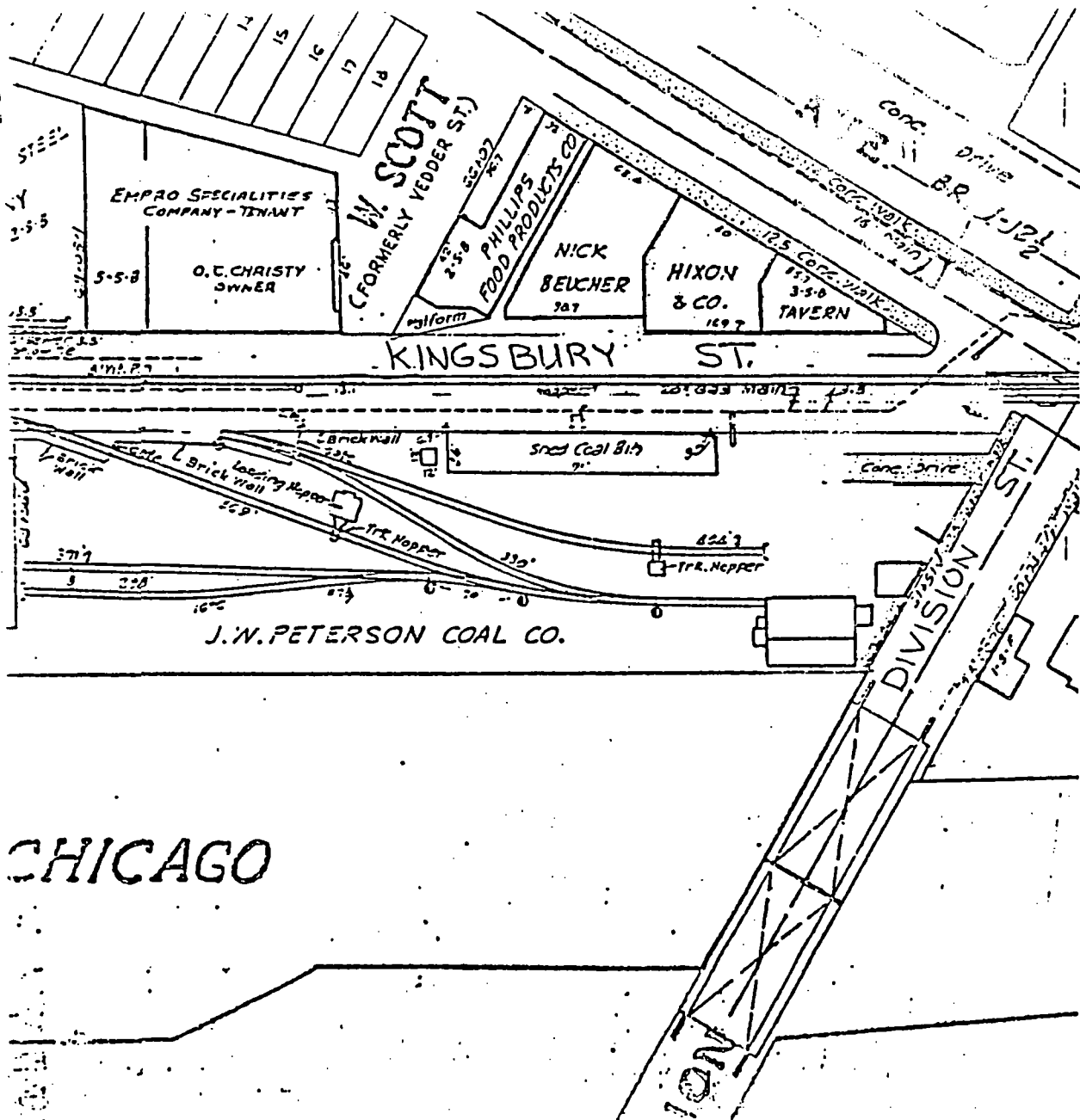
SECTION 3. This ordinance shall be in force and effect from and after its passage.

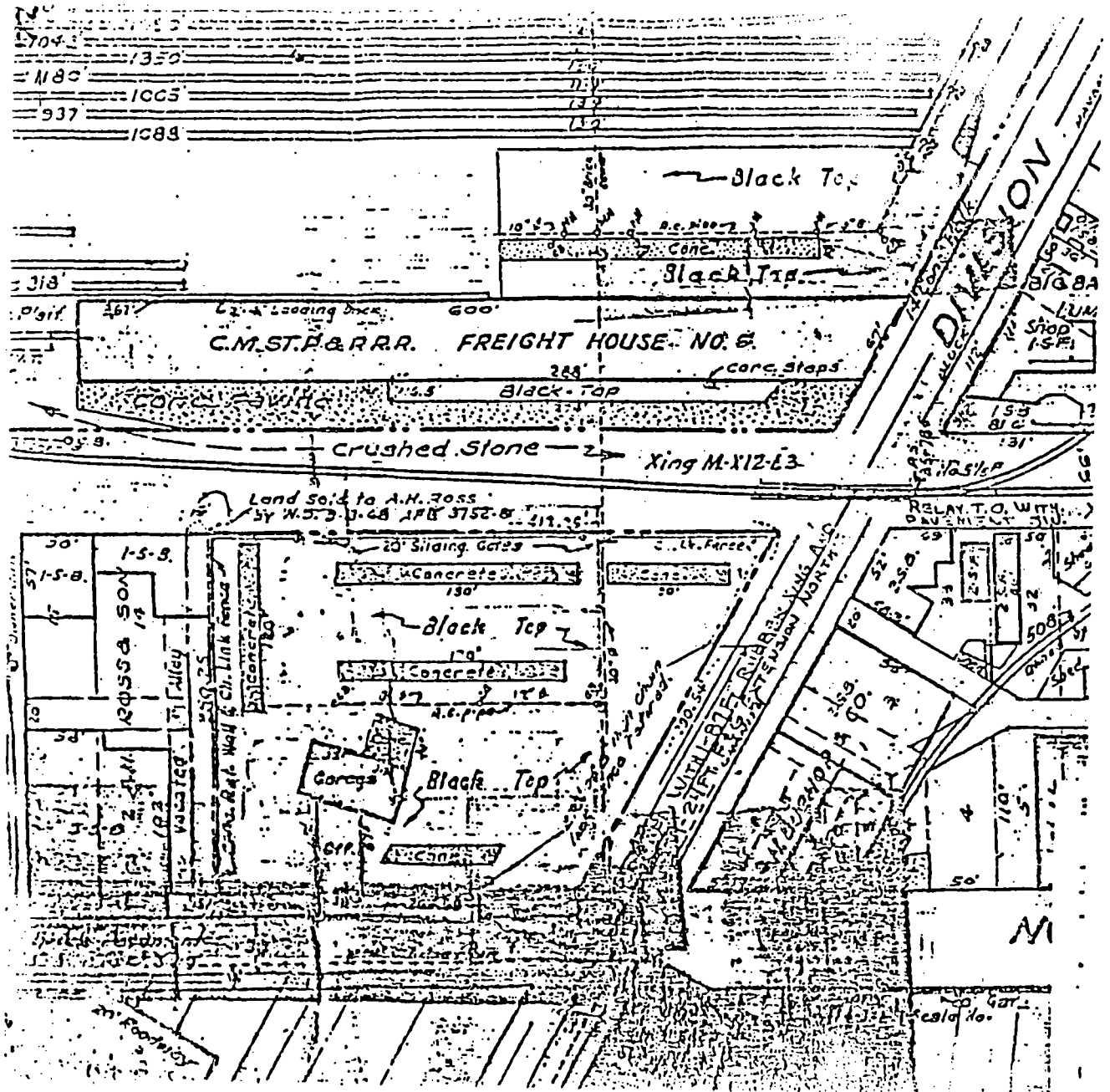
AUTHORITY GRANTED FOR EXECUTION OF GRANT
APPLICATION WITH ILLINOIS DEPARTMENT
OF TRANSPORTATION FOR TRAFFIC
RECORDS UPGRADE STUDY.

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

(Continued on page 36634)







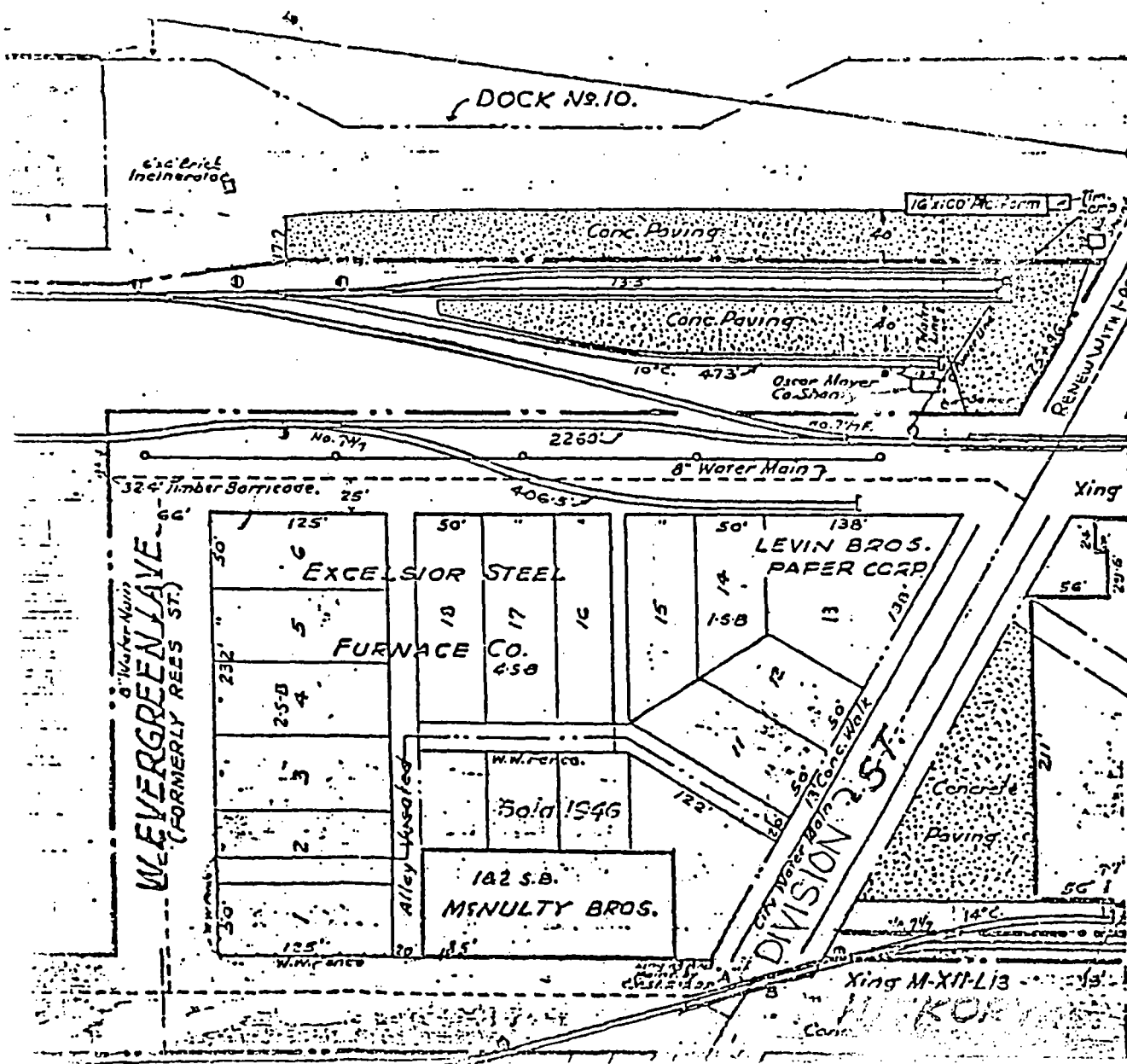


EXHIBIT "B"

ENG508 07/30/85 14:41:38 PAGE 1

F H P H E S T I M A T E

S U M M A R Y

INSTALL 1-102 FT. RUBBER CROSSING, 81' EXTENDED DRAINAGE
AND RELAY RAIL.
100% BILLABLE
PROJECT LIMITS: DIVISION AND HICKORY ST. CHICAGO ILL 606 (ENG508)

	TOTAL
MATERIAL	43,754
TRANSPORTATION OF MATERIAL	1,780
LESS SALVAGE	815-
LABOR	22,108
ENGINEERING	2,207
EQUIPMENT	5,000
SUB-TOTAL	74,194
CONTINGENCIES, 10%	7,419
TOTAL ESTIMATED COST	81,613

11/13/86

REPORTS OF COMMITTEES

36619

EXHIBIT "D"

ENGR-FLPM

PAGE 1

DATE 07/30/85
TIME 14:41:35

F H P M 2 5 7

INSTALL 1-102 FT. RUBBER CROSSING, 51 FT. SECTION, SUBMITTING DRAINAGE
AND RELAY RAIL.
100% BILLABLE
PROJECT LIMITS: DIVISION AND HICKORY STS. CHICAGO ILLINOIS (ENG508)

ITEM #	DESCRIPTION	NUMBER OF UNITS U/M	QUANTITY	UNIT COST	LABOR	MATERIAL	OTHER COST	TOTAL COST
MATERIAL								
00700039	BITUMINOUS ASPHALT IN-PLACE	84.00	TN	30.12		2,528		2,528
00733332	BALLAST, GRANITE SPEC-5 OS	84.00	CV	8,2800		528		528
00733332	BALLAST, GRANITE SPEC-5 OS	102.00	CV	102.00		641		641
00733332	BALLAST, GRANITE SPEC-5 OS	1.00	CV	40.00		251		251
00734039	U.S. GOODYEAR XING	102.00	XT	36.0000		3,469		3,469
00734039	U.S. GOODYEAR XING	102.00	EA	17.0100		23,052		23,052
00772207	TIE CROSS IMOT NEW (W/XING)	84.00	EA	56.28		1,162		1,162
00772207	TIE CROSS IMOT NEW (W/XING)	1.00	EA	24.00		957		957
00772208	TIE CROSS IMOT NEW (W/XING)	195.00	EA	7.21		408		408
00744436	WELD, SHOP 38" RAILS	0.20	EA	2.00		307		307
00744440	WELD, FIELD, W/CWR	195.00	TN	8.49		271		271
00701000	RAIL 100# SH	2.00	CV	31.0125		1,948		1,948
00075100	BAR, JOINT 100# SH 24"	195.00	CV	21.1300		43		43
00078100	PLATE, TIE 7X10 1/2 SH 100#	84.00	LF	2,7461		694		694
00700003	GEOTEXTILE MATERIAL	102.00	LF	102.00		231		231
00700003	GEOTEXTILE MATERIAL	1.00	LF	40.00		240		240
00700004	GEOTEXTILE MATL	195.00	EA	159.54		110		110
00700141	ANCHOR, PAIL NEW	84.00	EA	1,1704		162		162
00707039	DRIVE SPK 3/4X13	300.00	FT	3,0588		197		197
00710039	ONK B 1/2X9 IR TOR 100# RL	15.00	EA	8,7191		1,028		1,028
00700012	PIPE 8" 16GA COATED	195.00	KG	6,4235		1,927		1,927
00750016	BAND EXT 8" 16GA	15.00	EA	8,7191		131		131
00773027	SPIKE, TRACK 9/16X5 1/2	195.00	KG	67.0000		170		170
00773037	SPIKE, TRACK 5/8X6	195.00	KG	61.0000		200		200
00775101	BOLT, TRACK 1X5 1/2 100#	2.00	EA	1,1313		9		9
00775102	WASHER, SPRING 1"	1.00	EA	.3070		2		2
00777777	NUMBER OF CROSSINGS	1.00	EA	.0000				
00009910	ILLINOIS USE TAX, 5.000%	.00		.0500		2,038		2,038
00000708	MATERIAL PERCENTAGE, 9.50%	.00		.0950		678		678
00000707	PURCHASE EXPENSE, 1%	.00		.0100		330		330
TOTAL MATERIAL						43,754		43,754
TRANSPORTATION OF MATERIAL								
00000701	TRANSP. OF MAIL (TOMMI WLI)	4000.00	TN	4,000.00		40		40
00000702	TRANSP. OF MAIL (BANGOR VI)	4000.00	TN	4,000.00		40		40
00000704	TRANSP. OF MAIL (ORTONVL.MI)	160000.00	TN	158,000.00		1,660		1,660
TOTAL TRANSPORTATION EXPENSE						1,740		1,740
LESS SALVAGE								
00007100	PAIL 100# SCP	195.00	TN	6.43		519		519
00007139	SPIKE, TRACK SCP	195.00	CV	2.59		9		9

EXHIBIT "B"

PAGE 2

DATE 07/30/85
TIME 14:41:38

ENGINEERING

F H P M E S T I M A T E

INSTALL 1-102 FT. RUBBER CROSSING, 82" WIDE, 10" DEEP, 10" HIGH DRAINAGE
AND RELAY RAIL.
100% BILLABLE
PROJECT LIMITS: DIVISION AND HICKORY STS. CHICAGO ILLINOIS (ENG608)

ITEM #	DESCRIPTION	NUMBER OF UNITS U/M	QUANTITY	UNIT COST	LABOR	MATERIAL	OTHER COST	TOTAL COST
00007140	BOLT, TRACK SCRAP	195.00- CV	.42	3.5000		2-		2-
00007141	WASHER, SCRAP	195.00- CV	.09	3.5000				
00007142	ANCHOR, RAIL SCRAP	195.00- CV	2.73	3.5000		10-		10-
00007200	PLATE, TIE SCRAP 100#	195.00- CV	33.05	3.5000		118-		118-
00007300	BAR, JOINT 100# SCP	195.00- CV	6.88	3.5000		24-		24-
00007008	MATERIAL PERCENTAGE 9.50%	.00	680.00-	.0950		65		65
	TOTAL LESS SALVAGE					915-		915-

LABOR

00900003	APPLY GEOTEXTILE MATERIAL	84.00 LF	84.00	.3105	28			28
00900003	APPLY GEOTEXTILE MATERIAL	102.00 LF	102.00	.3105	32			32
00900004	APPLY GEOTEXTILE	1.00 LF	40.00	.3105	12			12
00900039	MOVE TO JOB	500.00 \$	500.00	1.0000	500			500
00902270	REMOVE EXISTING X-ING	188.00 X	188.00	11.3850	2,118			2,118
00903220	REMOVE TRACK THRU X-ING	195.00 TF	195.00	7.0725	1,379			1,379
00904220	REMOVE TAIL BALLAST	84.00 CY	84.00	8.8378	742			742
00904220	REMOVE FOUL BALLAST	102.00 CY	102.00	8.8378	901			901
00904221	REMOVE FOUL BALLAST	1.00 CY	40.00	8.8378	354			354
00904222	UNLOAD BALLAST	1.00 CY	40.00	3.7918	152			152
00905220	UNLOAD BALLAST	84.00 CY	84.00	3.7918	318			318
00905220	UNLOAD BALLAST	102.00 CY	102.00	3.7918	387			387
00906220	SURFACE TRK THRU X-ING	195.00 TF	195.00	3.8640	753			753
00907220	REBUILD TRK THRU X-ING	195.00 TF	195.00	10.0568	1,961			1,961
00910039	INSTALL FAG-BIT XING 100#RL	84.00 X	84.00	14.8800	1,250			1,250
00930039	INSTALL U.S. GOODYEAR XING	102.00 X	102.00	22.4825	2,293			2,293
00960020	PLACE DRAINAGE PIPE	300.00 LF	300.00	6.7045	2,011			2,011
00009911	VACATION ALLOWANCE 7.25%	.00	15189.00	.0725	1,101			1,101
00009912	PAID HOLIDAYS 3.50%	.00	15189.00	.0350	532			532
00009913	PAID HOLIDAYS 25.80%	.00	15189.00	.2580	3,919			3,919
00009914	INSURANCE 4.00%	.00	15189.00	.0400	608			608
00009915	HEALTH & WELFARE 5.00%	.00	15189.00	.0500	759			759
	TOTAL LABOR				22,108			22,108

ENGINEERING

00000901	ENGINEERING, PRELIMINARY	1500.00 \$	1,500.00	1.0000	1,500			1,500
00000902	VACATION ALLOWANCE 7.25%	.00	1500.00	.0725	109			109
00000903	PAID HOLIDAYS 3.50%	.00	1500.00	.0350	53			53
00000905	PAYROLL TAXES 25.80%	.00	1500.00	.2580	387			387
00000906	INSURANCE 4.00%	.00	1500.00	.0400	60			60
00000907	HEALTH & WELFARE 5.00%	.00	1500.00	.0500	75			75
00000908	SUPPL PENS 1.50%	.00	1500.00	.0150	23			23
	TOTAL ENGINEERING				2,207			2,207

11/13/86

REPORTS OF COMMITTEES

36621

EXHIBIT "B"

PAGE 3

DATE 07/30/85
TIME 14:41:38

FINANCIAL ESTIMATE

INITIAL 1-102 FT. RUBBER CROSSING, 84 FT. EXTENSION, SUBGRADE DRAINAGE
AND RELAY RAIL.
100% BILLABLE
PROJECT LIMITS: DIVISION AND HICKORY STS. CHICAGO ILLINOIS (ENG608)

ITEM #	DESCRIPTION	MINOR OF UNITS U/M	QUANTITY	UNIT COST	LARGE MATERIAL	OTHER COST	TOTAL COST
00777039	MISCL. EQUIPM. LUMP SUM	5000.00	\$	5,000.00		5,000	5,000
TOTAL EQUIPMENT							
SUB-TOTAL							
				24,315	44,879	5,000	74,194
CONTINGENCIES							
00000910	CONTINGENCIES	.00	.00	.00	4,488	500	7,419
TOTAL ESTIMATED COST							
				28,747	49,367	5,500	81,813

ENCLOSURE

EXHIBIT "B"

ENCG08 07/26/85

CIPM ESTIMATE

SUMMARY

INSTALL 1-87 FT. RUBBER CROSSING, 24 FT. LOG EXTENSION, SUBGRADE
DRAINAGE, AND RELAY RAIL.
100% BILLABLE
PROJECT LIMITS : DIVISION A HOOKER STS. : PAGE 1 : 1 : 1 : (ENCG08E)

	TOTAL COST
MATERIAL	34,043
TRANSPORTATION OF MATERIAL	1,165
LESS SALVAGE	369-
LABOR	14,939
ENGINEERING	2,207
EQUIPMENT	5,000
SUB-TOTAL	58,985
CONTINGENCIES, 10%	5,899
TOTAL ESTIMATED COST	62,684

11/13/86

REPORTS OF COMMITTEES

36623

EXHIBIT 15

PAGE 1

DATE 07/25/85
TIME 10:49:43

F U P M E S T I M A T E

INSTALL 1-87 FT. BURRER CROSSING, 24 FT. FAG EXTENSION, SUBGRADE
DRAINAGE, AND RELAY RAIL.
100% BILLABLE
PROJECT LIMITS : DIVISION & HOOKER STS. CHICAGO ILLINOIS (ENG008E)

ITEM #	DESCRIPTION	NUMBER OF UNITS U/M	QUANTITY	UNIT COST	LABOR	MATERIAL	OTHER COST	TOTAL COST
MATERIAL								
00700039	BITUMINOUS ASPHALT IN-PLACE	24.00	TN	10.32		722		722
00733332	BALLAST, GRANITE SPEC-5 OS	24.00	CY	24.00		151		151
00733332	BALLAST, GRANITE SPEC-5 OS	87.00	CY	87.00		540		540
00733332	BALLAST, GRANITE SPEC-5 OS	1.00	CY	40.00		251		251
00734039	U.S. GOODYEAR XING	87.00	XT	87.00		2,958		2,958
00734039	U.S. GOODYEAR XING	87.00	EA	58.29		19,662		19,662
00772207	TIE CROSS IMOT NEW (W/XING)	24.00	EA	18.08		992		992
00772207	TIE CROSS IMOT NEW (W/XING)	1.00	EA	24.00		274		274
00772208	TIE CROSS IMOT NEW (W/XING)	117.00	EA	4.32		408		408
00744430	WELD SHOP 38" RAILS	117.00	EA	4.48		184		184
00701115	RAIL 115# SH	117.00	TN	4.48		1,344		1,344
00078115	PLATE, TIE 7 3/4X13 SH 115#	117.00	EA	24.78		735		735
00700003	GEOTEXTILE MATERIAL	24.00	LF	24.00		68		68
00700003	GEOTEXTILE MATERIAL	87.00	LF	2,746.1		239		239
00700004	GEOTEXTILE MAIL	1.00	LF	40.00		110		110
00702141	ANCHOR, RAIL NEW	117.00	EA	95.72		97		97
00707039	DRIVE SPK 3/4X13	24.00	EA	1,170.4		58		58
00711539	DAK 7 1/8X9 TR FOR 115# RL	265.00	LF	98.00		247		247
00760012	PIPE 8" 16GA COATED	13.00	EA	265.00		1,702		1,702
00750018	BAND EXT 8" 16GA	13.00	EA	8,719.1		113		113
00773027	SPIKE, TRACK 9/16X5 1/2	117.00	KG	1.52		102		102
00773027	SPIKE, TRACK 5/8X5	117.00	KG	1.90		120		120
00790289	COMP. JTS. 100#-115# 24"	4.00	JT	4.00		595		595
00777777	NUMBER OF CROSSINGS	1.00	EA	.0000				
00009910	ILLINOIS USE TAX 5.000%	.00		31874.00		1,584		1,584
00000700	MATERIAL PERCENTAGE 9.50%	.00		5528.00		525		525
00000707	PURCHASE EXPENSE, 1%	.00		25984.00		260		260
TOTAL MATERIAL						34,043		34,043
TRANSPORTATION OF MATERIAL								
00000701	TRANSP. OF MATL. (TOMAH WI)	3000.00	TH	3,000.00		30		30
00000702	TRANSP. OF MATL. (BANGOR WI)	2600.00	TH	2,600.00		26		26
00000704	TRANSP. OF MATL. (ORTHOVL, MN)	110900.00	TH	110,900.00		1,109		1,109
TOTAL TRANSPORTATION EXPENSE						1,165		1,165
LESS SALVAGE								
00007100	RAIL 100# SCP	117.00	TN	3.89		312		312
00007139	SPIKE, TRACK SCP	117.00	EA	1.55		5		5
00007140	BOLT, TRACK SCRAP	117.00	EA	.25		1		1
00007141	WASHER, SCRAP	117.00	EA	.03				
00007142	ANCHOR, RAIL SCRAP	117.00	EA	1.83		6		6

EXHIBIT "B"

PAGE 2

DATE 07/26/85
TIME 10:49:43

ENGINEERING

F I N I S H E S T I M A T E

INSTALL 1-87 FT. BURDER CROSSING, 24 FT. FAG EXTENSION, DRAINAGE, AND RELAY RAIL.
100% BILLABLE
PROJECT LIMITS : DIVISION & HOOKER STS. CIRCULAR ALLEYS (ENCLOSED)

ITEM #	DESCRIPTION	NUMBER OF UNITS	U/M	QUANTITY	UNIT COST	LABOR	MATERIAL	OTHER COST	TOTAL COST
0007200	PLATE, TIE SCRAP 100#	117.00	CV	19.83	3.5000		69-		69-
0007300	BAR, JOINT 100# SCP	117.00	CV	4.18	3.5000		15-		15-
0007700	MATERIAL PERCENTAGE 9.50%	.00		408.00	.0000		39		39
TOTAL LESS SALVAGE									
							369-		369-

LABOR

00900003	APPLY GEOTEXTILE MATERIAL	24.00	LF	24.00	.3105	7			7
00900003	APPLY GEOTEXTILE MATERIAL	87.00	LF	87.00	.3105	27			27
00900004	APPLY GEOTEXTILE	1.00	LF	40.00	.3105	12			12
00900039	MOVE TO JOB	500.00	\$	500.00	1.0000	500			500
00902270	REMOVE EXISTING X-ING	111.00	XF	111.00	11.3850	1,264			1,264
00903220	REMOVE TRACK THRU X-ING	117.00	TF	117.00	7.0725	827			827
00904220	REMOVE FOUL BALLAST	87.00	CV	87.00	8.8378	769			769
00904220	REMOVE FOUL BALLAST	24.00	CV	24.00	8.8378	212			212
00904221	REMOVE FOUL BALLAST	1.00	CV	40.00	8.8378	354			354
00904222	UNLOAD BALLAST	1.00	CV	40.00	3.7918	152			152
00905220	UNLOAD BALLAST	24.00	CV	24.00	3.7918	91			91
00905220	UNLOAD BALLAST	87.00	CV	87.00	3.7918	330			330
00905220	SURFACE TRK THRU X-ING	117.00	TF	117.00	3.8840	452			452
00907220	PEBUILD TRK THRU X-ING	117.00	TF	117.00	10.0508	1,177			1,177
00911539	INSTALL FAG-BIT XING 115/PL	24.00	XF	24.00	14.8900	357			357
00936039	INSTALL U.S. GOODYEAR XING	87.00	XF	87.00	22.4825	1,958			1,958
00960030	PLACE DRAINAGE PIPE	255.00	LF	265.00	8.7045	1,777			1,777
00009911	VACATION ALLOWANCE 7.25%	.00		10264.00	.0725	744			744
00009912	PAID HOLIDAYS 3.50%	.00		10264.00	.0350	359			359
00009913	PAYROLL TAXES 25.80%	.00		10264.00	.2580	2,648			2,648
00009914	INSURANCE 4.00%	.00		10264.00	.0400	411			411
00009915	HEALTH & WELFARE 5.00%	.00		10264.00	.0500	513			513
TOTAL LABOR									
						14,939			14,939

ENGINEERING

00000901	ENGINEERING PRELIMINARY	1500.00	\$	1,500.00	1.0000	1,500			1,500
00000902	VACATION ALLOWANCE 7.25%	.00		1500.00	.0725	109			109
00000903	PAID HOLIDAYS 3.50%	.00		1500.00	.0350	53			53
00000905	PAYROLL TAXES 25.80%	.00		1500.00	.2580	387			387
00000908	INSURANCE 4.00%	.00		1500.00	.0400	60			60
00000907	HEALTH & WELFARE 5.00%	.00		1500.00	.0500	75			75
00000908	SUPPL PENS 1.50%	.00		1500.00	.0150	23			23
TOTAL ENGINEERING									
						2,207			2,207

EQUIPMENT

11/13/86

REPORTS OF COMMITTEES

36625

EXHIBIT "B"

PAGE 3

DATE 07/20/85
TIME 10:49:43

T H P M E S T I M A T E

INSTALL 1-87 FT. RUBBER CROSSING, 24 FT. FWD EXTENSION, SUBGRADE
DRAINAGE, AND RELAY RAIL.

100% BILLABLE

PROJECT LIMITS : DIVISION A HOOKER STS. CHICAGO ILLINOIS (ENG008E)

ITEM #	DESCRIPTION	NUMBER OF UNITS U/M	QUANTITY	UNIT COST	LABOR	MATERIAL	OTHER COST	TOTAL COST
00777039	MISCL. EQUIPMT. LUMP SUM	5000.00	\$ 5,000.00	1.0000			5,000	5,000
TOTAL EQUIPMENT								
SUB-TOTAL								
CONTINGENCIES								
00000910	CONTINGENCIES	.00	.00	.1000	1,715	3,484	500	5,699
TOTAL ESTIMATED COST								
62,884								

ENCLOSURE - T H P M

ENGB08 07/26/85 15:15:45 PAGE 1

EXHIBIT "B"

F H P M E S T I M A T E

S U M M A R Y

INSTALL 1-141 FT. RUBBER CROSSING, RETIRE WEST TRACK THRU STREET,
SUBGRADE DRAINAGE, AND RELAY RAIL.
100% BILLABLE
PROJECT LIMITS: DIVISION AND HALSTED STREETS CHICAGO ILLINOIS (ENGB08D)

	TOTAL COST
MATERIAL	58,759
TRANSPORTATION OF MATERIAL	1,411
LESS SALVAGE	339-
LABOR	27,481
ENGINEERING	2,207
EQUIPMENT	7,000
SUB-TOTAL	93,919
CONTINGENCIES, 10%	9,392
TOTAL ESTIMATED COST	103,311

11/13/86

REPORTS OF COMMITTEES

36627

EXHIBIT "D"

PAGE 1

DATE 07/26/85
TIME 15:15:48

F H M E S T I M A T E

INSTALL 1-141 FT. RUBBER CROSSING, RETIRE WEST TRACK IN STREET.
SURGRADE DRAINAGE, AND RELAY RAIL.
100% BILLABLE
PROJECT LIMITS: DIVISION AND HALSTED STREETS CHICAGO 70.10'S (ENG608D)

ENGINEER - F H M

ITEM #	DESCRIPTION	NUMBER OF UNITS U/M	QUANTITY	UNIT COST	MATERIAL	OTHER COST	TOTAL COST
00733332	BALLAST, GRANITE SPEC-5 OS	141.00 CY	141.00	6.2800	885		885
00733333	BALLAST, GRANITE SPEC-5 OS	1.00 CY	40.00	6.2800	251		251
00734039	U.S. GOODYEAR XING	141.00 XF	141.00	275.0000	8,909		8,909
00734039	U.S. GOODYEAR XING	141.00 EA	94.47	17.0000	31,868		31,868
00772207	TIE CROSS IMOT NEW (W/XING)	1.00 EA	24.00	17.0000	1,607		1,607
00772208	TIE CROSS IMOT NEW (W/XING)	156.00 EA	5.77	42.5700	408		408
00744438	WELD, SHOP 36" RAILS	156.00 TH	5.97	300.0000	248		248
00701115	RAIL 115# SH	156.00 TH	2.99	300.0000	1,792		1,792
00711150	RAIL 115# SH BUFFER 39FT	156.00 TH	2.99	300.0000	897		897
00781115	PLATE TIE 7 3/4X13 SH 115#	156.00 CW	46.37	21.1300	980		980
00700003	GEOTEXTILE MATERIAL	141.00 LF	141.00	2.7461	387		387
00700004	GEOTEXTILE MATL	1.00 LF	40.00	2.7461	110		110
00700141	ANCHOR RAIL N W/XING POLY J	156.00 EA	127.63	1.0138	129		129
00700142	ANCHOR RAIL N W/XING POLY J	4.00 EA	40.00	1.0138	41		41
00760012	PIPE 8" 16GA COATED	340.00 FT	340.00	6.4238	2,184		2,184
00760012	PIPE 8" 16GA	17.00 EA	17.00	8.7191	148		148
00770286	SIGNAL MAT'L	2000.00 S	2,000.00	1.0000	2,000		2,000
00773027	SPIKE, TRACK 9/16X5 1/2	158.00 KG	2.02	87.0000	138		138
00773037	SPIKE, TRACK 5/8X6	158.00 KG	2.62	81.0000	160		160
00790288	COMP. JIS 100"-115" 24"	4.00 JT	4.00	148.6819	595		595
00790298	JOINT POLY INS 115# N	4.00 EA	4.00	234.5261	938		938
00790298	PLATE POLY URETHANE 115#	4.00 EA	4.00	8.6900	35		35
00777777	NUMBER OF CROSSINGS	1.00 EA	1.00	.0000			
00009910	ILLINOIS USE TAX	.00	52704.00	.0500	2,635		2,635
00000708	MATERIAL PERCENTAGE 9.50%	.00	10532.00	.0950	1,001		1,001
00000707	PURCHASE EXPENSE, 1%	.00	41928.00	.0100	419		419
	TOTAL MATERIAL				58,759		58,759

TRANSPORTATION OF MATERIAL

00000701	TRANSP. OF MATL. (TOMAH WI)	5000.00 TH	5,000.00	.0100	50		50
00000702	TRANSP. OF MATL. (BANGOR WI)	3200.00 TH	3,200.00	.0100	32		32
00000704	TRANSP. OF MATL. (ORTONVIL. MI)	132900.00 TH	132,900.00	.0100	1,329		1,329

TOTAL TRANSPORTATION EXPENSE

					1,411		1,411
LESS SALVAGE							
00007100	RAIL 100# SCP	141.00- TH	4.89	80.0000	378-		378-
00007100	RAIL 100# SCP	158.00- TH	5.19	80.0000	416-		416-
00007139	SPIKE, TRACK SCP	159.00- CW	2.07	3.5000	7-		7-
00007139	SPIKE, TRACK SCP	141.00- CW	1.87	3.5000	7-		7-
00007140	BOLT, TRACK SCRAP	141.00- CW	.31	3.5000	1-		1-
00007140	BOLT, TRACK SCRAP	158.00- CW	.34	3.5000	1-		1-

ENG509-FIIPM

F I P M E S T I M A T E

INSTALL 1-141 FT. RUBBER CROSSING, RETIRE WEST TRACK SHEET,
SUBGRADE DRAINAGE, AND RELAY RAIL.
100% BILLABLE

PROJECT LIMITS: DIVISION AND WALSTED STREETS CHICAGO 11.00X15 (ENG0080)

EXHIBIT "B"

PAGE 2

DATE 07/26/85
TIME 15:15:46

ITEM #	DESCRIPTION	NUMBER OF UNITS U/M	QUANTITY	MATERIAL	OTHER COST	TOTAL COST
00007141	WASHER, SCRAP	159.00- CW	.04			7-
00007141	WASHER, SCRAP	141.00- CW	.04			8-
00007142	ANCHOR, RAIL SCRAP	141.00- CW	1.97			84-
00007142	ANCHOR, RAIL SCRAP	158.00- CW	2.18			18-
00007200	PLATE, TIE SCRAP 100#	159.00- CW	28.44			99
00007200	PLATE, TIE SCRAP 100#	141.00- CW	23.89			99
00007300	BAR, JOINT 100# SCP	141.00- CW	5.04			99
00007300	BAR, JOINT 100# SCP	158.00- CW	5.58			99
00007008	MATERIAL PERCENTAGE 9.50%	.00	1038.00-			939-

TOTAL LESS SALVAGE

LABOR

00900002	APPLY POLY JOINT	4.00 EA	4.00	28.5133		108
00900002	APPLY GEOTEXTILE MATERIAL	141.00 LF	141.00	.3105		44
00900004	APPLY GEOTEXTILE	1.00 LF	40.00	.3105		12
00900039	MOVE TO JOB	500.00 \$	500.00	1.0000		500
00902270	REMOVE EXISTING X-ING	141.00 XF	141.00	11.3850		1,605
00902270	REMOVE EXISTING X-ING	141.00 XF	141.00	11.3850		1,605
00903220	REMOVE TRACK THRU X-ING	159.00 TF	150.00	7.0725		1,103
00903221	REMOVE TRACK FROM STREET	141.00 TF	141.00	7.0725		997
00904220	REMOVE FOUL BALLAST	141.00 CY	141.00	8.8378		1,248
00904221	REMOVE FOUL BALLAST	1.00 CY	40.00	8.8378		354
00904222	UNLOAD BALLAST	1.00 CY	40.00	3.7918		152
00905220	UNLOAD BALLAST	141.00 CY	141.00	3.7918		535
00906220	SURFACE TRK THRU X-ING	158.00 TF	158.00	3.8640		603
00907220	REBUILD TRK THRU X-ING	158.00 TF	150.00	10.0568		1,569
00936039	INSTALL U.S. GOODYEAR XING	141.00 XF	141.00	22.4825		3,170
00960020	PLACE DRAINAGE PIPE	340.00 LF	340.00	6.7045		2,280
00902288	SIGNAL LABOR	3000.00 \$	3,000.00	1.0000		3,000
00009911	VACATION ALLOWANCE 7.25%	.00	18881.00	.0725		1,369
00009912	PAID HOLIDAYS 3.50%	.00	18881.00	.0350		661
00009913	PAYROLL TAXES 25.80%	.00	18881.00	.2580		4,871
00009914	INSURANCE 4.00%	.00	18881.00	.0400		755
00009915	HEALTH & WELFARE 5.00%	.00	18881.00	.0500		944
TOTAL LABOR					27,481	27,481

ENGINEERING

00000901	ENGINEERING, PRELIMINARY	1500.00 \$	1,500.00	1.0000		1,500
00000902	VACATION ALLOWANCE 7.25%	.00	1500.00	.0725		109
00000903	PAID HOLIDAYS 3.50%	.00	1500.00	.0350		53
00000905	PAYROLL TAXES 25.80%	.00	1500.00	.2580		387
00000907	INSURANCE 4.00%	.00	1500.00	.0400		60
00000907	HEALTH & WELFARE 5.00%	.00	1500.00	.0500		75

11/13/86

REPORTS OF COMMITTEES

36629

EXHIBIT "B"

PAGE 3

DATE 07/26/85
TIME 15:15:48

F I P M E S T I M A T E

INSTALL 1-141 FT. RUNNER CROSSING, RETINE & TRACK THREE-RAIL,
SURGRADE DRAINAGE, AND RELAY RAIL.

100% BILLABLE

PROJECT LIMITS: DIVISION AND HALSTED STREETS CHICAGO, ILLINOIS (ENG808D)

ENG808-FIPM

ITEM #	DESCRIPTION	NUMBER OF UNITS U/M	QUANTITY	UNIT COST	LABOR	MATERIAL	OTHER COST	TOTAL COST
00000908	SUPPL PENS	1.50%	1500.00	.0012	23			23
TOTAL ENGINEERING								
EQUIPMENT								
00777039	MISCL EQUIPMT LUMP SUM	7000.00 \$	7,000.00	1.0000			7,000	7,000
TOTAL EQUIPMENT								
SUB-TOTAL								
CONTINGENCIES								
00000910	CONTINGENCIES	.00	.00	.1000	2,869	5,723	700	9,392
TOTAL ESTIMATED COST								
103,311								

EXHIBIT B

ENG608 07/30/85 11:36:30 PAGE 1

F I R M E S T I M A T E

S U M M A R Y

INSTALL 1 - 87 FT. RUBBER CROSSING, 1 - 24 FT ISG EXTENSION TO NORTH,
1 - PAVEMENT SWITCH, SURGRADE DRAINAGE, AND RELAY RAIL.
100% BILLABLE
PROJECT LIMITS: DIVISION AND CHERRY STS. CHICAGO ILLINOIS (ENG608A)

	TOTAL COST
MATERIAL	58,043
TRANSPORTATION OF MATERIAL	1,180
LESS SALVAGE	389-
LABOR	24,311
ENGINEERING	2,207
EQUIPMENT	7,000
SUB-TOTAL	92,372
CONTINGENCIES, 10%	9,237
TOTAL ESTIMATED COST	101,609

EXHIBIT "B"

PAGE 2

DATE 07/30/85
TIME 11:36:30

F H M E S T I M A T E

INSTALL 1 - 87 FT. RUDNER CROSSING, 1 - 24 FT FAG EXTENSION TO NORTH.
1 - PAYMENT SWITCH, SUBGRADE DRAINAGE, AND RELAY RAIL.

100% BILLABLE

PROJECT LIMITS: DIVISION AND CHERRY STS. CHICAGO ILLINOIS (ENG608A)

ITEM #	DESCRIPTION	NUMBER OF UNITS	U/M	QUANTITY	UNIT COST	LABOR	MATERIAL	OTHER COST	TOTAL COST
00007100	RAIL 100# SCP	117.00-	1N	3.89	80.0000		312-		312-
00007139	SPIKE, TRACK SCP	117.00-	CV	1.55	3.5000		5-		5-
00007140	BOLT, TRACK, SCRAP	117.00-	CV	.25	3.5000		1-		1-
00007141	WASHER, SCRAP	117.00-	CV	.03	3.5000				
00007142	ANCHOR, RAIL SCRAP	117.00-	CV	1.63	3.5000		8-		8-
00007200	PLATE, TIE SCRAP 100#	117.00-	CV	19.83	3.5000		69-		69-
00007300	BAR, JOINT 100# SCP	117.00-	CV	4.18	3.5000		15-		15-
00000708	MATERIAL PERCENTAGE 9.50%			408.00-	.0550		39		39
TOTAL LESS SALVAGE									389-

LABOR

00900003	APPLY GEOTEXTILE MATERIAL	24.00	LF	24.00	.3105	7			7
00900003	APPLY GEOTEXTILE MATERIAL	87.00	LF	87.00	.3105	27			27
00900004	APPLY GEOTEXTILE	1.00	LF	40.00	.3105	12			12
00900039	MOVE TO JOB	500.00	S	500.00	1.0000	500			500
00902270	REMOVE EXISTING X-ING	111.00	XF	111.00	11.3850	1,254			1,254
00903220	REMOVE TRACK THRU X-ING	117.00	TF	117.00	7.0725	827			827
00903222	REMOVE TURNOUT	1.00	EA	1.00	2151.8500	2,152			2,152
00903223	INSTALL TURNOUT	1.00	EA	1.00	4388.4000	4,388			4,388
00904220	REMOVE FOUL BALLAST	24.00	CY	24.00	8.8378	212			212
00904220	REMOVE FOUL BALLAST	87.00	CY	87.00	8.8378	769			769
00904221	REMOVE FOUL BALLAST	1.00	CY	40.00	8.8378	354			354
00904222	UNLOAD BALLAST	1.00	CY	40.00	3.7918	152			152
00905220	UNLOAD BALLAST	24.00	CY	24.00	3.7918	91			91
00905220	UNLOAD BALLAST	87.00	CY	87.00	3.7918	330			330
00906220	SURFACE TRK THRU X-ING	117.00	TF	117.00	3.8640	452			452
00907220	REBUILD TRK THRU X-ING	117.00	TF	117.00	10.0588	1,177			1,177
00911539	INSTALL FAG-BIT KING 115PRL	24.00	XF	24.00	14.8800	357			357
00936039	INSTALL U.S. GOODYEAR KING	87.00	XF	87.00	22.4825	1,958			1,958
00960020	PLACE DRAINAGE PIPE	250.00	LF	250.00	6.7045	1,678			1,678
00009911	VACATION ALLOWANCE 7.25%			16703.00	.0725	1,211			1,211
00009912	PAID HOLIDAYS 3.50%			16703.00	.0350	585			585
00009913	PAYROLL TAXES 25.80%			16703.00	.2580	4,309			4,309
00009914	INSURANCE 4.00%			16703.00	.0400	668			668
00009915	HEALTH & WELFARE 5.00%			16703.00	.0500	835			835
TOTAL LABOR									24,311

ENGINEERING

00000901	ENGINEERING, PRELIMINARY	1500.00	\$	1,500.00	1.5000	1,500			1,500
00000902	VACATION ALLOWANCE 7.25%			1500.00	.0725	109			109
00000903	PAID HOLIDAYS 3.50%			1500.00	.0350	53			53
00000905	PAYROLL TAXES 25.80%			1500.00	.2580	387			387
00000909	INSURANCE 4.00%			1500.00	.0400	67			67

11/13/86

REPORTS OF COMMITTEES

36633

EXHIBIT "B"

EN508 - FISH

PAGE 3

DATE 07/30/85
TIME 11:36:30

F I R M E S T I M A T E

INSTALL 1 - 87 FT. RUBBER CROSSING, 1 - 24 FT FAG EXTENSION TO NORTH,
1 - PAVEMENT SWITCH, SUBGRADE DRAINAGE, AND RELAY RAIL.
100% BILLABLE

PROJECT LIMITS: DIVISION AND CHERRY STS. CHICAGO ILLINOIS (ENG608A)

ITEM #	DESCRIPTION	PERCENT OF UNITS U/M	NUMBER OF UNITS	QUANTITY	UNIT COST	LABOR	MATERIAL	OTHER COST.	TOTAL COST
00000907	HEALTH & WELFARE	5.00%	.00	1500.00	.0500	75			75
00000908	SUPPL FENS	1.50%	.00	1500.00	.0150	23			23
TOTAL ENGINEERING						2,207			2,207
EQUIPMENT									
00777039	MISCL EQUIPMT LUMP SUM		7000.00	\$	7,000.00			7,000	7,000
TOTAL EQUIPMENT								7,000	7,000
SUB-TOTAL						28,518	58,854	7,000	92,372
CONTINGENCIES									
00000910	CONTINGENCIES		.00	.00	.1000	2,652	5,885	700	9,237
TOTAL ESTIMATED COST						29,170	84,739	7,700	101,609

EXHIBIT

(Continued from page 36613)

WHEREAS, The City of Chicago is eligible for a grant from the Division of Traffic Safety of the Illinois Department of Transportation and the United States Department of Transportation under the Federal-Aid Highway Act of 1970 for the purpose of promoting traffic safety; and

WHEREAS, The Department of Public Works, Bureau of Traffic Engineering and Operations is responsible for the analysis and prevention of traffic accidents; and

WHEREAS, Analysis of traffic accidents by use of computerized traffic record systems is vital to the planning for signal installation, and roadway improvements; and

WHEREAS, The federal government, through the Illinois Department of Transportation, will fund up to 75% of a study to improve record systems, and the City is able to use the cost of existing personnel on the City payroll as its matching share, thus putting the City of Chicago under no financial obligation; and

WHEREAS, The Traffic Records Upgrade Study of the Department of Public Works, Bureau of Traffic Engineering and Operations will be a cooperative effort with the Chicago Police Department and the Bureau of Street Traffic; and

WHEREAS, The Project will include \$193,801 in total project funds, \$133,777 of which will constitute the federal share and \$60,024 of which will constitute the City share; and

WHEREAS, This Project will comply with the Civil Rights Act of 1964, and the Hatch Act; and

WHEREAS, Such projects increase the safety of the citizens of Chicago; now, therefore,

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

SECTION 1. That the Mayor is authorized to execute and file a grant application with the Illinois Department of Transportation for funds in the amount of \$193,801, \$133,777 of which will be provided by the federal government and \$60,024 of which will be provided by the City of Chicago, using existing budgeted items as a match, for the Traffic Records Upgrade Study.

SECTION 2. That the Mayor is authorized to execute and file such application or any other document required by the United States Department of Transportation effectuating the purpose of Title VI of the Civil Rights Act of 1964.

SECTION 3. That the Mayor is hereby authorized to execute, and the City Clerk to attest, contracts pertaining to the grant application of \$193,801 between the City of Chicago and the Illinois Department of Transportation.

SECTION 4. That the Department of Public Works, Bureau of Traffic Engineering and Operations is authorized to furnish such additional information as the Illinois Department of Transportation may require in connection with the application or agreements.

SECTION 5. That the City Comptroller is directed to disburse the grant funds as required to carry out the Traffic Records Upgrade Study.

SECTION 6. That this ordinance shall be in force and effect from and after its passage.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Gabinski, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 40.

Nays -- Aldermen Hagopian, Santiago, Mell -- 3.

AUTHORITY GRANTED FOR EXECUTION OF AGREEMENT WITH
STATE OF ILLINOIS FOR MODERNIZATION OF TRAFFIC
CONTROL SIGNALS AT VARIOUS INTERSECTIONS.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a project agreement with the State of Illinois in the amount of \$1,298,000.00 for modernization of traffic control signals at various intersections associated with the 1985 Intermittent Resurfacing Program.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Gabinski, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 40.

Nays -- Aldermen Hagopian, Santiago, Mell -- 3.

The following is said ordinance as passed:

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 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 various locations associated with the 1985 Intermittent Resurfacing Program described therein, said agreement to be substantially in the following form:

City-State Project Agreement

*Modernization Of Traffic Signals
At Various Locations Associated With
The 1985 Intermittent Resurfacing Program*

Contract

Federal Project No.: M-5000(722)

City Section No.: 86-B5009-01-TL

State Job No.: C-88-005-86

DPW Project No.: B-5-009

Force Account

Federal Project No.: M-5000(723)

City Section No.: 86-B5010-00-TL

State Job No.: C-88-006-86

DPW Project No.: B-5-010

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 State and the City, in the interest of the safe and efficient movement of vehicular and pedestrian traffic, find it necessary to modernize various traffic signals associated with the 1985 Intermittent Resurfacing Program, hereinafter referred to as the "Projects" and identified in Exhibit A and described 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 State and the City wish to avail themselves, where possible, of Federal-Aid Urban System funds authorized by the Surface Transportation Assistance Act of 1982 or subsequent Federal legislation for the contract construction, force account construction and the construction engineering/supervision of said Projects; 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; and

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 Projects.
4. Upon approval from the State and the Federal Highway Administration, to let and award the contract for the Projects, 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 10 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.
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.

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

9. 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.
10. 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.
11. That said Project generally consists of the modernization of various traffic signals associated with the 1985 Intermittent Resurfacing Program and identified in

Exhibit A of this Agreement. The existing traffic signals will be removed and replaced with new signals or modified to conform to existing recommendations and agreements of the Illinois Manual of Uniform Traffic Control Devices. This project will also include the removal of existing traffic signal "B" - Bases at any of the project locations.

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

M-5000(722)

Contract Construction	\$1,075,000
Force Account Construction	\$25,000
Construction Engineering/Supervision	<u>\$110,000</u>
TOTAL:	\$1,210,000

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-Aid Share (FAU) (75.18% of \$1,210,000)	\$909,678
Non-Federal Share (State) (24.82% of \$1,210,000)	<u>\$300,322</u>
TOTAL:	\$1,210,000

and that based upon said ratio, State financial participation (referred to herein as the non-federal share) shall be limited to a maximum of \$300,322, with any non-federal share required in excess of that amount to be provided by the City or by amendment to this Agreement.

M-5000(723)

Force Account Construction	\$80,000
Construction Engineering/Supervision	<u>\$8,000</u>
TOTAL:	\$88,000

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 projects will be:

Federal-Aid Share (FAU) (75.18% of \$88,000)	\$66,158

Non-Federal Share (State) (24.82% of \$88,000)	<u>\$21,842</u>

TOTAL:	\$88,000

and that based upon said ratio, State financial participation for this project (referred to herein as the Non-Federal Share) shall be limited to a maximum of \$21,842, 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 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 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 Projects 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 March 1, 1989.

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.]

Minority Business Enterprises Provisions attached to this agreement read as follows:

Minority Business Enterprises Provisions.

"It is the Policy of the U. S. Department of Transportation that minority business enterprises, as defined in 49 C.F.R. Part 23, shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with Federal funds

under this agreement. Consequently, the M.B.E. requirements of 49 C.F.R. Part 23 apply to this agreement.

The State and City agree to ensure that minority business enterprises, as defined in 49 C.F.R. Part 23, have the maximum opportunity to participate in the performance of this agreement. In this regard the State and City shall take all necessary and reasonable steps, in accordance with 49 C.F.R. Part 23, to ensure that minority business enterprises have the maximum opportunity to compete for and perform portions of contracts and subcontracts financed in whole or in part with Federal funds provided under this agreement. The State and City shall not discriminate on the basis of race, color, national origin, or sex in the selection and retention of contractor or subcontractors, including procurement of materials and lease of equipment.

The City shall include the provisions of this "Policy" in every contract, including procurement of materials and leases of equipment.

Failure to carry out the requirements set forth above shall constitute a breach of this agreement and may result in termination of the agreement or such remedy as deemed appropriate."

This Agreement shall be administered under the provisions of the City of Chicago's federally approved Disadvantaged Business Enterprise Program.

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 in force and effect from and after its passage.

Exhibit A attached to this ordinance reads as follows:

Exhibit A.

*Intermittent Resurfacing Program -- 1985
Traffic Signal Modernization.*

M-5000(722)

(Signals to be done under Contract)

1. Austin Avenue (FAU 2790) at Higgins Avenue
2. Austin Avenue (FAU 2790) at Foster Avenue
3. Fairbanks Court (FAU 2914) at Chicago Avenue
4. Jefferson Street (FAU 2883) at Harrison Street

5. Jefferson Street (FAU 2883) at Van Buren Street
6. Kedzie Avenue (FAU 2831) at 83rd Street
7. 57th Drive (FAU 1508) at Cottage Grove Avenue
8. Racine Avenue (FAU 2868) at Van Buren Street
9. Touhy Avenue (FAU 1340) at Ashland Avenue
10. Wentworth Avenue (FAU 2896) at 107th Street
11. Wentworth Avenue (FAU 2896) at 115th Street
12. 8th Street (FAU 1436) at Wabash Avenue

M-5000(723)

(Signals to be done by Force Account)

1. Kedzie Avenue (FAU 2831) at 35th Street
2. State Street (FAU 2908) at Grand Avenue
3. Touhy Avenue (FAU 1340) at Ridge Boulevard
4. Touhy Avenue (FAU 1340) at Clark Street

AUTHORITY GRANTED FOR INSTALLATION AND MAINTENANCE
OF SHORE PROTECTION DEVICES PURSUANT TO
ADVANCE MEASURES EMERGENCY FLOOD
CONTROL PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the installation and maintenance of shore protection devices to be constructed by the United States Army Corps of Engineers pursuant to the Advance Measures Emergency Flood Control Project.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Gabinski, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 40.

Nays -- Aldermen Hagopian, Santiago, Mell -- 3.

The following is said ordinance as passed:

WHEREAS, The United States Army Corps of Engineers (the "Corps") has developed a program of lakefront flood control measures for the Edgewater and Rogers Park areas of the City of Chicago (the "Advance Measures Program"); and

WHEREAS, The Chicago Park District (the "District") has agreed to serve as the local sponsor for the Advance Measures Program; and

WHEREAS, The District, as local sponsor, is required to obtain for the benefit of the Corps and its contractors certain rights for the installation, support and maintenance of concrete barriers and other similar flood control devices at Lake Michigan and the easterly ends of Granville Avenue, Chase Avenue and Sherwin Avenue in the City; and

WHEREAS, The District, as local sponsor, is required to maintain the improvements situated on City property and to indemnify and hold the United States of America harmless (except for its negligence) from damages due to the construction of the improvements; and

WHEREAS, The District is requiring the City to agree to maintain those improvements that are to be installed on City property as part of the Advance Measures Program and to hold and save the District and the Corps harmless (except for negligence) from damages due to the construction and maintenance of said improvements; now, therefore,

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

SECTION 1. The District, the Corps and its contractors are hereby authorized and permitted for a period of fifteen (15) years from the date of this ordinance to construct, maintain, repair, operate and replace certain shore protection devices to be constructed by the Corps within the public way at Lake Michigan and the easterly ends of Granville Avenue, Chase Avenue and Sherwin Avenue pursuant to the Advance Measures Program.

SECTION 2. The Commissioner of the Department of Public Works is hereby authorized to execute and the City Clerk to attest, subject to the approval thereof by the Corporation Counsel, a maintenance agreement with the District substantially in the form attached hereto as Exhibit "A".

SECTION 3. This ordinance shall be in force and effect from the date of its passage and approval.

Exhibit A attached to this ordinance reads as follows:

*Exhibit "A".**Maintenance Agreement.*

This Agreement is made as of the _____ day of November, 1986 between the Chicago Park District (the "Park District"), and the City of Chicago (the "City").

Whereas, the Park District will act as the local sponsor of the Advance Measures Emergency Flood Control Project (the "Project"), pursuant to which the U. S. Army Corps of Engineers (the "Corps") and its contractors will construct certain shore protection devices along certain sections of Lake Michigan's shoreline; and

Whereas, the basic costs of construction of the devices are to be funded by Federal and State funds allocated therefor; and

Whereas, certain of the devices will be located at the ends of the City streets and alleys (such devices which are located at the ends of City streets and alleys are hereinafter referred to as the "Devices").

Now, Therefore, the parties hereto hereby agree as follows:

1. Maintenance.

The City shall, at its expense, maintain the Devices located within the public way and keep such Devices in good order and repair.

2. Release and Waiver of Certain Claims.

To the extent not expressly prohibited by law, the City releases the Park District and its commissioners, agents, officers and employees from, and waives all claims for, damages to person or property sustained by the City, or by any of the City's employees or agents or by any other person or entity, arising from the construction, maintenance, inspection or existence of any of the aforesaid Devices or from any act or neglect of any person or entity in connection therewith, including any act or neglect of the Park District, and its commissioners, agents, officers and employees.

3. Indemnification by Owner.

The City agrees to hold harmless and indemnify the Park District and its commissioners, agents, officers and employees from and against claims, losses, costs, expenses, damages and liabilities, including reasonable attorneys' fees, for injuries to all persons and damage to or loss of property arising from or in connection with the construction, maintenance, repair, replacement, inspection or existence of the Devices. To the extent the City indemnifies the Park District pursuant to this Section 3. The City shall be subrogated to the rights of the Park District with respect thereto. Notwithstanding any provision of this Agreement to the contrary, the City's obligations under this Section 3 shall survive the termination of this Agreement due to the lapse of time or otherwise.

4. Term.

This Agreement shall continue in effect from the date hereof through December 31, 2002.

5. Severability.

This invalidity or unenforceability of any provision or term of this Agreement shall not affect the validity or enforceability of any other provision or term of this Agreement.

In Witness Whereof, the parties have executed this Agreement as of the date first written above.

[Signature forms omitted for printing purposes.]

MODIFICATION TO LOCAL SPONSORSHIP AGREEMENT REGARDING
SHORELINE PROTECTION, ETC. IN EDGEWATER AND
ROGERS PARK AND AGREEMENT WITH STATE
OF ILLINOIS FOR FUNDING OF
LOCAL CONTRIBUTION.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing Modification No. 1 to the Local Sponsorship Agreement with the U. S. Army Corps of Engineers and the Chicago Park District for Emergency Bank Stabilization, Shore Protection and Flood Control Facilities in the Edgewater and Rogers Park areas of the City and an agreement with the State of Illinois to fund the City's local contribution.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Gabinski, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 40.

Nays -- Aldermen Hagopian, Santiago, Mell -- 3.

The following is said ordinance as passed:

WHEREAS, The City Council of the City of Chicago by ordinance passed on September 24, 1986 authorized the execution by the Commissioner of the Department of Public Works of a Local Cooperation Agreement between the City of Chicago (the "City"), the United States of America and the Chicago Park District (the "District") under the terms of which the City agreed to serve as local sponsor for the construction by the United States Army Corps of Engineers (the "Corps") of certain shoreline protection devices at the following

locations as part of the Lake Michigan Shoreline Protection Project for Edgewater and Rogers Park Areas of Chicago (the "Project"):

Location	Selected Facility
Lake Michigan at Granville Avenue	Revetment
Lake Michigan at Glenlake Avenue	Seawall Extension
Lake Michigan at Thorndale Avenue	Revetment
Lake Michigan at Rosemont Avenue	Revetment
Lake Michigan at North Shore Avenue	Revetment; and

WHEREAS, It was intended that the City serve as local sponsor for certain shoreline protection devices at the following additional locations:

Location	Selected Facility
Lake Michigan at Fargo and Jarvis Avenues	Rip-rap Toe Protection
Lake Michigan at public alley between Fargo and Jarvis Avenues	Rip-rap Toe Protection; and

WHEREAS, Recently enacted federal law now requires that the local sponsor for federally funded lakeshore protection and flood control projects contribute a portion of the cost of such project; and

WHEREAS, Said federal law applies retroactively to the Project; and

WHEREAS, The City's local contribution requirement for the Project has been estimated at Two Hundred Eight Thousand and no/100 Dollars (\$208,000.00); and

WHEREAS, The State of Illinois has agreed to fund said local contribution requirement; and

WHEREAS, A modification to the aforesaid Local Cooperation Agreement is necessary to incorporate the toe-protection work to be done at the ends of Jarvis and Fargo Avenues and to set forth the contribution requirement of the local sponsor; now, therefore,

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

SECTION 1. The Commissioner of the Department of Public Works (the "Commissioner") is hereby authorized to execute and the City Clerk to attest, subject to the approval thereof by the Corporation Counsel, a modification to the existing Local Sponsorship Agreement substantially in the form of Exhibit "A" attached hereto.

SECTION 2. The Commissioner is further authorized to execute and the City Clerk to attest, subject to the approval thereof by the Corporation Counsel, an agreement between the City and the State of Illinois (the "State") for funding by the State of the local contribution for said Project.

SECTION 3. The Corporation Counsel is hereby authorized to prepare all documents and perform all acts required under the aforementioned agreements or otherwise necessary to implement this ordinance.

SECTION 4. This ordinance shall be in force and effect from the date of its passage and approval.

Exhibit "A"

*Modification No. 1 To The
Local Cooperation Agreement Between
The United States Of America,
The City Of Chicago,
And
The Chicago Park District
For Emergency Bank Stabilization,
Shore Protection, And
Flood Control Facilities Along The
Shoreline Of Lake Michigan In
The Edgewater/Rogers Park Area Of
Chicago, Illinois.*

This Modification, entered into this ____ day of _____, 1986, by and between the United States of America (hereinafter referred to as the "Government"), represented by the Contracting Officer executing this Modification, the City of Chicago, Illinois (hereinafter referred to as the "City"), and the Chicago Park District (hereinafter referred to as the "Park District"),

Witnesseth:

Whereas, by an agreement dated October 10, 1986, the Government, the City, and the Park District shall cooperate in the construction of the above-named project; and

Whereas, the Government, the City, and the Park District consider it in their best interests to amend the referenced agreement to reflect the changes in local cooperation applicable to the project upon enactment into law of H.R.6, 99th Congress, 2d Session, the Water Resources Development Act of 1986:

Now, Therefore, the parties agree to amend the referenced agreement by deleting all that appears after the phrase "Now Therefore, the parties agree as follows" and inserting in lieu thereof the following:

Article I.

Definitions.

For purposes of this Agreement.

a. The term "total project costs" shall mean all costs incurred by the City, the Park District, and the Government directly related to construction of the facilities listed in paragraphs b. and c. of this Article (excluding betterments, if any, and operation and maintenance costs). Such total project costs shall include, but not necessarily be limited to, actual construction costs, the value of lands, easements, and rights-of-way made available for the project, relocation and alteration costs, costs of applicable engineering and design, and supervision and administration costs.

b. The term "elements sponsored by the City" shall mean the following separable facilities of the project:

Location	Selected Facility
Lake Michigan at Granville Avenue	Revetment
Lake Michigan at Glenlake Avenue	Seawall Extension
Lake Michigan at Thorndale Avenue	Rip-rap Toe Protection
Lake Michigan at Rosemont Avenue	Revetment
Lake Michigan at North Shore Avenue	Revetment
Lake Michigan at Jarvis and Fargo Avenues	Rip-rap Toe Protection
Lake Michigan at Jarvis -- Fargo Alley	Rip-rap Toe Protection

c. The term "elements sponsored by the Park District" shall mean the following separable facilities of the project:

Location	Selected Facility
Lake Michigan offshore at Fargo Avenue	Breakwater
Lake Michigan offshore at Jarvis Avenue	Breakwater
Lake Michigan offshore at Thorndale Avenue	Breakwater

Article II.

Obligations of the Government.

a. The Government, using funds provided by the City and the Park District and appropriated by Congress, shall expeditiously construct the project consisting of the separable facilities listed above in paragraphs b. and c. of Article I, applying those procedures usually followed or applied in Federal projects, pursuant to Federal laws, regulations, and policies.

b. Upon completion of the project, or separable facility thereof, the Government shall turn the completed element or elements over to the appropriate sponsor, which shall be solely responsible for operating, maintaining, and rehabilitating the element or elements in accordance with regulations or directions prescribed by the Secretary of the Army.

Article III.

Obligations of the City.

a. The City shall ----

1) during the period of construction, pay 5 percent of total project costs allocated to the elements sponsored by the City. This requirement is fully satisfied by the payment provision specified in Article VI which relates to the City's obligation to provide the required contribution for both local sponsors;

2) provide all lands, easements, rights-of-way, and dredged material disposal areas necessary for construction of the elements sponsored by the City;

3) perform all relocations and alterations of buildings, utilities, highways, highway bridges, sewers, related and special facilities necessary for construction of the elements sponsored by the City;

4) if the value of the contributions provided under subparagraphs 1), 2), and 3) of this paragraph represents less than 25 percent of total project costs allocated to the elements sponsored by the City, and/or the Park District, pay during the period of construction the

additional amount necessary to make the total contribution under this paragraph equal to 25 percent of total project costs allocated to the elements sponsored by the City.

b. The City shall ----

1) hold and save the Government free from damages due to construction, operation, and maintenance of the elements sponsored by the City, except for damages due to the fault or negligence of the Government or its contractors;

2) operate, maintain, and rehabilitate the elements sponsored by the City in accordance with regulations or directions prescribed by the Secretary of the Army;

3) comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 91- 646) in acquiring lands, easements, and right-of-way for construction and subsequent operation and maintenance of the elements sponsored by the City, and inform all affected persons of applicable benefits, policies, and procedures in connection with said Act;

4) comply with Section 601 of Title VI of the Civil Rights Act of 1964 (Public Law 88-352), the Department of Defense Directive 5500.11, issued pursuant thereto and published in Part 300 of Title 32, Code of Federal Regulations in connection with its responsibilities under this Agreement.

Article IV.

Obligations of the Park District.

a. The Park District shall ----

1) during the period of construction, pay 5 percent of total project costs allocated to the elements sponsored by the Park District. This requirement is fully satisfied by the payment provision specified in Article VI which relates to the City's obligation to provide the required contribution for both local sponsors;

2) provide all lands, easements, rights-of-way, and dredged material disposal areas necessary for construction of the elements sponsored by the Park District;

3) perform all relocations and alterations of buildings, utilities, highways, highway bridges, sewers, related and special facilities necessary for construction of the elements sponsored by the Park District;

b. The Park District shall ----

1) hold and save the Government free from damages due to construction, operation, and maintenance of the elements sponsored by the Park District, except for damages due to the fault or negligence of the Government or its contractors;

2) operate, maintain, and rehabilitate the elements sponsored by the Park District in accordance with regulations or directions prescribed by the Secretary of the Army;

3) comply with the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Public Law 91- 646) in acquiring lands, easements, and rights-of-way for construction and subsequent operation and maintenance of the elements sponsored by the Park District, and inform all affected persons of applicable benefits, policies, and procedures in connection with said Act;

4) comply with Section 601 of Title VI of the Civil Rights Act of 1964 (Public Law 88-352), and the Department of Defense Directive 5500.11, issued pursuant thereto and published in Part 300 and Title 32, Code of Federal Regulations in connection with its responsibilities under this Agreement.

Article V.

Value of Lands and Facilities.

a. The value of the lands, easements, and rights-of-way to be included in total project costs and credited toward the appropriate local sponsor's share of total project costs will be determined in accordance with the following procedures:

1) if the lands, easements, or rights-of-way are owned by the sponsor as of the date this Agreement is signed, the credit shall be the fair market value of the interest at the time such interest is made available to the Government for construction of the Project. The fair market value shall be determined by an appraisal, to be obtained by the sponsor, which has been prepared by an independent and qualified appraiser who is acceptable to both the sponsor and the Government. The appraisal shall be reviewed and approved by the Government.

2) if the lands, easements, or rights-of-way are to be acquired by the sponsor after the date this Agreement is signed, the credit shall be the fair market value of the interest at the time such interest is made available to the Government for construction of the project. The fair market value shall be determined as specified in subparagraph 1) above. If the sponsor pays an amount in excess of the appraised fair market value, it may be entitled to a credit for the excess if the sponsor has secured prior written approval from the Government of its offer to purchase such interest.

b. If the sponsor acquires more lands, easements, or rights-of-way than are necessary for project purposes, as determined by the Government, then only the value of such portions of those acquisitions as are necessary for project purposes shall be included in total project costs and credited to the sponsor's share.

c. Credit for lands, easements, and rights-of-way in the case of involuntary acquisitions after the date this Agreement is signed will be based on court awards, or on stipulated settlements that have received prior Government approval.

d. Credits provided under this Article will also include the actual incidental costs of acquiring the interest, e.g., closing and title costs, as well as the actual amounts expended for any relocation assistance provided in accordance with the obligations under this Agreement.

e. The costs of relocations or modifications of utilities or facilities that will be included in total project costs and credited towards the sponsor's share of total project costs shall be that portion of the actual costs incurred by the sponsor as set forth below:

1) bridges and highways: only that portion of the cost as would be necessary to construct substitute bridges and roads to the design standard that the State of Illinois would use in constructing a new bridge or road under similar conditions of geography and traffic loads.

2) utility facilities: actual relocation costs, less depreciation, less salvage value, plus the cost of removal, less the cost of betterments. With respect to betterments, new materials shall not be used in any relocation or alteration if materials of value and usability equal to those in existing facility are available or can be obtained as salvage from the existing facility or otherwise, unless the provision of new material is more economical. If, despite the availability of used material, new material is used, where the use of such new material represents an additional cost, such cost will not be included in total project costs.

Article VI.

Method of Payment.

a. Pursuant to Articles III and IV of this Agreement, the City and the Park District will provide, over the term of construction, 25 percent of total project costs. Initial project costs are presently estimated to be \$1,334,000; thus, the total contribution to be provided by the City and the Park District is presently estimated to be \$333,500. The cash contributions to be made by the local sponsors pursuant to this Agreement shall be provided as follows: 2 days prior to the date of bid-opening pursuant to the award of the first construction contract, and after crediting the City and the Park District with the value of project lands, easements and rights-of-way provided or to be provided by the City and the Park District presently estimated to be \$125,000, (there being no relocations and alterations provided or to be provided by the local sponsors), the City shall provide the Government the full amount of the required contribution for the City and the Park District, said contribution presently estimated to be \$208,500. The City shall provide the Government the full amount of said required contribution by delivering a check payable to "F.A.O., U.S.A.E.D., North Central" to the Contracting Officer representing the Government within the time period specified above.

b. When bids are opened on the construction contract and in the event additional funds are needed from the City and the Park District to meet their required share of total estimated projects costs, the Government shall so notify the City, and the City shall deposit the additional funds within two (2) calendar days after demand is made by the Government.

c. The Government will draw on the funds provided by the sponsor such sums as it deems necessary to cover contractual and in-house fiscal obligations as they occur, and Government costs incurred prior to the date of this Agreement.

d. Upon completion of the project and resolution of all contract claims and appeals, the Government will compute the total project costs and tender to the City and the Park District a final accounting of each party's respective share of total project costs. In the event the total contribution by a particular sponsor is less than its required share of total project costs at the time of the final accounting, the City shall deposit within 90 calendar days after receipt of written notice whatever sum is required to meet the said required share of total project costs. In the event that either local sponsor has made excess cash contributions which result in that sponsor's having provided more than its required share of total project costs, the Government shall return to the City within 90 calendar days such cash contributions to the extent they exceed 5 percent of total project costs and it shall be the sole responsibility of the local sponsors to properly allocate any excess cash contribution returned by the Government, and the local sponsors fully release the Government upon return of any excess cash contributions to the City. Neither party shall be entitled to interest on funds returned pursuant to final accounting.

Article VII.

Assumption of Maintenance by the Government.

The City and the Park District hereby give the Government a right to enter, at reasonable times and in a reasonable manner, upon land which each owns or controls for access to the Project for the purpose of inspection, and, if necessary, for the purpose of operating, repairing, and maintaining the project. If an inspection shows that appropriate sponsor for any reason is failing to operate, repair, and maintain the project in accordance with the assurances hereunder, the Government will send a written notice to that sponsor. If the sponsor persists in such failure for 30 calendar days after receipt of the notice, then the Government shall have a right to enter, at reasonable times and in a reasonable manner, upon lands the sponsor owns or controls for access to the project for the purpose of operating, repairing, or maintaining the project. No operation, repair, or maintenance by the Government shall operate to relieve the sponsor of responsibility to meet its obligations as set forth in this Agreement, or to preclude the Government from pursuing any other remedy at law or equity to assure faithful performance pursuant to this Agreement.

Article VIII.

Termination or Suspension.

a. If at any time either the City or the Park District fails to provide its required share of costs under this Agreement, the Secretary of the Army shall suspend work on the project until the sponsor is no longer in arrears unless 1) the Secretary determines that continuation of work on the project is in the interest of the Government, or 2) continuation is necessary to satisfy agreements with the non-offending sponsor. Any delinquent payment shall be charged interest at a rate, to be determined by the Secretary of the Treasury, equal to 150 per centum of the average bond equivalent rate of the 13-week Treasury bills auctioned immediately prior to the date on which such payment became delinquent, or auctioned immediately prior to the beginning of each additional 3- month period if the period of delinquency exceeds 3 months.

b. If the Government fails to receive annual appropriations in amounts sufficient to meet expenditures for the then-current fiscal year, the Government shall so notify the City and the Park District. After 60 days any party may elect without penalty to terminate the Agreement or to suspend performance thereunder, and the parties shall conclude their activities relating to the project and proceed to a final accounting in accordance with Article VI.

Article IX.

Notices.

Whenever written notice herein is to be given to the City, such notice shall be directed to the Mayor of the City, and whenever written notice is to be given to the Park District, such notice shall be directed to the President of the Board of Commissioners. Whenever written notice herein is to be given to the Government, such notice shall be directed to the Contracting Officer representing the Government.

In Witness Whereof, the parties hereto have executed this modification on the day and year first above written.

[Signature forms omitted for printing purposes.]

CERTIFICATE OF AUTHORITY

THE CITY OF CHICAGO

I, _____, do hereby certify that I am the Chief Legal Officer for the City of Chicago, that the City of Chicago is a legally constituted public body with full authority and legal capability to perform its obligations under the terms of Modification No. 1 to the Agreement between the UNITED STATES OF AMERICA and the CITY OF CHICAGO and the CHICAGO PARK DISTRICT in connection with emergency bank stabilization, shore protection and flood control facilities along the shoreline of Lake Michigan in the Edgewater/Rogers Park area of Chicago, Illinois, dated 10 October 1986, and to pay damages, if necessary, in the event of its failure to perform, in accordance with Section 221 of Public Law 91-611, and that the person/s who has executed Modification No. 1 to the contract on behalf of the City of Chicago has acted within his statutory authority.

IN WITNESS WHEREOF, I have made and executed this Certificate this _____ day of _____ 1986.

By: _____

Title: _____

CERTIFICATE OF AUTHORITY

CHICAGO PARK DISTRICT

I, _____, do hereby certify that I am the Chief Legal Officer for the Chicago Park District, that the Chicago Park District is a legally constituted public body with full authority and legal capability to perform its obligations under the terms of Modification No. 1 to the Agreement between the UNITED STATES OF AMERICA and the CITY OF CHICAGO and the CHICAGO PARK DISTRICT in connection with emergency flood protection facilities along the shoreline of Lake Michigan in the Edgewater/Rogers Park area of Chicago, Illinois, dated 10 October 1986, and to pay damages, if necessary, in the event of its failure to perform, in accordance with Section 221 of Public Law 91-611, and that the person/s who has executed Modification No. 1 to the contract on behalf of the Chicago Park District has acted within his statutory authority.

IN WITNESS WHEREOF, I have made and executed this Certificate this ____ day of _____ 1986.

By: _____

Title: _____

AUTHORITY GRANTED FOR EXECUTION OF COMMUNITY
DEVELOPMENT FLOAT LOAN BETWEEN CITY AND
BETHEL NEW LIFE, INCORPORATED.

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

WHEREAS, The Department of Housing of the City of Chicago ("City") is responsible for assuring the existence of a sufficient stock of safe, decent housing for the citizens of Chicago through encouraging and providing financial assistance for the rehabilitation of existing residential buildings and construction of new residential buildings; and

WHEREAS, Bethel New Life, Inc., an Illinois not-for-profit corporation as general partner of an Illinois limited partnership to be formed ("Bethel") has proposed to rehabilitate the Guyon Hotel, located at 116 North Pulaski Avenue, into a 114 unit residential facility with associated commercial uses on the ground floor (the "Project"); and

WHEREAS, 70% of the 114 residential units will be available for low and moderate income families; and

WHEREAS, The City, as recipient of Community Development Block Grant Funds ("C.D. Funds") made available pursuant to the Housing and Community Development Act of 1974, as amended, (the "Act") may currently utilize available but unexpended C.D. funds for low-interest construction and development loans to private developers ("C.D. Float Loan") for eligible community development projects (an "Eligible Project"), provided that in the event the unexpended C.D. funds are required for City Programs, said funds are immediately returned to the City; and

WHEREAS, The City has determined that the Project is an eligible project for the receipt of financing from C.D. funds available to the City under the Act; and

WHEREAS, Bethel has requested the City to provide construction financing through a C.D. Float Loan not to exceed \$2,800,000.00 ("Construction Financing"); and

WHEREAS, The City is willing to execute, with Bethel, construction loan documentation required to evidence a C.D. Float Loan not to exceed \$2,800,000.00 said loan to be fully collateralized; now, therefore,

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

SECTION 1. The Commissioner of Housing is hereby authorized to negotiate and make a C.D. Float Loan not to exceed \$2,800,000.00 with Bethel, said loan to be at the interest rate of not more than 6% per annum for a term of not greater than 36 months, to be used for the rehabilitation of the Project. Such C.D. Float Loan will be backed by an irrevocable letter of credit or other credit facility equivalent, in the full principal amount of the loan, running to and for the benefit of the City. Said letter of credit or other credit facility shall be from an institution and subject to such terms as the City Comptroller shall deem satisfactory.

SECTION 2. The Mayor, Commissioner, or Budget Director, as appropriate, is authorized to notify H.U.D. of the City's intent to make the above C.D. Float Loan and to seek any necessary procedural guidelines from H.U.D.

SECTION 3. The Mayor, the Commissioner, the Budget Director, the Comptroller and the City Clerk are authorized to execute all documents and take all actions which may be necessary to implement the terms of this ordinance.

SECTION 4. This ordinance shall be effective immediately upon its passage.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Gabinski, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 40.

Nays -- Aldermen Hagopian, Santiago, Mell -- 3.

AUTHORITY GRANTED FOR ISSUANCE OF FREE PERMITS,
LICENSE FEE EXEMPTIONS, CANCELLATION OF
WATER RATES AND REFUND OF VARIOUS
FEES FOR CERTAIN CHARITABLE,
EDUCATIONAL AND RELIGIOUS
INSTITUTIONS.

The Committee on Finance, to which had been referred September 12, 24, October 6, 27, 30 and November 5, 1986 sundry proposed ordinances and orders transmitted therewith to authorize the issuance of free permits, license fee exemptions, cancellation of water rates and refund of various fees for certain charitable, educational and religious institutions, submitted separate reports recommending that the City Council pass said proposed ordinances and orders.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Gabinski, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 40.

Nays -- Aldermen Hagopian, Santiago, Mell -- 3.

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

FREE PERMITS.

Association for Education.

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 Association for Education, 5800 North Keating Avenue, for remodeling of existing structure on the premises known as 5800 North Keating Avenue.

Said building shall be used exclusively for education 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.

Hyde Park Community Hospital.

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 Hyde Park Community Hospital, 5800 South Stony Island Avenue, for electrical permit for construction work on driveway on the premises known as 5800 South Stony Island Avenue.

Said driveway shall be used for 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.

Koram Housing for the Elderly.

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 Koram Housing for the Elderly (H.U.D. Project), 4444 North Harding Avenue, for electrical work in new building (Sierra Electrical Contractors, 357 Balm Court, Wood Dale, Illinois 60191) on the premises known as 4444 North Harding Avenue.

Said building shall be used exclusively for housing 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.

Northeastern Illinois University.

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 Northeastern Illinois University, 5500 North St. Louis Avenue, for electrical work on the premises known as 5500 North St. Louis Avenue.

Said building shall be used 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 Joseph Hospital.

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 St. Joseph Hospital, 2900 North Lake Shore Drive, for Gift Shop on the premises known as St. Joseph Hospital.

Said building shall be used for 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.

Saint Rita High School.

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 St. Rita High School, 6310 South Claremont Avenue, for renovation of building (Aspen Enterprises, Inc., 1857 Elmdale Avenue, Glenview, Illinois) on the premises known as 6310 South Claremont Avenue.

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.

*Senior Citizens Housing Development Corporation
of Chicago.*

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 Senior Citizens Housing Development Corporation of Chicago, 2001 West Devon Avenue, for construction of a maintenance building emergency generator and a parking lot for forty cars on the premises known as Senate Apartments, 5801-G North Pulaski Road.

Said building shall be used exclusively for Senior Citizen Housing residents 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.

Trinity Community Housing Corporation.

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 Trinity Community Housing Corporation, 532 West 95th Street, for construction of the Senior Citizen Housing Development on the premises known as East 39th Street and South Calumet Avenue.

Said building shall be used exclusively for senior citizen residency 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.

Zionist Organization of Chicago.

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 Zionist

Organization of Chicago, 6326 -- 6328 North California Avenue, for 2 -- story brick addition to existing building on the premises known as 6326 -- 6328 North California Avenue.

Said building shall be used exclusively for religious meetings 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.

LICENSE FEE EXEMPTIONS.

Dispensary.

Erie Family Health Center.

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

SECTION 1. Pursuant to Section 118-5 of the Municipal Code of Chicago and in accordance with favorable investigation by the Department of Health, the Erie Family Health Center, 1656 West Chicago Avenue, is hereby exempted from payment of the annual license fee provided in Section 118-4, for the year 1986.

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

Food Dispensers.

Bernard Horwich Jewish Community Center.

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

SECTION 1. Pursuant to Section 130-15 of the Municipal Code of Chicago and in accordance with favorable investigation by the Department of Health, the Bernard Horwich Jewish Community Center, 3003 West Touhy Avenue -- License 7095, is hereby exempted from payment of the annual Food Dispenser (Retail) license fee provided therefor, for the year 1986.

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

Habilitative System, Incorporated.

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

SECTION 1. Pursuant to Section 130-3.1 of the Municipal Code of Chicago and in accordance with favorable investigation by the Board of Health, the Habilitative System, Inc., 415 South Kilpatrick Avenue, is hereby exempted from payment of the Food Dispenser license fee provided therefor, for the second half of year 1986.

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

Northwest Hospital.

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

SECTION 1. Pursuant to Section 130-15 of the Municipal Code of Chicago and in accordance with favorable investigation by the Department of Health, the Northwest Hospital, 5645 West Addison Street, is hereby exempted from payment of the annual Food Dispenser (Retail) license fee provided therefor, for the year 1986.

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

Saint Barnabas Urban Center, Incorporated.

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

SECTION 1. Pursuant to Section 130-3.1 of the Municipal Code of Chicago and in accordance with favorable investigation by the Board of Health, Saint Barnabas Urban Center, Inc., 4241 West Washington Boulevard, is hereby exempted from payment of the annual Food Dispenser license fee, for the year 1987.

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

CANCELLATION OF EXISTING WATER RATES.

Agudath Israel of Illinois.

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

SECTION 1. Pursuant to Section 185-47 of the Municipal Code of Chicago, the Commissioner of Water is hereby authorized and directed to cancel all existing water rates assessed against the Agudath Israel of Illinois, 3540 West Peterson Avenue, for premises located at 3540 West Thorndale Avenue.

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

Congregation Ezras Israel.

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

SECTION 1. Pursuant to Section 185-47 of the Municipal Code of Chicago, the Commissioner of Water is hereby authorized and directed to cancel existing water rates assessed against the Congregation Ezras Israel, 2746--2756 West Lunt Avenue in the amount of \$148.12.

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

Jewish Peoples Convalescent Home.

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

SECTION 1. Pursuant to Section 185-47 of the Municipal Code of Chicago, the Commissioner of Water is hereby authorized and directed to cancel all existing water rates assessed against the Jewish Peoples Convalescent Home, 6512 North California Avenue.

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

Northwest Home for the Aged.

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

SECTION 1. Pursuant to Section 185-47 of the Municipal Code of Chicago, the Commissioner of Water and Sewers is hereby authorized and directed to cancel existing water and sewer charges in the amount of \$8,200.52 for the period of October 10, 1985 to July 1, 1986, charged against the Northwest Home for the Aged, 6300 North California Avenue.

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

Northwest Institute for Contemporary Learning.

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

SECTION 1. Pursuant to Section 185-47 of the Municipal Code of Chicago, the Commissioner of Water is hereby authorized and directed to cancel all existing water rates assessed against the Northwest Institute for Contemporary Learning, 5108 West Division Street.

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

Saint James Lutheran Church of Chicago.

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

SECTION 1. Pursuant to Section 185-47 of the Municipal Code of Chicago, the Commissioner of Water and Sewers is hereby authorized and directed to cancel water rates in the amount of \$22.98 for the period of October 8, 1985 to June 30, 1986, charged to Saint James Lutheran Church of Chicago, 7400 West Foster Avenue.

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

REFUND OF FEES.

Association for Education.

Ordered, That the City Comptroller is hereby authorized and directed to refund Building Permit fee in the amount of \$844.00 to the Association for Education, 5800 North Keating Avenue.

Hyde Park Community Hospital.

Ordered, That the City Comptroller is hereby authorized and directed to refund \$1,500.00 to Hyde Park Community Hospital, 5800 South Stony Island Avenue, for permit fee on driveway construction.

Saint Joseph Hospital and Health Care Center.

Ordered, That the City Comptroller is hereby authorized and directed to waive general business license fee for a gift shop, in the amount of \$25.00 for St. Joseph Hospital and Health Care Center, 2900 North Lake Shore Drive.

Zionist Organization of Chicago.

Ordered, That the City Comptroller is hereby authorized and directed to refund \$1,530.75 for Building Permit No. 670830 fee, paid by the Zionist Organization of Chicago (a not-for-profit organization), for construction of a 2 - - story brick addition to existing structure at 6326 -- 6328 North California Avenue.

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 October 27, 30, 31 and November 5, 1986, 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 proposed substitute 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
All Saints Church 10809 South State Street	B1-618785 (Bldg.)	\$23.00
Archdiocese of Chicago 155 East Superior Street	B1-618848 (Bldg.)	57.50
Archdiocese of Chicago/St. Mell's Holy Ghost Church, 22 North Kildare Avenue	A1-605726 (Elev.)	30.00
Augustana Hospital (various locations)	D1-420867	16.00
	D1-603089	28.00
	D1-603090	16.00
	D1-603091	16.00
	D1-603092	16.00
	D1-603093	16.00
	D1-603847	16.00
	D1-604009	16.00
	D1-604010	16.00
	D1-604011	16.00
	D1-604012	16.00
	D1-604013	16.00
	D1-604014	16.00
	D1-604015	28.00

11/13/86

REPORTS OF COMMITTEES

36665

Name and Address	Warrant Number and Type of Inspection	Amount
	D1-604016	\$28.00
	D1-604017	28.00
	D1-604018	28.00
	D1-604019	28.00
	D1-604020	16.00
	D1-604021	16.00
	D1-604022	16.00
	D1-604023	16.00
	D1-604024	16.00
	D1-604025	16.00
	D1-604026	16.00
	D1-604027	28.00
	D1-604028	28.00
	D1-604029	28.00
	D1-604030	28.00
	D1-604031	28.00
	D1-604032	28.00
	D1-604033	28.00
	D1-604034	28.00
	D1-604035	28.00
	D1-604036	28.00
	D1-604037	28.00
	D1-604038	28.00
	D1-604039	16.00
	D1-604040	16.00
	D1-604041	28.00
	(Sign) P2-651313 (Control and Process Device)	15.00
Augustana Nurses Home 419 West Dickens Avenue	B1-610042 (Bldg.)	57.50
Chicago Academy of Science 2001 North Clark Street	A1-601971 (Elev.)	30.00

Name and Address	Warrant Number and Type of Inspection	Amount
Chicago Historical Society	A1-601854	\$120.00
1601 North Clark Street	(Elev.)	
1615 North Clark Street	D1-603536	16.00
	(Sign)	
Church Home	A1-604711	60.00
5445 South Ingleside Avenue	(Elev.)	
Edgewater Hospital	B1-612976	57.50
1625 West Edgewater Avenue	(Bldg.)	
Franciscan Fathers	A1-605285	30.00
6101 North Kenmore Avenue	(Elev.)	
	B1-613475	46.00
	(Bldg.)	
Grant Hospital	A1-602314	471.00
551 West Grant Place	(Elev.)	
	No. 1 Tube	30.00
	Boiler	
Holy Cross Church	B1-609765	23.00
6537 South Maryland Avenue	(Bldg.)	
Illinois Institute of Technology	A1-600346	120.00
various locations	A1-601816	30.00
	A1-601817	30.00
	A1-601820	60.00
	A1-601822	30.00
	A1-601818	30.00
	A1-601819	60.00
	A1-601863	60.00
	A1-601864	30.00
	A1-601882	66.00

11/13/86

REPORTS OF COMMITTEES

36667

Name and Address	Warrant Number and Type of Inspection	Amount
	A1-601894	\$30.00
	A1-601907	60.00
	A1-901933	60.00
	A1-601948	30.00
	A1-601961	60.00
	A1-601962	90.00
	A1-601963	60.00
	A1-601984	30.00
	A1-602006	30.00
	A1-602023	60.00
	A1-602063	30.00
	A1-602064	231.00
	A1-604703	30.00
	A1-608217	246.00
	A1-608261	90.00
	A1-608273	90.00
	A1-608333	30.00
	A1-608851	30.00
	A1-608853	60.00
	A1-608891	30.00
	A1-608936	60.00
	A1-608946	60.00
	A1-608979	66.00
	(Elev.)	
	B1-607490	92.00
	B1-608279	34.50
	B1-610566	34.50
	B1-610808	69.00
	B1-610817	46.00
	B1-610819	46.00
	B1-610827	34.50
	B1-610830	34.50
	B1-612063	172.50
	B1-612064	34.50
	B1-612079	69.00
	B1-612085	34.50

Name and Address	Warrant Number and Type of Inspection	Amount
	B1-612090	\$34.50
	B1-612151	23.00
	B1-612152	57.50
	B1-612154	46.00
	B1-612206	69.00
	B1-612212	57.50
	B1-612221	34.50
	B1-612231	92.00
	B1-612232	46.00
	B1-612243	46.00
	B1-612250	57.50
	B1-612296	69.00
	B1-612298	23.00
	B1-612725	23.00
	B1-614668	23.00
	B1-614667	23.00
	B1-614668	23.00
	B1-612222	34.50
	B1-408972 (5/11/84) (Bldg.)	69.00
	B3-601513 (Publ. Pl. of Assem.)	34.00
	C2-635579	72.00
	C2-636462 (Refrig.)	94.00
	F4-612361 (Mech. Vent.)	392.50
	P2-650443 (Control and Process Device)	30.00
Inner City Impact 2704 West North Avenue	A1-602334 (Elev.)	30.00
LaRabida Children's Hospital and Research Center various locations	A1-605509 (Elev.)	60.00
	D1-603031	16.00
	D1-603032	28.00
	D1-603033	28.00

11/13/86

REPORTS OF COMMITTEES

36669

Name and Address	Warrant Number and Type of Inspection	Amount
	D1-603034 (Sign)	\$28.00
Lutheran Day Nursery 1802 North Fairfield Avenue	A1-601659 (Elev.)	30.00
Lutheran School of Theology 1100 East 55th Street	A1-604296 (Elev.)	120.00
	B1-618827 (Bldg.)	46.00
McCormick Theological Seminary various locations	A1-604939	30.00
	A1-605003 (Elev.)	30.00
	B1-615377 (Bldg.)	34.50
	F4-618429 (Mech. Vent.)	25.00
	R1-604870 (Drwy.)	50.00
Museum of Science and Industry 1701 East 57th Street	A1-504129 (Elev.)	517.50
Northwestern Memorial Hospital various locations	A1-606289	129.00
	A1-605293 (Elev.)	177.00
	B1-612457 (Bldg.)	356.50
	C2-637557 (Refrig.)	144.00
Norwood Park Home 6016 North Nina Avenue	Spec. Dept. Services	30.00
Rehabilitation Institute of Chicago 345 East Superior Street	R1-607547 (Drwy.)	100.00
St. Anthony Hospital 2847 West 19th Street	A1-602411	300.00
	A1-608319 (Elev.)	300.00
St. Fidelis Church 1406 North Washtenaw Avenue	A1-601521 (Elev.)	30.00

Name and Address	Warrant Number and Type of Inspection	Amount
St. Joseph Convent (LaFarge Center) 3901 North Ridgeway Avenue	A1-603246 A1-603262 (Elev.)	\$60.00 15.50
St. Joseph Hospital and Health Care Center 2900 North Lake Shore Drive	Spec. Dept. Services	30.00
St. Mary A.M.E. 5251 South Dearborn Street	D1-423047 D1-603312 (Sign)	34.00 34.00
St. Mary's Square Living Center of Chicago, 7270 South South Shore Drive	F4-619198 (Mech. Vent.)	19.00
Vivekanda Vedanta Society 5419 South Hyde Park Boulevard	B1-614518 (Bldg.)	46.00

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Gabinski, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 40.

Nays -- Aldermen Hagopian, Santiago, Mell -- 3.

AUTHORITY GRANTED FOR INSTALLATION OF
ALLEY/STREET LIGHTS AT SUNDRY
LOCATIONS.

The Committee on Finance submitted a report recommending that the City Council pass five proposed orders transmitted therewith, authorizing the installation of sundry alley/street lights.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Gabinski, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 40.

Nays -- Aldermen Hagopian, Santiago, Mell -- 3.

The following are said orders as passed:

Ordered, That the Commissioner of Public Works is hereby authorized and directed to give consideration to the installation of an alley light in back of the premises located at 9140 -- 9160 South Cottage Grove Avenue.

Ordered, That the Commissioner of Public Works is hereby authorized and directed to give consideration to the installation of an alley light at the rear of 9232 South King Drive.

Ordered, That the Commissioner of Public Works is hereby authorized and directed to give consideration to the installation of an alley light in back of the premises located at 356 East 119th Place.

Ordered, That the Commissioner of Streets and Sanitation is hereby authorized and directed to give consideration to the installation of a street light in front of 12424 South Wallace Street.

Ordered, That the Commissioner of Public Works is hereby authorized and directed to give consideration to the installation of additional street lights on East Elm Street between North State Street and North Lake Shore Drive.

AUTHORITY GRANTED FOR REDUCTION IN ANNUAL LICENSE
FEES FOR SPECIAL POLICEMEN EMPLOYED BY
CERTAIN NOT-FOR-PROFIT INSTITUTIONS.

The Committee on Finance, to which had been referred (October 27, 1986) sundry proposed ordinances transmitted therewith, to authorize the issuance of reductions in the annual license fee for special policemen employed by not-for-profit 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 Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Gabinski, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 40.

Nays -- Aldermen Hagopian, Santiago, Mell -- 3.

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

Hyde Park Community Hospital.

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

SECTION 1. Pursuant to Chapter 173, Section 6 of the Municipal Code of Chicago, the following charitable institution employs 25 Special Police and shall pay a fee of \$10.00 per license for the year 1987:

Hyde Park Community Hospital
5800 South Stony Island Avenue.

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

Stone Temple Baptist Church.

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

SECTION 1. Pursuant to Chapter 173, Section 6 of the Municipal Code of Chicago the following charitable institution employs three (3) Special Police and shall pay a fee of \$10.00 for the year 1987:

Stone Temple Baptist Church
3622 West Douglas Boulevard.

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

**AUTHORITY GRANTED FOR PAYMENT 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 Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 48.

Nays -- None.

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 No. 100.9112.937:

[Regular Order printed on page 36675 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 damages on account of such injury or medical expense, 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 Order printed on page 36676 of this Journal.]

Action Deferred -- APPROVAL OF APPOINTMENT OF
MR. ERNEST G. BAREFIELD AS MAYOR'S
ADMINISTRATIVE OFFICER.

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

CHICAGO, November 13, 1986.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred a communication approving the appointment of Ernest G. Barefield as the Mayor's Administrative Officer, having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the proposed communication transmitted herewith.

This recommendation was concurred in by 22 members of the committee with 2 dissenting votes.

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

Action Deferred -- ISSUANCE OF \$185,000,000 IN CITY OF CHICAGO
GENERAL OBLIGATION BONDS, REFUNDING AND PROJECT
SERIES 1986 AND LEVY AND COLLECTION OF TAX
TO PAY PRINCIPAL OF AND INTEREST
ON SAID BONDS.

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

CHICAGO, November 13, 1986.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred an ordinance authorizing the issuance of City of Chicago General Obligation Bonds, Refunding and Project Series 1986, in the total estimated amount of \$185,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the proposed ordinance transmitted herewith.

(Continued on page 36677)

11/13/86

REPORTS OF COMMITTEES

36675

REPORT DATE 11/13/86
 REPORT TIME 11:46:46
 PROGRAM -- FRODO

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 11/13/86

REGULAR ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
CORLESS				
DART				
KARLIK				
KIMBLE				
LEGITIM				
PISARD				
KARLING				
KOMANTON				
SCOTT				
LENZO				
WAGLOW				
WAGGOS				
WELLS				
WARRILL				
WARRAS				
WARRLEY				
WARRLOWERS				
WARRHAM				
WATT				
RUSSELL				
WILLER				
WILLIAMS				
	POLICE OFFICER	EIGHTH DISTRICT	5/08/86	130.00
	POLICE OFFICER	ELEVENTH DISTRICT	5/06/86	65.00
	POLICE OFFICER	TENTH DISTRICT	2/04/86	330.50
	POLICE OFFICER	WELTH DISTRICT	3/03/86	15.00
	POLICE OFFICER	CHARGE LAW ENFORCEMENT	4/14/86	68.00
	POLICE OFFICER	NINTH DISTRICT	11/27/85	362.29
	POLICE OFFICER	DETECTIVE TWO AREA 1 PROPERTY	5/12/86	64.00
	POLICE OFFICER	TWENTY-THIRD DISTRICT	2/24/86	130.00
	POLICE OFFICER	TWENTY-SECOND DISTRICT	10/20/85	60.00
	POLICE OFFICER	NINTH DISTRICT	3/31/86	2037.28
	FIRE FIGHTER	TRUCK 51	2/04/85	3908.95
	FIRE FIGHTER	ENGINE COMPANY 26	1/16/86	15.00
	PARAMEDIC	AMBULANCE 22	8/03/85	50.00
	FIRE FIGHTER	TRUCK 16	2/19/74	7056.45
	FIRE FIGHTER	TRUCK 60	1/15/86	25528.08
	PARAMEDIC	AMBULANCE 19	7/20/85	488.20
	FIRE FIGHTER	ENGINE COMPANY 70	3/25/86	976.15
	FIRE FIGHTER	ENGINE COMPANY 1/42	4/13/86	170.00
	FIRE FIGHTER	TRUCK 3	12/18/85	8618.90
	FIRE FIGHTER	ENGINE COMPANY 73	2/11/86	11768.89
	PARAMEDIC	DISTRICT RELIEF 5	1/28/86	45.00
	FIRE FIGHTER	TRUCK 25	9/12/84	942.00

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 11/13/86

THIRD PARTY ORDERS

***** UNPAID BGM *****	***** NAME *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
BUCIARDI	ROBERT F	POLICE OFFICER	9/27/85	422.85
CEJIG	ROBERT J	POLICE OFFICER	10/06/85	220.00
CEHUNGALHO	PAUL D	POLICE OFFICER	8/31/80	522.50
KIRZ	LEON D R	POLICE OFFICER	5/16/86	34.00
LUCCI	ANTHONY	POLICE OFFICER	6/04/86	884.00
MAZUR	MICHAEL	POLICE OFFICER	6/23/86	425.00
KOVERO	MICHAEL J	POLICE OFFICER	12/20/85	42.00
WAD THORON	JAMES	POLICE OFFICER	5/03/86	180.00
WAGNER	LEON	POLICE OFFICER	6/23/86	274.25
ROSELE	GEORGE	PARAMEDIC	9/10/85	1602.00
GERNOG	JOHN	PARAMEDIC	9/17/85	461.00
JORDA	ALFRED	PARAMEDIC	2/22/85	13413.75
FORREHILL	CHARLES	CAPTAIN	12/21/85	153.00
LOUTLOS	JOSEPH	PARAMEDIC	1/06/86	425.60
WAGO	CONRICE	PARAMEDIC	2/14/86	11870.65

(Continued from page 36674)

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 proposed ordinance transmitted with the foregoing committee report:

WHEREAS, The City of Chicago (the "City") is a body politic and corporate under the laws of the State of Illinois and a home rule unit under Article VII of the Illinois Constitution of 1970; and

WHEREAS, The City has heretofore issued its \$118,800,000 General Obligation Term Notes, Series 1980, which are currently outstanding in the aggregate principal amount of \$35,400,000, are binding and subsisting legal obligations of the City and mature on October 1 of the years and in the amounts as follows:

Years	Amounts
1987	\$13,900,000
1988	13,900,000
1989	1,900,000
1990	1,900,000
1991	1,900,000
1992	1,900,000

(the "Series 1980 Notes"); and

WHEREAS, The City has heretofore issued its \$30,000,000 General Obligation Term Notes, Series 1980-A, which are currently outstanding in the aggregate principal amount of \$15,000,000, are binding and subsisting legal obligations of the City and mature on October 1 of the years and in the amounts as follows:

Years	Amounts
1987	\$2,500,000
1988	2,500,000
1989	2,500,000
1990	2,500,000
1991	2,500,000
1992	2,500,000

(the "Series 1980-A Notes"; the Series 1980 Notes and the Series 1980-A Notes being referred to collectively herein as the "Notes"); and

WHEREAS, It is deemed to be necessary, essential and for the best interests of the inhabitants of the City and necessary for the welfare of the government and affairs of the City to provide for the refunding of the Notes; and

WHEREAS, The cost of refunding the Notes is estimated to be not more than \$60,000,000, and the City expects to pay such cost by borrowing such money and issuing its bonds in evidence thereof as hereinafter provided; and

WHEREAS, It is deemed to be necessary, essential and in the best interests of the inhabitants of the City to undertake the capital projects and improvements designated in Exhibit A attached hereto and made a part hereof by this reference (the "Projects"); and

WHEREAS, The cost of completing the Projects is estimated to be not more than \$130,000,000, and the City expects to pay such costs by borrowing such money and issuing its Bonds in evidence thereof as hereinafter provided; and

WHEREAS, The City has determined that it is advisable and necessary at this time to borrow the sum necessary for the purposes of refunding the Notes, completing the Projects and paying the expenses of issuing the Bonds herein authorized, and in evidence thereof to issue its General Obligation Bonds, Project and Refunding Series (the "Bonds"), such borrowing being for a proper public purpose and in the public interest, and the City, by virtue of its constitutional home rule powers and all laws applicable thereto, has the power to issue such Bonds; now, therefore:

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

SECTION 1. The City Council, after a public meeting heretofore held on this ordinance by the Committee on Finance of the City Council, pursuant to proper notice having been given thereof, and in accordance with the findings and recommendations of such Committee, hereby finds that all of the recitals contained in the preambles to this ordinance are full, true and correct and does incorporate them into this ordinance by this reference.

SECTION 2. There shall be borrowed on the credit of and for and on behalf of the City the sum of not to exceed \$195,000,000 for the refunding and project purposes aforesaid; that Bonds of the City shall be issued in said amount, or such lesser amount, as may be determined by the City Comptroller. The Bonds shall be dated October 1, 1986, or such other date as shall be agreed upon between the City Comptroller and the purchasers of the Bonds, shall be in fully registered form, shall be in denominations of \$5,000 each and any integral multiple thereof (but no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Bonds in the aggregate principal amount of not to exceed \$60,000,000, issued for the purpose of refunding the Notes (the "Refunding Series"), shall become due and payable not earlier than January 1, 1988, and not later than January 1, 1993, and the Bonds in the aggregate principal amount of not to exceed \$135,000,000, issued for the purpose of paying the costs of the Projects (the "Project Series"), shall become due and payable on or before January 1, 2013. The principal amount of the Bonds payable, whether at maturity or by virtue of mandatory redemption, on any January 1 (after taking into account prior required mandatory redemptions of such Bonds) and the interest to accrue thereon shall not exceed

the applicable amount levied therefor herein and the Bonds shall bear interest at a rate or rates not to exceed 10% per annum.

Each Bond shall bear interest from the later of its date or the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of such Bond is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on the first days of January and July of each year, commencing on or after January 1, 1987, as determined by the City Comptroller at the time of the sale of any of the Bonds. Interest on each Bond shall be paid to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date, by check or draft of the bank or trust company designated by the Comptroller, or its successor as bond registrar and paying agent (the "Bond Registrar"), or, at the option of any registered owner of \$1,000,000 or more in aggregate principal amount of Bonds, by wire transfer of immediately available funds to such bank in the continental United States as the registered owner of such Bonds shall request in writing to the Bond Registrar. The principal of the Bonds and redemption premium, if any, shall be payable in lawful money of the United States of America upon presentation and surrender at the principal corporate trust office of the Bond Registrar.

The facsimile of the seal of the City shall be affixed to each of the Bonds, and the Bonds shall be executed by the facsimile signature of the Mayor and the City Comptroller and attested by the facsimile signature of the City Clerk, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the City and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this ordinance unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this ordinance. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

The terms and provisions of the Bonds set forth in this Section 2 are subject in all respects to the further terms and provisions described in Section 12 hereof.

SECTION 3. (a) Registration and Transfer. The City shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds as provided in this ordinance to be kept at the principal corporate trust office of the Bond Registrar, as the registrar for the City. The City is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or his attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same interest rate and maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same interest rate and maturity of other authorized denominations. The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond; provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond Registrar shall not be required to transfer or exchange any Bond, (A) during the period beginning at the close of business on the fifteenth day of the calendar month next preceding any interest payment date on such Bond and ending on such interest payment date, (B) after notice calling such Bond for redemption has been mailed, or (C) during a period of fifteen (15) days next preceding mailing of a notice of redemption of such Bond.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of, redemption premium, if any, or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid. In the event any of the Bonds are registered in the name of a securities depository which uses a book entry system, the standing of the registered owner to enforce any of the covenants herein may be established through the books and records of such securities depository or a participant therein.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except that no such payment may be required in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(B) Book-Entry Only System. If so determined and directed by the City Comptroller for any maturity or maturities of the Bonds, such Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined by the City Comptroller as provided in Section 2 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Kray & Co., or any successor thereto ("Kray"), as nominee of Midwest Securities Trust Company, Chicago, Illinois, and its successors and assigns ("Midwest"). In the event that the City Comptroller determines to use the book-entry system of Midwest as provided in this Section 3(b), all of the outstanding Bonds shall be registered in the Bond Register in the name of Kray, as nominee of Midwest, except as hereinafter provided. The City Comptroller is hereby authorized to determine whether or not the book-entry services of

Midwest will be used and if used, the City Comptroller is authorized to execute and deliver on behalf of the City such letters to or agreements with Midwest and the Bond Registrar as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the "Representation Letter").

With respect to Bonds registered in the Bond Register in the name of Kray, as nominee of Midwest, the City and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which Midwest holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a "Midwest Participant") or to any person on behalf of whom such a Midwest Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the City and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of Midwest, Kray or any Midwest Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Midwest Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any Midwest Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on, the Bonds. The City and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond certificate evidencing the obligation of the City to make payments of principal, premium, if any, and interest with respect to any Bond. Upon delivery by Midwest to the Bond Registrar of written notice to the effect that Midwest has determined to substitute a new nominee in place of Kray, and subject to the provisions in Section 2 hereof with respect to the payment of interest by the mailing of checks or drafts or by wire transfer to the registered owners of Bonds at the close of business on the 15th day of the month next preceding the applicable interest payment date, the name "Kray" in this ordinance shall refer to such new nominee of Midwest.

In the event that (i) the City Comptroller determines that Midwest is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the City, the Bond Registrar and Midwest evidenced by the Representation Letter shall be terminated for any reason or (iii) the City Comptroller determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City shall notify Midwest and Midwest Participants of the availability through Midwest of Bond certificates and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Kray, as nominee of Midwest. At that time, the City Comptroller may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal

book-entry system, as may be acceptable to the City Comptroller, or such depository's agent or designee, and if the City Comptroller does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 3(a) hereof.

Notwithstanding any other provision of this ordinance to the contrary, so long as any Bond is registered in the name of Kray, as nominee of Midwest, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

(c) Bonds Lost, Destroyed, etc. If any Bond, whether in temporary or definitive form, is lost (whether by reason of theft or otherwise), destroyed (whether by mutilation, damage, in whole or in part, or otherwise) or improperly cancelled, the Bond Registrar may authenticate a new Bond of like date, denomination and principal amount and bearing a number not contemporaneously outstanding; provided that (a) in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Bond Registrar and (b) in the case of any lost Bond or Bond destroyed in whole, there shall be first furnished to the Bond Registrar evidence of such loss or destruction, together with indemnification of the City and the Bond Registrar, satisfactory to such Bond Registrar. In the event any lost, destroyed or improperly cancelled Bond shall have matured or is about to mature, or has been called for redemption, instead of issuing a duplicate Bond, the Bond Registrar shall pay the same without surrender thereof if there shall be first furnished to the Bond Registrar evidence of such loss, destruction or cancellation, together with indemnity, satisfactory to it. Upon the issuance of any substitute Bond, the Bond Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto.

(d) Redemption. The Bonds are redeemable prior to maturity at the option of the City, in whole or in part on any date, at such times and at such redemption prices (to be expressed as a percentage of the principal amount of such Bonds being herein redeemed not to exceed 103%, plus accrued interest to the date of redemption) as determined by the City Comptroller at the time of the sale of the Bonds. If less than all of the outstanding Bonds are to be optionally redeemed, the Bonds to be called shall be called from such maturities as may be determined by the City and if less than all of a single maturity is so redeemed then by lot within a maturity in the manner hereinafter provided. Certain of the Bonds may be made subject to mandatory redemption, at par and accrued interest to the date fixed for redemption, as determined by the City Comptroller at the time of the sale of the Bonds; provided, that the Refunding Series and the Project Series shall each reach final maturity not later than the dates set forth in Section 2 hereof.

The Bonds shall be redeemed only in the principal amount of \$5,000 each and integral multiples thereof. In the event of the redemption of less than all the Bonds of like maturity the aggregate principal amount thereof to be redeemed shall be \$5,000 or an integral multiple thereof and the Bond Registrar shall assign to each Bond of such maturity a distinctive number for each \$5,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the

Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected. The City shall, at least forty-five (45) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar), notify the Bond Registrar of such redemption date and of the principal amount of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected not more than sixty (60) days prior to the redemption date by the Bond Registrar.

The Bond Registrar shall promptly notify the City in writing of the Bonds, or portions thereof, selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

The redemption provisions set forth in this Section 3 are subject in all respects to the further provisions described in Section 12 hereof.

SECTION 4. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the City by mailing the redemption notice by registered or certified mail at least thirty (30) days and not more than forty-five (45) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar, but the failure to mail any such notice or any defect therein as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond.

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date, and
- (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar.

Prior to any redemption date, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Notice of redemption having been given as aforesaid, the Bonds, or portions thereof, so to be redeemed shall, on the redemption date, become due and payable at the redemption

price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds, or portions thereof, shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same interest rate and maturity in the amount of the unpaid principal.

If any Bond, or portion thereof called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond, or portion thereof, so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

The redemption mechanics set forth in this Section 4 are subject in all respects to the further provisions described in Section 12 hereof.

SECTION 5. The Bonds shall be prepared in substantially the following form with such insertions and revisions as shall be necessary to reflect the terms and provisions of the sale of the Bonds pursuant to Section 12 hereof; provided, however, that if the text of the Bond is to be printed in its entirety on the front side of the such Bond, then paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraphs [6] through [13] shall be inserted immediately after paragraph [1] and paragraphs [3] through [5] shall be inserted immediately after paragraph [13]:

(Form of Bond -- Front Side)

REGISTERED

NO. _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

CITY OF CHICAGO

GENERAL OBLIGATION BOND,

PROJECT AND REFUNDING SERIES

See Reverse Side
for Additional
Provisions

Interest Maturity Dated
Rate: _____% Date: January 1, _____ Date: _____, 198__ CUSIP _____

Registered Owner:

Principal Amount:

[1] The City of Chicago, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the later of the date of this Bond or the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on January 1 and July 1 of each year commencing _____ 1, 198__, until said Principal Amount is paid. Principal of this Bond and redemption premium, if any, shall be payable in lawful money of the United States of America upon presentation and surrender at the principal corporate trust office of _____, Chicago, Illinois, as bond registrar and paying agent (the "Bond Registrar"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the City maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar or, at the option of any Registered Owner of \$1,000,000 or more in aggregate principal amount of Bonds, by wire transfer of immediately available funds to such bank in the continental United States as the Registered Owner hereof shall request in writing to the Bond Registrar.

The Bond Registrar shall not be required to transfer or exchange any Bond (A) during the period beginning at the close of business on the fifteenth day of the calendar month next preceding any interest payment date on such Bond and ending on such interest payment date, (B) after notice calling such Bond for redemption has been mailed, or (C) during a period of fifteen (15) days next preceding mailing of a notice of redemption of such Bond.

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, have done and performed in regular and due form and time as required by law; that the indebtedness of the City, including the issue of Bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

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

[5] In Witness Whereof, said City of Chicago, Illinois, by its City Council, has caused its corporate seal to be imprinted by facsimile hereon and this Bond to be signed by the duly authorized facsimile signatures of the Mayor and City Comptroller and attested by the facsimile signature of the City Clerk, all as of the Dated Date identified above.

Attest:

(Facsimile Signature)

Mayor
City of Chicago

(Facsimile Signature)

City Clerk
City of Chicago

(Facsimile Signature)

City Comptroller
City of Chicago

Date of Authentication: _____

CERTIFICATION OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned ordinance and is one of the General Obligation Bonds, Project and Refunding Series, of the City of Chicago, Illinois.

By _____
(Manual Signature)
Authorized Officer

[FORM OF BOND -- REVERSE SIDE]

CITY OF CHICAGO, ILLINOIS

GENERAL OBLIGATION BOND,

PROJECT AND REFUNDING SERIES

[6] For the prompt payment of this Bond, both principal and interest, as aforesaid, as the same become due, and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of said City of Chicago are hereby irrevocably pledged.

[7] This Bond is one of a series of Bonds aggregating the principal amount of \$_____ issued pursuant to the constitutional home rule powers of the City for the purposes of (i) providing funds for refunding the General Obligation Term Notes, Series

1980, and the General Obligation Term Notes, Series 1980-A, heretofore issued by the City and now outstanding, (ii) paying the cost of certain capital projects and improvements [(iii) paying certain interest accruing on the Bonds and (iv)] paying expenses incidental to the issuance of the Bonds, and was authorized by an ordinance adopted by the City Council on _____, 1986 (the "Bond Ordinance").

[8] The Bonds maturing on or after January 1, 19____, are redeemable prior to maturity at the option of the City, in whole or in part on any date on or after January 1, 19____, and if less than all of the outstanding Bonds are to be redeemed, the Bonds to be called shall be called from such maturities as shall be determined by the City and if less than all of a single maturity is so redeemed then by lot within a maturity in the manner hereinafter provided, the Bonds to be redeemed at the redemption prices (being expressed as a percentage of the principal amount) set forth below, plus accrued interest to the date of redemption:

Dates of Redemption

Redemption Price

[9] The Bonds maturing on January 1, _____, are subject to mandatory redemption prior to maturity on January 1 of the years _____ to _____, inclusive, and the Bonds maturing on January 1, _____, are subject to mandatory redemption prior to maturity on January 1 of the years _____ to _____, inclusive, in each case at par and accrued interest to the date fixed for redemption.

In the event of the redemption of less than all the Bonds of like maturity the aggregate principal amount thereof to be redeemed shall be \$5,000 or an integral multiple thereof and the Bond Registrar shall assign to each Bond of such maturity a distinctive number for each \$5,000 principal amount of such Bond and shall select by lot from the numbers so assigned as many numbers as, at \$5,000 for each number, shall equal the principal amount of such Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned numbers so selected; provided that only so much of the principal amount of each Bond shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

[12] The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same interest rate and maturity of other authorized denominations, upon the terms set forth in the Bond ordinance.

[13] The City and the Bond Registrar may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and redemption premium, if any, and for all other purposes and neither the City nor the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint

attorney to transfer the said Bond on the books kept
for registration thereof with full power of substitution in the premises.

Dated:

Signature guaranteed: _____

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

[10] Notice of any such redemption shall be sent by registered or certified mail not less than thirty (30) days nor more than forty-five (45) days prior to the date fixed for redemption to the registered owner of each bond to be redeemed at the address shown on the registration books of the City maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar; provided, that the failure to mail any such notice or any defect therein as to any Bond shall not affect the validity of the proceedings for the redemption of any other Bond. When so called for redemption, this Bond will cease to bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

[11] This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond ordinance, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations, of the same interest rate and maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

SECTION 6. Each Bond shall be a direct and general obligation of the City for the payment of which (as to principal, interest and redemption premium, if any) the City pledges its full faith and credit. Each Bond shall be payable (as to principal, interest and redemption premium, if any) from any moneys, revenues, receipts, income, assets or funds of the City legally available for such purpose, including but not limited to the proceeds of the Pledged Taxes (as defined in Section 7 hereof).

SECTION 7. For the purpose of providing the funds required to pay the principal of and interest on the Bonds promptly as the same become due, there is hereby levied and there shall be collected the following direct annual tax upon all taxable property in the City:

For the Year	A Tax Sufficient to Produce the Sum of:	
1986	\$21,944,000	for interest and principal up to January 1, 1988
1987	20,140,000	for interest and principal
1988	20,140,000	for interest and principal
1989	20,140,000	for interest and principal
1990	20,140,000	for interest and principal
1991	20,140,000	for interest and principal
1992	17,500,000	for interest and principal
1993	17,500,000	for interest and principal
1994	17,500,000	for interest and principal
1995	17,500,000	for interest and principal
1996	17,500,000	for interest and principal
1997	17,500,000	for interest and principal
1998	17,500,000	for interest and principal
1999	17,500,000	for interest and principal
2000	17,500,000	for interest and principal
2001	17,500,000	for interest and principal
2002	17,500,000	for interest and principal
2003	17,500,000	for interest and principal
2004	17,500,000	for interest and principal
2005	17,500,000	for interest and principal
2006	17,500,000	for interest and principal

For the Year	A Tax Sufficient to Produce the Sum of:	
2007	17,500,000	for interest and principal
2008	17,500,000	for interest and principal
2009	17,500,000	for interest and principal
2010	17,500,000	for interest and principal
2011	17,500,000	for interest and principal

The term "Pledged Taxes" shall mean the taxes hereinabove levied for collection for the purpose of providing the funds required to pay principal of and interest on the Bonds, and shall include a sum deposited with the hereinafter described Escrow Agent by the Comptroller for the purpose of paying principal of and interest on the Bonds, which, together with the accrued interest received, will be deposited in the Escrow Account, if established pursuant to Section 9 hereof.

SECTION 8. The City shall appropriate amounts sufficient to pay principal of and interest on the Bonds for the years such amounts are due, and the City hereby covenants to take timely action as required by law to carry out the provisions of this Section, but, if for any such year it fails to do so, this ordinance shall constitute a continuing appropriation ordinance of such amounts without any further action on the part of the City Council.

SECTION 9. (a) The City Comptroller is authorized to establish a special account, if determined to be necessary in connection with the sale of any of the Bonds, separate and segregated from all other funds and accounts of the City (the "*Ad Valorem* Tax Escrow Account"), which said Escrow Account is to be maintained with a bank or trust company to be designated by the Comptroller pursuant to an escrow agreement (the "Refunding and Project Bonds Escrow Agreement"), between the City and the Escrow Agent named therein (the "Escrow Agent"), and the Mayor, the Treasurer, the City Comptroller and the City Clerk, or any of them, are hereby authorized to execute and deliver a Project and Refunding Bonds Escrow Agreement in connection with any sale of the Bonds in such form as the officers so executing may deem appropriate in accordance with the provisions of this ordinance.

In lieu of the proceeds of such taxes being deposited with the City Treasurer, such Project and Refunding Bonds Escrow Agreement may authorize the County Collectors of Cook and DuPage Counties to deposit the proceeds of such taxes directly into the *Ad Valorem* Tax Escrow Account, if such Account has been created.

(b) In addition to the *Ad Valorem* Tax Escrow Account described above, the City Comptroller is further authorized to establish a special account, if determined to be beneficial in connection with the sale of any of the Bonds, separate and segregated from all other funds and accounts of the City (the "State Revenue Escrow Account"), which State Revenue Escrow Account is to be maintained pursuant to the Project and Refunding Bonds Escrow Agreement, the execution and delivery of which is hereinabove authorized.

The City Council hereby directs that all or a portion of the amounts due from the State of Illinois to the City pursuant to the provisions of "An Act in relation to State revenue sharing with local governmental entities," effective August 1, 1969, as heretofore and as hereafter amended, or pursuant to the provisions of any other law of the State of Illinois presently or hereafter effective, be paid directly into the State Revenue Escrow Account and applied to the payment of the Bonds as provided in the Project and Refunding Bonds Escrow Agreement, if determined by the City Comptroller to be beneficial in connection with the sale of any of the Bonds. The actual revenue sources due from the State of Illinois to the City which are to be deposited directly into the State Revenue Escrow Account and the amount of each such revenue source to be so deposited shall be determined by the City Comptroller at the time of each sale of the Bonds and shall be specified in the notification of sale described in Section 12 of this ordinance.

The City hereby covenants and agrees that it will issue no obligations, other than the Bonds, secured by amounts due from the State of Illinois to the City and subject to deposit in the State Revenue Escrow Account unless the amounts paid to the City by the State of Illinois which were subject to deposit into the State Revenue Escrow Account for the full calendar year immediately preceding the year in which such additional obligations are issued were equal to not less than a certain percentage of the maximum amount of the principal and interest to become due in the then current and any succeeding calendar year on all obligations then secured by amounts due from the State of Illinois to the City and subject to deposit in the State Revenue Escrow Account, including the Bonds, and the obligations proposed to be issued, which percentage will be specified in the City Comptroller's notification of sale described in Section 12 of this ordinance, which percentage shall be not less than 150% and not greater than 200% and which percentage, once established, shall not be reduced while the Bonds or any such additional obligations remain outstanding. In the event that the City Comptroller specifies additional revenue sources to be deposited into the State Revenue Escrow Account in connection with the sale of any such obligations, the amounts paid to the City by the State of Illinois which were subject to deposit into the State Revenue Escrow Account for the full calendar year immediately preceding the year in which such obligations are to be issued may be adjusted to include such additional revenue source for said calendar year as if such additional revenue source had been subject to direct deposit into the State Revenue Escrow Account in said calendar year.

In the event that the City Comptroller determines it necessary to provide for the direct deposit of any amounts due from the State of Illinois, as provided in this Section 9(b), the title of the Bonds set forth in the ordinance may be appropriately revised to reflect such requirement of direct deposit.

SECTION 10. In the event that amounts to be deposited in the *Ad Valorem* Tax Escrow Account and the State Revenue Escrow Account are not available in time to make any payments of principal of or interest on the Bonds when due, then the fiscal officers of the City are hereby directed to make such payments in accordance with the Escrow Agreement, if any, from any other moneys, revenues, receipts, income, assets or funds of the City that are legally available for that purpose in advancement of the collection of such taxes and when the proceeds of the taxes are received, such other funds shall be replenished, all to the end that the credit of the City may be preserved by the prompt payment of the principal of and the interest on the Bonds as the same become due.

SECTION 11. A copy of this ordinance, duly certified by the City Clerk, shall be filed in the respective offices of the County Clerks of Cook and DuPage Counties, Illinois (the "County Clerks"), and such filing shall constitute the authority for and it shall be the duty of said County Clerks, in each year beginning in 1986, to and including 2011, to extend the taxes levied pursuant to Section 7 hereof for collection, such taxes to be in addition to and in excess of all other taxes heretofore or hereafter authorized to be levied by the City on its behalf.

A copy of this ordinance, duly certified by the City Clerk, shall also be filed with the Refunding and Project Bonds Escrow Agent, if any, the Bond Registrar, and if the County Collectors of Cook and DuPage Counties are authorized to deposit the proceeds of the taxes levied pursuant to Section 7 hereof directly with the Refunding and Project Bonds Escrow Agent pursuant to Section 9 hereof, with such County Collectors.

SECTION 12. The City Comptroller is hereby authorized to sell all or any portion of the Bonds from time to time, with the concurrence of the Chairman of the Committee on Finance of the City Council, the Vice Chairman of the Committee on Finance of the City Council or the Chairman of the Committee on the Budget of the City Council, on such terms as he may deem to be in the best interests of the City; provided that the principal amount of and the interest on the Bonds sold of each maturity (after taking into account mandatory redemptions) shall not exceed the amount levied therefor as specified in Section 7 hereof. The Refunding Series may be sold separately from the Project Series and the Project Series may be sold from time to time as the City Comptroller shall determine that the proceeds of such sales are needed.

Notwithstanding any of the provisions of Sections 2, 3 and 4 hereof to the contrary, any single maturity or maturities of the Project Series may be sold as Bonds ("Local Purchase Program Bonds") bearing interest at a fixed rate for each such maturity, which Local Purchase Program Bonds shall be in denominations of \$500 or integral multiples thereof, shall be sold by the City directly to investors pursuant to a sales program to be determined by the Comptroller which shall provide that no single registered owner may own more than \$5,000, measured by purchase price, of such Local Purchase Program Bonds at any time and may provide that the owners of such Local Purchase Program Bonds may periodically demand the redemption or purchase of their Bonds by the payment of the principal thereof and accrued interest thereon from funds on hand and lawfully available of the City, but not more frequently than the first days of January and July of each year.

Notwithstanding any of the provisions of Sections 2, 3 or 4 hereof, all or any portion of the Project Series may be sold as Bonds ("Capital Appreciation Bonds"), which shall be of such denominations as shall be determined by the Comptroller at the time of sale of the Bonds, shall bear interest from the date of issuance thereof, at such rates per annum as shall be determined at the time of the sale, compounded semi-annually on July 1 and January 1, commencing on such July 1 or January 1 as shall be determined by the Comptroller, and payable only at the date of maturity or earlier redemption of such Capital Appreciation Bonds and such Capital Appreciation Bonds to be redeemable at the compound accreted value thereof at the date of redemption, plus such redemption premium, not in excess of 3% of the compound accreted value of such Capital Appreciation Bond or Bonds so called for redemption, as shall be determined by the Comptroller.

Subsequent to each such sale, the City Comptroller shall file in the office of the City Clerk a notification of sale directed to the City Council setting forth the name of the underwriters of the Bonds, the terms of the sale, whether any of the Bonds so sold are Local Purchase Program Bonds or Capital Appreciation Bonds and, if so, the terms, provisions and conditions of sale hereof, the date of the Bonds sold, the aggregate principal amount of Bonds sold, the particular Bonds allocable to the Refunding Series and to the Project Series, the principal amount of Bonds maturing and mandatorily redeemable in each year, the optional redemption provisions applicable to the Bonds sold, the interest rate or rates on the Bonds sold and the information regarding the title of the Bonds and the direct deposit into the State Revenue Escrow Account of certain moneys due from the State of Illinois to the City as described in Section 9(b) hereof and thereafter the Bonds so sold shall be duly prepared and executed in the form and manner provided herein and delivered to the City Treasurer for delivery to the purchaser or purchasers in accordance with the terms of sale. The initial notification of sale directed to the City Council as provided above shall include the name of the Bond Registrar designated for the Bonds.

The Mayor and the City Comptroller are hereby authorized to execute and deliver a contract of purchase with respect to each sale of all or a portion of the Bonds each such contract of purchase to be in substantially the form attached hereto as Exhibit B, with such changes as shall be approved by the officer or officers executing the same, with such execution to constitute conclusive evidence of their approval and the City Council's approval of any changes or revisions therein from the form of contract of purchase attached hereto.

In connection with any sale of the Bonds, the City Comptroller is hereby authorized to obtain a policy of bond insurance from such recognized bond insurer as the City Comptroller shall determine, if said Comptroller determines such bond insurance to be desirable in connection with such sale of the Bonds.

In the event that a portion of the Bonds are sold in any year (after taking into account mandatory redemptions) so as to require the levy of taxes in such year less than the amount specified therefor in Section 7 hereof, then the City Comptroller shall, on or prior to December 31 of such year, notify the City Council of the amount of reduction in the amount levied in Section 7 hereof for such year resulting from such sale with lesser maturities (after taking into account mandatory redemptions) or at a lower rate or rates of interest, and, in addition, the City Comptroller shall file in the respective offices of the County Clerks certificates of tax abatement for the year. On or prior to December 31 of each year occurring prior to the initial sale of any of the Bonds, the City Comptroller shall notify the City Council that none of the Bonds are to be sold in that year and that the taxes levied in Section 7 hereof for that year are to be abated in full, and, in addition, the City Comptroller shall file in the respective offices of the County Clerks certificates of tax abatement for said year. In the event that upon the final sale of the Bonds, such Bonds have been sold (after taking into account mandatory redemptions) so as to require the levy of taxes in that year or any succeeding year less than the amount specified therefor in Section 7 hereof, then the City Comptroller shall include, in the final notification of sale to the City Council described in the first paragraph of this Section 12, the amount of reduction in the amount levied in Section 7 hereof for that year and any succeeding year resulting from such sale with lesser maturities (after taking into account mandatory redemption) or at a lower rate or rates of

interest, and, in addition, the City Comptroller shall file in the respective offices of the County Clerks certificates of tax abatement for such year or years. Any certificate of abatement delivered pursuant to this paragraph shall refer to the amount of taxes levied pursuant to Section 7 hereof, shall indicate the amount of reduction in the amount of taxes levied by the City resulting from the then-current sale of the Bonds, which reduced amount is to be abated from such taxes, and shall further indicate the remainder of such taxes which is to be extended for collection by said County Clerks.

The preparation, use and distribution of a preliminary official statement and an official statement relating to each sale and issuance of the Bonds are hereby approved. The Mayor and City Comptroller are hereby authorized to execute and deliver an official statement relating to each sale and issuance of the Bonds on behalf of the City. The preliminary official statement and official statement herein authorized shall be in substantially the forms previously used for general obligation financings of the City with appropriate revisions to reflect the terms and provisions of the Bonds and to accurately describe the current condition of the City and the parties to the financing.

The Bonds shall be duly prepared and executed in the form and manner provided herein and delivered to the City Treasurer for delivery to the purchasers in accordance with the terms of sale.

The proceeds from the sale of any of the Bonds shall be used as follows:

- (a) The sum representing the accrued interest received from any such sale shall be used to pay the first interest becoming due on the Bonds sold, and to that end, shall be deposited in the *Ad Valorem* Tax Escrow Account, if established.
- (b) From the sale proceeds of the Refunding Series, the sum determined by the City Comptroller to be sufficient to pay the Notes at or prior to their respective maturities, at a price of not to exceed par and accrued interest on the Notes up to and including said redemption or maturity dates shall be applied to the refunding of the Notes. The City Comptroller is hereby authorized to determine prior to the delivery of the Refunding Series whether the Notes will be refunded on the date of issuance and delivery of the Refunding Series, on some later redemption date for the Notes, on the respective maturity dates of the Notes or on any combination of such dates. The City Comptroller shall, prior to the delivery of the Refunding Series, file a notice with the City Clerk, directed to the City Council, of the determination made pursuant to the preceding sentence. In connection with such refunding, the City Comptroller is hereby authorized to give on behalf of the City any notice of redemption of the Notes required by the ordinances authorizing the issuance of the Notes. In the event that any of the Notes are not refunded on the date of issuance and delivery of the Refunding Series, the proceeds of the Refunding Series shall be deposited into a "Series 1980 Notes Trust Fund" and held by a bank or trust company to be designated by the Comptroller pursuant to the terms of an Escrow Agreement (the "Series 1980 Notes Escrow Agreement"), and the Mayor, the Treasurer, the City Comptroller and the City Clerk, or any of them, are hereby authorized to execute and deliver the Series 1980 Notes Escrow

Agreement in such form as the officers so executing shall deem appropriate to effect the refunding described in this paragraph.

- (c) From the sale proceeds derived from time to time of the Project Series, (i) such sum as may be determined by the City Comptroller to be necessary to pay not more than one (1) year of interest on the Bonds sold to produce said proceeds may be used to pay such interest, and to that end, may be deposited in the *Ad Valorem* Tax Escrow Account, if established, and (ii) the sum determined by the City Comptroller to be necessary to pay the costs of the Projects shall be set aside and held as separate funds of the City pending such payment.
- (d) From the sale proceeds of the Bonds not applied as provided in paragraphs (b) and (c), above, the amount deemed necessary by the City Comptroller shall be applied to the payment of the costs of issuance of the Bonds, including the premium for bond insurance, if any, and any unexpended portion of the sale proceeds shall be paid to the City.

Pending the preparation and execution of the definitive Bonds, as herein provided, temporary Bonds may be executed and delivered to the purchasers upon receipt of the purchase price therefor. The Bonds shall be in the same form and tenor as herein provided, beginning with the number T-1, and shall be executed by the facsimile signatures of the Mayor and the City Comptroller, and attested by the facsimile signature of City Clerk or Deputy City Clerk and authenticated by the Bond Registrar by manual signature. The temporary Bonds shall be exchanged for the definitive Bonds as soon as may be on the basis of par for par.

SECTION 13. The City covenants that it will take no action in the investment of the proceeds of the Bonds which would result in making the interest payable on any of the Bonds subject to federal income taxes by reason of the Bonds being classified as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as heretofore or hereafter amended (the "Code").

The City further covenants that it will act with respect to the proceeds of the Bonds, the earnings on the proceeds of the Bonds and any other moneys on deposit in any fund or account maintained in respect of the Bonds, including, if necessary, a rebate of such earnings to the United States of America, in a manner which would cause the interest on the Bonds to continue to be exempt from federal income taxation under Section 103(a) of the Code, or any successor Internal Revenue Code of the United States of America. The Comptroller is hereby authorized to execute such agreements as shall be necessary, in the opinion of nationally recognized bond counsel, to evidence the City's compliance with the covenants contained in this paragraph.

SECTION 14. This ordinance is prepared in accordance with the powers of the City as a home rule unit under Article VII of the 1970 Illinois Constitution. The appropriate officers of the City are hereby authorized to take such actions and do such things as shall be necessary to perform, carry out, give effect to and consummate the transactions contemplated by this ordinance, and the Bonds.

SECTION 15. The Mayor and the City Comptroller may each designate another to act as their respective proxy and to affix their respective signatures to the Bonds whether in temporary or definitive form, and any other instrument, certificate or document required to be signed by the Mayor or the City Comptroller pursuant to this ordinance and any instrument, certificate or document required thereby. 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 16. If requested by the Bond Registrar, the Mayor, City Comptroller and City Clerk are authorized to execute the standard form of agreement between the City and the Bond Registrar with respect to the obligations and duties thereof.

SECTION 17. If payment or provision for payment is made, to or for the holders and owners of the Bonds, of the principal of and interest due and to become due thereon at the times and in the manner stipulated therein, and there is paid or caused to be paid to the Bond Registrar, or the Escrow Agent as provided in Section 9 hereof, all sums of money due and to become due according to the provisions hereof, then these presents and the estate and rights hereby granted shall cease, determine and be void except for purposes of registration, transfer and exchange of Bonds and any such payment from such moneys or obligations. Any Bond shall be deemed to be paid within the meaning of this Section when payment of the principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided in this ordinance or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided for by irrevocably depositing with the Bond Registrar, or the Escrow Agent as provided in Section 9 hereof, in trust and exclusively for such payment, (1) moneys sufficient to make such payment or (2) (A) direct obligations of the United States of America; (B) obligations of agencies of the United States of America, the timely payment of principal of and interest on which are guaranteed by the United States of America; or (C) instruments evidencing an ownership interest in obligations described in the preceding clauses (A) and (B), or (3) a combination of the investments described in clauses (1) and (2) above, such amounts so deposited being available or maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestment thereof, as will insure the availability of sufficient moneys to make such payment (all as confirmed by a nationally recognized firm of independent public accountants). At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits of this ordinance, except for the purposes of registration, transfer and exchange of Bonds and any such payment from such moneys or obligations.

No such deposit under this Section shall be made or accepted hereunder and no use made of any such deposit unless the Bond Registrar, or the Escrow Agent, as the case may be, shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any of the Bonds to be treated as arbitrage bonds within the meaning of Section 148 of the Code or any successor provision thereto.

SECTION 18. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of Chicago, or part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall be controlling. If any section, paragraph, clause or provision of this ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this ordinance.

This ordinance shall be published by the City Clerk, by causing to be printed in pamphlet form at least 100 copies hereof, which copies are to be made available in his office for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this ordinance, and this ordinance shall be in full force and effect from and after its adoption, approval by the Mayor and publication.

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

Exhibit A.

*Neighborhood Capital Improvement Program
\$130 Million General Obligation
Bond Issue*

1.	Expand Cart Program City-Wide - Purchase of Carts, Dumpsters and the retrofit of refuse trucks.	\$22,128,000
2.	Neighborhood Resurfacing and Improvement Program - Resurface 3 miles of neighborhood streets and additional capital investments per ward.	50,000,000
3.	Neighborhood Capital Programs	17,400,000
a.	Streets and Sidewalks: Construct and reconstruct unimproved streets, alleys, 50/50 sidewalks, and vaulted sidewalks.	
b.	Lighting -- Installation of new and renovated traffic signals and other lighting improvements.	6,500,000
c.	City Facilities -- Renovation of	10,122,000

municipal facilities, and advance
design/contingency..

d.	Economic Development -- Reconstruction of business areas and industrial streets; and continued development of high technology park.	11,250,000
e.	Midway Air Crash Rescue Facility -- Construction of combined airport neighborhood facility. To be matched with Federal funds.	2,700,000
f.	Handicapped Accessibility Improvements -- Improvements to City facilities/streets to enhance accessibility to handicapped.	1,000,000
g.	Boulevard Restoration -- Improvements to Boulevard sites in conjunction with other local funds.	<u>500,000</u>

SUBTOTAL NEIGHBORHOOD CAPITAL
PROGRAMS:

\$49,472,000

4. City-Wide Programs

a.	Solid Waste Disposal -- Improvements and advance design for solid waste disposal projects.	2,100,000
b.	Streets and Sanitation Operating Facilities -- Improvements to maintenance and repair facilities and auto pound site.	3,300,000
c.	Navy Pier -- Continued structural improvements to Navy Pier.	<u>3,000,000</u>

SUBTOTAL CITY-WIDE PROGRAMS:

8,400,000

TOTAL 1987 GENERAL OBLIGATION
BOND PROGRAM:

\$130,000,000

Exhibit B.

*City of Chicago
Cook County, Illinois*

*General Obligation Bonds,
Refunding Series of 1986*

BOND PURCHASE AGREEMENT:

City of Chicago
Office of the Comptroller
City Hall
Chicago, Illinois 60602

October 23, 1986

Gentlemen:

The undersigned _____ (the "Representative"), on behalf of itself, _____ (the "Senior Managing Underwriters"), and the other underwriters listed in Schedule I attached hereto (collectively, the "Underwriters"), hereby offers to enter into this Bond Purchase Agreement (the "Agreement") with the City of Chicago, Illinois (the "City"), which, upon the execution of this Agreement by the City as hereinafter provided, will become a binding agreement between the City and the Underwriters. This offer is made subject to its acceptance by the City on or before 4:00 P.M., Chicago time, on the date hereof.

1. Purchase and Sale of the Bonds. In reliance upon the representations, warranties, and agreements herein contained, but subject to the terms and conditions herein set forth, the Underwriters jointly and severally agree to purchase from the City, and the City agrees to sell to the Underwriters, \$203,955,000 principal amount of City of Chicago General Obligation Bonds, Refunding Series of 1986 (the "Bonds"), at a purchase price of \$ _____ plus accrued interest from the dated date of the Bonds to the Closing Date (as hereinafter defined) at the coupon rates of interest as set forth on the cover page of the Official Statement dated the date hereof relating to the Bonds (including any Exhibits and Appendices thereto, the "Official Statement"), which Official Statement is attached hereto as Exhibit I. The Bonds shall be as described in, and shall be issued and secured under the terms of, the ordinance adopted by the City Council of the City of Chicago on August 28, 1986 (the "Ordinance"), and the Official Statement.

2. Representations, Warranties and Covenants of the City. The City represents, warrants, and covenants that:

(a) Concurrently with the City's acceptance hereof, the City will deliver to the Representative the Official Statement executed by the City as indicated thereon. The City hereby authorizes the Official Statement and the information contained therein to be used in connection with the offer and sale of the Bonds by the Underwriters and confirms that it has authorized the use of the Preliminary Official Statement dated October 10, 1986 (including any Exhibits and Appendices thereto, the "Preliminary Official Statement").

(b) At the time of delivery to the Underwriters, the Preliminary Official Statement and the Official Statement, including the financial statements and all financial and statistical data contained in both, shall be and at the hereinafter defined Closing Date will be, accurate in all material respects; and the Preliminary Official Statement shall not and will not, as of such dates, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they are or were made, not misleading. If the Official

Statement is amended or supplemented pursuant to Section 5(a) hereof, at the time of each amendment or supplement thereto, and at the Closing Date, the Official Statement as amended or supplemented will be accurate in all material respects, and such Official Statement will not, as of such dates, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The representations made pursuant to this sub-paragraph 2(b) are not made with respect to information contained in the Preliminary Official Statement or the Official Statement supplied by the Municipal Bond Insurance Association ("M.B.I.A.").

(c) The City has full authority pursuant to its home rule powers under Article VII, Section 6 of the Constitution of the State of Illinois (the "Act") to: (i) enter into this Agreement, the hereinafter defined Refunding Escrow Agreement, and the hereinafter defined Escrow Agreement; (ii) issue and sell the Bonds as provided in the Ordinance and this Agreement; (iii) perform its obligations under and as contemplated in this Agreement; (iv) perform its obligations under and as contemplated in the hereinafter defined Escrow Agreement, the hereinafter defined Refunding Escrow Agreement, and in the Bonds; and (v) pledge its full faith and credit to the punctual payment of principal of and interest on the Bonds, to levy taxes for the payment thereof, to direct the deposit of tax collections sufficient to pay principal of and interest on the Bonds in a separate and segregated escrow account (the "Escrow Account") maintained by Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois (the "Escrow Agent") pursuant to the Escrow Agreement (Refunding Series of 1986), dated as of October 1, 1986 (the "Escrow Agreement") between the City and the Escrow Agent, and to grant to the holders of the Bonds a claim against such levy and an equal and ratable first and prior lien upon all present and future proceeds of such levy when deposited in the Escrow Account until principal of and interest on the Bonds are paid in full.

(d) The City is a municipal corporation and home rule unit of government duly organized and existing under the Constitution and laws of the State of Illinois.

(e) The Bonds and the Ordinance conform to the description thereof contained in the Official Statement and any amendment or supplement thereto, and the Bonds, when delivered and paid for by the purchasers thereof, will have been duly authorized, executed, issued, authenticated, and delivered and will constitute legal, valid, and binding, full faith and credit, direct and general obligations of the City, enforceable in accordance with their terms (except as enforcement of such terms may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditor's rights generally or affecting the enforcement of creditor's rights against municipalities or state agencies or authorities, such as the Issuer and except that the availability of specific performance or of injunctive relief is subject to the discretion of the court before which any proceedings may be brought), the principal of and interest on such Bonds payable from *ad valorem* taxes to be levied on all taxable property within the boundaries of the City, without limitation as to rate or amount.

(f) The execution and delivery of this Agreement, the Bonds, the Ordinance, the hereinafter defined Refunding Escrow Agreement, and the Escrow Agreement, and compliance with the provisions hereof and thereof, will not conflict with or result in a violation of the Constitution of the State of Illinois, the laws of the State of Illinois, or the

ordinances of the City, including any restrictions or conditions on the debt-issuing power of the City, and will not conflict with or result in a violation of, or breach of, or constitute a default under, any law or administrative regulation or any of the terms, conditions, or provisions of any judgment, decree, loan agreement, note, resolution, indenture, mortgage, deed of trust, or other agreement or instrument to which the City is a party or by which it is bound.

(g) No action, suit, inquiry, investigation, or other proceeding is pending or, to the knowledge of the City, threatened in or before any court, governmental agency, authority, body, or arbitrator in any way affecting the existence of the City or the title of any official of the City to his office that would affect the validity of or enforceability of this Agreement, the Ordinance, the Bonds, or the Escrow Agreement, or seeking to restrain or enjoin the issuance, sale, or delivery of the Bonds, or the collection or the pledge of taxes to pay principal of or interest on the Bonds, or the deposit of tax collections sufficient to pay principal of and interest on the Bonds into the Escrow Account, or the equal and ratable first and prior lien and claim of Bondholders upon all present and future proceeds of such levy when deposited in the Escrow Account, or in any way contesting or affecting the validity or enforceability of this Agreement, the Ordinance, the Bonds, the hereinafter defined Refunding Escrow Agreement or the Escrow Agreement, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the powers or authority of the City with respect to this Agreement, the Ordinance, the Bonds, the hereinafter defined Refunding Escrow Agreement, or the Escrow Agreement, or the exemption of interest on the Bonds from federal income taxation.

(h) By adoption of the ordinance, the City has duly authorized the execution, delivery, and due performance of this Agreement, the Escrow Agreement, the Refunding Escrow Agreement, and the Bonds, and the taking of any action as may be required on the part of the City to consummate the transactions contemplated herein and, except as may be required under the securities laws of any state, there is no consent, approval, authorization, or other order of, filing with, registration with, or certification by, any regulatory authority having jurisdiction over the City, and no election or referendum of or by any person, organization, or public body whatsoever required in connection with any of the foregoing actions; there are no provisions of Illinois law that would allow as of the date hereof or any date subsequent hereto any public vote or referendum, the results of which would invalidate the ordinance or invalidate, limit, or condition the obligations of the City undertaken hereunder or in connection with the transactions contemplated hereby.

(i) There is no public vote or referendum pending, proposed, or concluded, the results of which would in any way adversely affect the transactions contemplated by, or the validity, or the enforceability of, the Bonds, this Agreement, the Escrow Agreement, or the Ordinance, or that would adversely affect the exemption of interest on the Bonds from federal income taxation.

(j) Any certificate signed by the Mayor or Comptroller of the City, or both, and delivered to the Senior Managing Underwriters, shall be deemed a representation and warranty by the City to the Underwriters as to the truth of those statements made by the City therein.

(k) The City has not been notified of any listing or proposed listing of it by the Internal Revenue Service as a bond issuer whose arbitrage certifications may not be relied upon.

(l) The City shall cooperate in the qualification or registration of the Bonds for sale in the various states, as necessary, according to any applicable "blue-sky" laws or regulations, provided however, the City shall not be required to consent to the service of process in any jurisdiction other than Illinois.

3. Delivery of the Bonds. Payment of the purchase price for the Bonds as set forth in Section 1 hereof shall be made by immediately available funds drawn to the order of the City at 10:00 A.M., Chicago time, November 13, 1986, at the office of the Representative and the City determine, against delivery of the Bonds in the form duly executed and delivery of other instruments and documents required to be delivered hereunder to the Representative, such time of payment and delivery being herein referred to as the "Closing Date". The Bonds will be issued in global book-entry form with a single certificate for each series or maturity to be delivered by the City to the Representative at the place where delivery is to be made, or such other place as the Representative or the City may determine, by 12:00 noon on the date preceding the Closing Date, for deposit with Midwest Securities Trust Company (the "Depository"); and the Bonds shall be registered on the registration books of the City to "Kray & Company," the nominee of the Depository.

4. Good Faith Check. Delivered to the City herewith is a certified or bank cashier's check payable to the order of the City in Chicago Clearing House funds in the amount of \$2,250,000. If the City does not accept this Agreement, such check will be immediately returned to the Representative. Should the City fail to deliver the Bonds on the Closing Date, or should the City be unable to satisfy the conditions of the obligations of the Underwriters to purchase, accept delivery of, and pay for the Bonds, as set forth in this Agreement (unless waived by the Underwriters), or should such obligations of the Underwriters be terminated for any reason permitted by this Agreement, \$2,250,000 shall be paid by the City to the Representative on demand. If the Underwriters fail (other than for a reason permitted hereunder) to purchase, accept delivery of, and pay for the Bonds on the Closing Date as herein provided, such amount shall be retained by the City as and for fully liquidated damages for such failure of the Underwriters and for any defaults hereunder on the part of the Underwriters and, except as set forth in Sections 7 and 9 hereof, neither party shall have any further rights against the other hereunder. Upon the closing of the sale of the Bonds, the amount paid pursuant to this paragraph and the amount paid to the hereinafter defined Bond Insurer shall be deducted from the purchase price payable pursuant to Section 1 hereof.

5. Additional Covenants of the City.

(a) The City will not amend or supplement the Official Statement without discussing any such amendment or supplement with the Representative. The parties hereto will advise each other promptly of the institution of any proceedings by any governmental agency or otherwise affecting the use of the Official Statement in connection with the offer and the sale of the Bonds.

(b) If at any time when an Official Statement is delivered in connection with offers and sales of the Bonds, an event occurs as a result of which the Official Statement as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the

circumstances under which they were made, not misleading, the parties hereto will cooperate with each other in the prompt preparation of an amendment or supplement that will correct such statement or omission, the costs of such amendment or supplement to be borne by the City.

(c) The City will furnish or cause to be furnished to the Underwriters copies of the Official Statement and all amendments and supplements thereto, in each case as soon as available in such quantities as the Representative may reasonably request.

6. Conditions of the Obligations of the Underwriters. The obligations of the Underwriters to purchase and pay for the Bonds will be subject to the accuracy, completeness, and correctness on the date hereof and at all times hereafter up to and including the Closing Date of the representations, warranties, and covenants on the part of the City herein, to the performance by the City of its obligations hereunder, and to the following additional conditions precedent:

(a) The Bonds, this Agreement, the Escrow Agreement, the Ordinance, and the Official Statement shall have been duly authorized and executed by the City; all necessary action of the City relating to this Agreement, the Bonds, the Escrow Agreement, the Ordinance, and the Official Statement shall be in full force and effect and shall not have been amended, modified or supplemented; this Agreement, the Escrow Agreement, the Ordinance, and the Official Statement shall be in full force and effect and shall not have been amended, modified or supplemented; and there shall have been taken in connection with the issuance of the Bonds and with the transactions contemplated hereby and thereby all such actions as, in the opinion of Bond Counsel, are necessary and appropriate.

(b) The escrow agreement by and between the City and Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, as Escrow Agent, dated October 1, 1986 (the "Refunding Escrow Agreement"), relating to the establishment of an escrow account to advance refund the Refunded Bonds (as defined in the Official Statement) shall have been executed and delivered by the parties thereto and shall be in full force and effect, except for the deposit of funds therein.

(c) Subsequent to the date of this Agreement and on and prior to the Closing Date:

(i) The marketability of the Bonds or the contemplated offering price thereof shall not, in the opinion of the Representative, have been materially adversely affected by an amendment to the Constitution of the United States of America or the State of Illinois or by any federal or Illinois legislation, pending or effective (other than the Tax Reform Act of 1986 (as described in the Preliminary Official Statement)), or by any decision of any federal or Illinois court or by any order, ruling, or regulation (final, temporary, or proposed) of the Treasury Department of the United States of America, the Internal Revenue Service, or other federal or Illinois authority or regulatory body, affecting the status of the City, its property, or income, the City's securities (including the Bonds), or the interest thereon, or any tax exemption with respect to the City's securities (including the Bonds), or the interest thereon, granted or authorized by the Internal Revenue Code of 1954, as amended.

(ii) No stop order, ruling, regulation, or official statement by, or on behalf of, any governmental agency having jurisdiction shall have been issued or made to the effect that the issuance, offering, or sale of obligations of the general character of the Bonds, or the issuance, offering, or sale of the Bonds, as contemplated hereby or by the Official Statement, is in violation of or would be in violation of any provision of federal or Illinois securities laws.

(iii) No legislation shall have been enacted by the Congress of the United States of America and no decision by a court of the United States of America shall have been rendered to the effect that obligations of the general character of the Bonds, or the Ordinance, Escrow Agreement, or the Bonds, are not exempt from registration or qualification under the federal securities laws or other similar laws.

(iv) No additional material restrictions not in force as of the date hereof shall have been imposed by any governmental authority or by any national securities exchange upon the trading in securities generally.

(v) No rating of any of the City's general obligation securities (including the Bonds) shall have been downgraded or withdrawn by a national rating service, the effect of which, in the opinion of the Representative, is or would be to materially adversely affect the market price of the Bonds.

(vi) None of the following events shall have occurred: (A) the engagement by the United States of America in hostilities that have resulted in a declaration of war or national emergency, or the occurrence of any other outbreak of hostilities or national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity, or crisis on the financial markets of the United States of America being such, in the opinion of the Representative, as would materially adversely affect the ability of the Underwriters to market the Bonds; (B) a general suspension of trading on the New York Stock Exchange or the American Stock Exchange; (C) the establishment of limited or minimum prices on such exchanges; (D) the declaration of a banking moratorium either by federal, New York State, or Illinois authorities; or (E) an event described in Section 5(b) shall have occurred that, in the opinion of the Representative, requires an amendment or supplement to the Official Statement.

(d) At the Closing Date, no litigation shall be threatened or pending in any court, nor shall any referendum or public vote be threatened or pending, nor shall any proceeding before or by any governmental agency, authority, body, or arbitrator be threatened or pending, in any such case: (i) seeking to restrain or enjoin the issuance, sale, or delivery of any of the Bonds or the payment, collection, or application of the proceeds thereof or payments of other moneys or property pledged or to be pledged under the Ordinance; or (ii) in any way questioning or affecting the validity of the Bonds or any provisions of this Agreement; the Ordinance, the Escrow Agreement, the Refunding Escrow Agreement, or any proceedings taken by the City or the Underwriters with respect to any of the foregoing; (iii) questioning the City's creation or organization, or the existence of the title to office of any of its officers that would affect the validity or enforceability of this Agreement, the Ordinance, the Bonds, the Refunding Escrow Agreement, or the Escrow Agreement, or the City's power to engage in any of the transactions contemplated by this Agreement, the

Ordinance, the Refunding Escrow Agreement; or (iv) questioning the exemption of interest on the Bonds from federal income taxation.

(e) The Representative shall have received, dated as of the Closing Date:

(i) An opinion of Acting Corporation Counsel of the City, substantially in the form attached hereto as Exhibit II.

(ii) Unqualified separate approving opinions of Chapman and Cutler and Earl L. Neal, Esq., Co-Bond Counsel, substantially in the form attached to the Official Statement as Appendix D.

(iii) Separate supplement opinions of Chapman and Cutler and Earl L. Neal, Esq. addressed to the City and the Representative, in the form attached hereto as Exhibit III.

(iv) Separate opinions of Rudnick & Wolfe and Washington, Kennon, Hunter & Samuels, co-counsel to the Underwriters, addressed to the Representative, in the form attached hereto as Exhibit IV.

(f) The Representative shall have received a certificate dated the Closing Date, signed by the Mayor and the Comptroller of the City, in which such officials state:

(i) that the representations, warranties, and covenants of the City in this Agreement are true and correct on and as of the Closing Date, and the City has complied with all covenants and agreements and satisfied all conditions and terms on its part to be performed or satisfied at or prior to the Closing Date;

(ii) that the Official Statement, including any amendment or supplement thereto, does not contain any untrue statement of a material fact or omit to state a material fact that should be included therein for the purposes for which such Official Statement is intended to be used, or which is necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except that no statement shall be made with respect to information contained therein provided by M.B.I.A.);

(iii) that certain facts, estimates, and circumstances, which shall be set forth in such certificate with such particularity as will enable Bond Counsel to render the opinion required under Section 6(e) of this Agreement, establishing that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, and the regulations thereunder, and that, to the best of their knowledge and belief, there are no facts or circumstances that would change the foregoing conclusion; and

(iv) that no action, suit, inquiry, investigation, or other proceeding is pending, or, to the knowledge of such officials, threatened in or before any court, governmental agency, authority, body, or arbitrator in any way affecting the existence of the City or the title of any official of the City to his office that would affect the validity or enforceability of this Agreement, the Ordinance, the Bonds, the Refunding Escrow Agreement, or the Escrow Agreement, or seeking to restrain or to enjoin the issuance, sale, or delivery of the

Bonds, or the collection or pledge of taxes to pay principal of or interest on the Bonds, or the deposit of tax collections sufficient to pay principal of and interest on the Bonds into the Escrow Account, or the equal and ratable first and prior lien and claim of the Bondholders upon all present and future proceeds of such levy when deposited in the Escrow Account, or in any way contesting or affecting the validity or enforceability of this Agreement, the Ordinance, the Bonds, the Refunding Escrow Agreement, or the Escrow Agreement, or contesting in any way the completeness or accuracy of the Official Statement, or the powers or authority of the City with respect to this Agreement, the Ordinance, the Bonds, the Refunding Escrow Agreement, or the Escrow Agreement, or the exemption of interest on the Bonds from federal income taxation.

(g) The Representative shall have received as of the Closing Date:

- (i) the Official Statement, executed on behalf of the City by the City Comptroller;
- (ii) The Ordinance certified as having been duly adopted by the City;
- (iii) an executed counterpart of the Escrow Agreement;
- (iv) an executed counterpart of the Refunding Escrow Agreement;
- (v) a counterpart original of a transcript of all proceedings relating to the authorization and issuance of the Bonds, certified on behalf of the City by the City Clerk;
- (vi) a letter dated the Closing Date and addressed to the Representative from Coopers & Lybrand, independent public accountants, stating that they consent to the use in Appendix A to the Official Statement of their report covering the audited financial statements contained in such appendix;
- (vii) a letter dated the Closing Date and addressed to the Representative from Coopers & Lybrand, independent public accountants, in form and substance satisfactory to the Representative;
- (viii) a copy of the verification report of Coopers & Lybrand, referred to in the Official Statement under the heading "Certain Verifications", in form and substance satisfactory to the Representative and the Escrow Agent.
- (ix) a letter dated the Closing Date and addressed to the City and to the Representative from Donald F. Campbell, Consulting Actuaries, stating that they consent to the use in Appendix B to the Official Statement of their report covering the pension funds of the City; and
- (x) such additional certificates, proceedings, opinions, instruments, legal opinions, and other documents as the Representative may reasonable request in connection with the transactions contemplated by this Agreement.

(h) On or prior to the Closing Date, the Municipal Bond Insurance Association (the "Bond Insurer") shall have issued a policy of insurance to the Insured Bonds (as defined in

the Official Statement) substantially in the form set forth in Appendix F to the Official Statement.

(i) On or prior to the Closing Date, Standard and Poor's Corporation shall have issued ratings of not lower than AAA as to the Insured Bonds and not lower than BBB+ as to the Bonds that are not Insured Bonds, and Moody's Investors Service shall have issued ratings of not lower than Aaa as to the Insured Bonds and not lower than Baa1 as to the Bonds that are not Insured Bonds.

Any opinions, letters, or certificates required to be addressed to the Representative hereunder shall be addressed to the Representative "as representative of the Underwriters."

If any of the conditions specified in this Section shall not have been fulfilled when and as required by this Agreement, or if any of the opinions, instruments, documents, proceedings, or certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Representative, this Agreement and all obligations of the Underwriters hereunder may be cancelled by the Representative at, or at any time prior to, the Closing Date. Notice of such cancellation shall be given to the City in writing, or by telegraph confirmed in writing.

7. Certain Costs and Expenses.

(a) The Underwriters shall be under no obligation to pay, and the City shall pay, all expenses incident to the performance of the City's obligations hereunder, including but not limited to: (i) the cost of the preparation and printing of the Ordinance, and, in accordance with Subsection 5(c) hereof, the Official Statement in preliminary and final form (including any amendments or supplements thereto); (ii) the cost of the preparation and delivery to the Underwriters of the global book-entry certificates for the Bonds, the fees and expenses of maintaining registration of the Bonds; (iii) the fees and disbursements of Chapman and Cutler and Earl L. Neal, Esq., Co-Bond Counsel, the Escrow Agent under the Escrow Agreement, the Escrow Agent under the Refunding Escrow Agreement, the Depository and its agents and nominees, the City's accountants and advisors, and of any other experts or consultants (including Coopers & Lybrand, independent public accountants) retained in connection with the issuance and sale of the Bonds; (iv) rating agency fees; (v) the premium payable in connection with the issuance of the policy of insurance described above in Section 6(h); and (vi) any other expenses not enumerated in the paragraph immediately below incurred in connection with the issuance of the Bonds.

(b) The Underwriters shall pay: (i) the cost of preparation and printing of the Agreement Among Underwriters and this Agreement; (ii) all advertising expenses in connection with the public offering of the Bonds; (iii) the fees and disbursements of Rudnick & Wolfe and Washington, Kennon, Hunter & Samuels, co-counsel for the Underwriters, including preparation of the Blue Sky Memorandum and the Legal Investment Survey; and (iv) all other expenses incurred by them in connection with their public offering and distribution of the Bonds.

8. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, including, without limitation, those laws applicable to contracts made and to be performed in that state.

9. **Survival of Certain Representations and Obligations.** The respective agreements, representations, warranties, and other statements of the City and its officers and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation or statement as to the results thereof made by or on behalf of the Underwriters, the City, or any of their officers or controlling persons, and will survive delivery of and payment for the Bonds.

10. **Successors.** This Agreement will inure to the benefit of and binding upon the parties hereto and their successors, officers, and controlling persons, and no other person will have any rights or obligations hereunder.

11. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which shall constitute but one and the same instrument.

12. **Notice.** All communications hereunder will be in writing and mailed, delivered, or telegraphed, and confirmed and addressed as follows:

(a) if to the Representative: The First National Bank of Chicago, One First National Plaza, Suite 0826, Chicago, Illinois 60670, Attention: Public Finance Division;

(b) if to the City: City of Chicago, Office of the Comptroller, Room 501, City Hall, 121 North LaSalle Street, Chicago, Illinois 60602, with a copy to: Corporation Counsel, 511 City Hall, 121 North LaSalle Street, Chicago, Illinois 60602.

13. **Effective Date.** This Agreement shall become effective upon the execution of the acceptance hereof by the City Comptroller of the City with the concurrence of the Chairman of the Finance Committee of the City Council and shall be valid and enforceable as of the time of such acceptance.

on behalf of itself and the
Underwriters listed on
Schedule I hereto

By:

ACCEPTED:

October 23, 1986

City of Chicago, Illinois

By: _____
Comptroller, City of Chicago

CONCURRED WITH:

October 23, 1986

City of Chicago, Illinois

By: _____
Chairman of the Committee on
Finance, City Council of Chicago

Schedules I, II, III, and IV attached to this agreement read as follows:

Schedule I

Exhibit I

The Official Statement.

Exhibit II

[Form of Opinion of Acting Corporation Counsel]

October _____, 1986

As Representative of the Underwriters

Re: City of Chicago, Illinois, General Obligation Bonds, Refunding Series of 1986

Gentlemen:

I am counsel for the City of Chicago, Illinois (the "City"). In connection with the issuance today by the City of \$ _____ aggregate principal amount of its General Obligation Bonds, Refunding Series of 1986 (the "Bonds"), I have caused to be examined, among other things, the following:

A. Public records, proceedings, and documents in connection with the organization and establishment of the City.

B. The proceedings of the City Council of the City pertaining to the adoption of an ordinance (the "Bond Ordinance") on August 28, 1986, authorizing the issuance, sale, and delivery of the Bonds by the City and authorizing City officers to do all things necessary to implement the terms of the Bond Ordinance and the contracts that are created by the Bonds and the Bond Ordinance.

C. The executed Bonds, Bond Purchase Agreement described below, the Preliminary Official Statement dated October 10, 1986 and the Official Statement dated October _____, 1986, the hereinafter defined Refunding Escrow Agreement, the hereinafter defined Escrow Agreement, and various closing certificates concerning the issuance and sale of the Bonds.

In addition, I have examined, or caused to be examined, and relied upon other documents, legal opinions, instruments, or records as I have believed necessary to examine in order to give the opinions and make the statements in this letter.

Based on the foregoing, and in reliance thereon, it is my opinion that:

1. The City is a political subdivision and home rule municipal corporation of the State of Illinois duly organized and existing as such under the laws of the State of Illinois, and, pursuant to the provisions of the Constitution and laws of the State of Illinois and the Bond Ordinance, the City is empowered to issue the Bonds.

2. The City has full right, power, and authority to adopt the Bond Ordinance, and no consents, approvals, or authorizations are required by any governmental body for the City to carry out the transactions contemplated by the Bonds, the Bond Ordinance, the Bond Purchase Agreement (the "Agreement") dated October _____, 1986, between the City and the Underwriters (as defined in the Agreement), the escrow agreement dated as of October 1, 1986, between the City and Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, relating to the establishment of an escrow account to advance refund the Refunded Bonds (as defined in the Official Statement) (the "Refunding Escrow Agreement"), and the Escrow Agreement dated as of October 1, 1986, between the City and Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, for the direct transfer of funds from the Cook County Collector and the DuPage County Collector (the "Escrow Agreement").

3. The Bond Ordinance has been duly adopted by the City Council, has not been amended or repealed, and remains in full force and effect.

4. The Bonds, the Refunding Escrow Agreement, the Escrow Agreement, the Agreement, the Preliminary Official Statement dated October 10, 1986, and the Official Statement dated October _____, 1986 (collectively, the "Official Statement") have been duly authorized, executed, and delivered by the City.

5. The Bonds, the Bond Ordinance, the Refunding Escrow Agreement, the Escrow Agreement, and the Agreement constitute valid and binding obligations of the City enforceable in accordance with their terms, except as may be limited by bankruptcy, insolvency, or other similar laws relating to enforceability of creditors' rights and subject to the exercise of judicial discretion in accordance with principles of law or equity applicable to legal or equitable remedies.

6. The execution, delivery, and performance by the City of the Bonds, the Bond Ordinance, the Official Statement, the Refunding Escrow Agreement, the Escrow Agreement, and the Agreement will not conflict with, or result in any breach of, any of the provisions of or constitute a default under, any loan agreement, indenture, note, bond, mortgage, deed of trust, guaranty, commitment, lease, resolution, ordinance, or other agreement or instrument, or any applicable judgment, court order, or decree to which the City is a party or to which it is subject.

7. All proceedings and actions of the City Council of the City relating to the Bonds, the Bond Ordinance, the Refunding Escrow Agreement, the Escrow Agreement, the

Agreement, and the Official Statement, and related proceedings, comply with all laws, ordinances, rules, and regulations applicable to the City Council, and none of the actions taken relating to the authorization, execution, or delivery of the Bonds, the Refunding Escrow Agreement, the Escrow Agreement, the Agreement, or the Official Statement has been repealed, rescinded, or revoked.

8. To the best of my knowledge, the Preliminary Official Statement as of its date and the Official Statement as of its date (except for financial and statistical information contained therein, and for information contained therein provided by the Municipal Bond Insurance Association, as to which I express no opinion) was, and is now, accurate in all material respects for the purpose for which its use was or is authorized, and the Preliminary Official Statement did not as of its date and the Official Statement did not as of its date, and neither does now, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

9. The Bond Ordinance and the Escrow Agreement authorized the direct transfer of funds from the County Collector of Cook County, Illinois and County Collector of DuPage County, Illinois, to the Escrow Agent sufficient to pay all installments of principal and interest thereon for the life of the Bonds and all actions necessary to effectuate all such transfers have been taken.

10. The Ordinance and Escrow Agreement direct the County Clerks of Cook and DuPage Counties to extend and the County Collectors ("County Collectors" as used herein means the Cook County Collector and the DuPage County Collector) to deposit the proceeds of the taxes levied to pay principal of the interest on the Bonds in a separate and segregated account with the Escrow Agent to secure the payment of the Bonds. Monies so deposited with the Escrow Agent shall be used solely for the purpose of paying principal of, interest on, and premium, if any, on the Bonds and shall not be used for any other purpose so long as any of the Bonds remain outstanding. I am of the opinion that the holders of the Bonds have a claim against the levy therefor and are equally and ratably secured by and have a first and prior lien upon all present and future proceeds of the levies when deposited with the Escrow Agent until the principal of and interest on the Bonds are paid in full. Such lien is valid, binding, and enforceable.

11. There is no action, suit, inquiry, proceeding, or investigation pending or, to the best of my knowledge, threatened in or before any court, governmental agency, authority, arbitrator, public board, or body that in any way would:

(a) affect the creation, organization, or existence of the City or the powers of the City to adopt the Bond Ordinance, issue the Bonds, or perform its obligations under or as contemplated by the Bonds, the Bond Ordinance, the Refunding Escrow Agreement, the Escrow Agreement, or the Agreement, or the title of the City's officers to their offices;

(b) enjoin or restrain the issuance, sale, or delivery of the Bonds or (except as set forth in the Official Statement) the collection or pledge of taxes to pay principal of, interest on, or premium, if any, on the Bonds, or the deposit of tax collections sufficient to pay

principal of, interest on, or premium, if any, on the Bonds into the escrow account established pursuant to the Escrow Agreement, or the equal and ratable first and prior lien and claim of the holders of the Bonds of the City upon all present and future proceeds of the levies therefor when deposited into such escrow account, or the application of proceeds of such levies for such purposes;

(c) question or affect any of the rights, powers, duties, or obligations of the City (except as set forth in the Official Statement) with respect to the City taxes levied for the purpose of paying the principal of and interest on the Bonds, or the application of the proceeds of such levy for such purpose; and

(d) in any way question, contest, or affect any authority for the issuance of the Bonds or the validity or enforceability of the Bonds, the Bond Ordinance, the Escrow Agreement, or the Agreement or contest in any way the completeness or accuracy of the Official Statement or the powers or authority of the City with respect to the Bonds, the Bond Ordinance, the Escrow Agreement, or the Agreement, or the exemption of interest on the Bonds from federal income taxation.

12. The Bonds evidence a debt of the City to which the City has pledged its full faith and credit for the payment thereof, and all taxable property of the City is subject to the levy of taxes to pay the same, without limitation as to rate and amount.

13. No approval, permit, consent, authorization, or order from any court or any governmental or public agency, authority, or person not already obtained is required with respect to the City in connection with the authorization, issuance, and sale to the underwriters of the Bonds pursuant to the Agreement, or to the adoption of the Ordinance. I express no opinion, however, as to matters relating to federal or state securities laws or as to the tax laws of any jurisdiction.

14. The City is engaged in various types of litigation which include claims for damages resulting from injury, as well as routine suits to declare invalid the imposition of various taxes. It is my opinion that, except for matters described in the Official Statement, including the Notes to Combined Financial Statements included in Appendix A, unfavorable resolution of damage claims will not materially affect the financial position of the City. It is also my opinion that, except for matters described in the Official Statement, including the Notes to Combined Financial Statements included in Appendix A, a result which is unfavorable to the City with respect to any of these suits involving taxes will not result in a financial situation that cannot be readily remedied by action on the part of the City.

The Statements contained herein are made in an official capacity and not personally, and no personal responsibility shall derive from them.

Very truly yours,

JUDSON H. MINER
Acting Corporation Counsel

Exhibit III

[Form of Separate Supplemental Opinions of Co-Bond Counsel]

October ____, 1986

As Representatives of the Underwriters

The City of Chicago
Cook County, Illinois

Re: City of Chicago, Illinois, General Obligations Bonds, Refunding Series of 1986

Gentlemen:

We have acted as Bond Counsel in connection with the issuance by the City of Chicago, Illinois (the "City") of its General Obligation Bonds, Refunding Series of 1986 (the "Bonds").

We have today delivered to the City an executed copy of our approving opinion, dated today, with respect to the Bonds.

Based upon our examination as described in that opinion, we are of the opinion that:

1. The Bond Purchase Agreement between the City and _____ (the "Representative") dated as of October ____, 1986 (the "Bond Purchase Agreement") has been duly authorized, executed, and delivered by the City and constitutes a binding agreement of the City enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency, moratorium, reorganization, or other similar laws affecting creditors' rights generally and except that enforcement by equitable and similar remedies, such as mandamus, may be subject to the exercise of judicial discretion, or otherwise limited, in accordance with general principles of law or equity applicable to those remedies.

2. It is not necessary in connection with the issuance and sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the ordinance under the Trust Indenture Act of 1939, as amended.

3. The statements contained in the Official Statement under the captions "The Bonds" (except for the statements contained under the sub-headings "Insurance" and "Book-Entry Form" as to which we express no opinion) and "Tax Exemption," insofar as the statements contained under such captions purport to summarize certain provisions of the Bonds, the Ordinance, and the opinion of Bond Counsel regarding validity and tax-exempt status of the Bonds, present a fair summary of such provisions. Based upon our participation in the preparation of the Official Statement as Bond Counsel and without having undertaken to determine independently the accuracy, completeness, or fairness of the statements contained in the Official Statement, as of today, we have no reason to believe that the Official Statement as of its date (except for the financial statements and other financial and statistical data included therein, as to which no view is expressed) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Furthermore, we have no reason to believe that the Official Statement (together with all amendments or supplements thereto, if any) as of today (except for the financial statements and other financial and statistical data included therein, as to which no view is expressed) contained any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

This supplemental opinion is solely for the benefit of the underwriters described in the Bond Purchase Agreement and the City and is not to be used, circulated, quoted, or otherwise referred to inside or outside of the underwriting group for any purposes other than the offering of the Bonds, except that reference may be made to it in the Bond Purchase Agreement or in any list of closing documents pertaining to the delivery of the bonds.

Respectfully submitted,

Exhibit IV

[Form of Separate Opinions of Co-Underwriters' Counsel]

As representative of the Underwriters

Re: City of Chicago, Illinois, General Obligation Bonds, Refunding Series of 1986

Gentlemen:

We have acted as counsel to the Underwriters in connection with the purchase by the Underwriters of \$_____ principal amount of General Obligation Bonds, Refunding Series of 1986 (the "Bonds"), issued by the City of Chicago, Illinois (the "City"), such purchase pursuant to the Bond Purchase Agreement dated October ____, 1986 (the "Bond Purchase Agreement") between the Underwriters and the City.

As such counsel, we participated in the preparation of the Preliminary Official Statement dated October 10, 1986 (the "Preliminary Official Statement"), and the Official Statement dated October ____, 1986 (the "Official Statement"), relating to the Bonds. The Preliminary Official Statement and the Official Statement have been delivered to the Underwriters pursuant to the Bond Purchase Agreement.

We have examined and relied upon originals or copies of:

- (a) The ordinance adopted by the City Council of the City on August 28, 1986, authorizing the issuance of the Bonds and the creation of an escrow account in connection with the refunding of certain obligations of the City (the "Ordinance");
- (b) The Bond Purchase Agreement;
- (c) The Preliminary Official Statement;
- (d) The Official Statement;
- (e) all outstanding debt instruments of the City to be refunded, and the official statements prepared with respect thereto;
- (f) audited financial statements as at December 31, 1985, of the City reviewed by Coopers & Lybrand;
- (g) original minutes of the City Council of the City from _____, through _____, 1986, and memoranda of the City Council Committee on Finance for the same period of time;
- (h) letter from Coopers & Lybrand dated the date hereof stating that they consent to the use of the financial statements and data contained and appearing in the appendices to the Official Statement;
- (i) the letter of Coopers & Lybrand dated the date hereof referred to in Paragraph 6(g)(vi) of the Bond Purchase Agreement;
- (j) the Escrow Agreement entered into between Continental Illinois National Bank and Trust Company of Chicago, as escrow agent and the City dated as of September 1, 1986;
- (k) the approving opinion and supplemental opinion of Chapman and Cutler and Earl L. Neal, Esq. co-bond counsel, dated the date hereof;

- (l) certificate of the Mayor and the City Comptroller of the City dated the date hereof referred to in Paragraph (6)(f) of the Bond Purchase Agreement;
- (m) the policy of municipal bond insurance delivered pursuant Section 6(h) of the Bond Purchase Agreement; and
- (n) the verification report of Coopers & Lybrand, referred to in the Official Statement under the heading "Certain Verifications".

We have examined such other documents, proceedings, records, and other instruments as we have deemed necessary or advisable. We have examined such federal and Illinois laws as we have deemed necessary or advisable.

We have participated with your representative and Bond Counsel in conferences with officials of the City during which conferences the contents of the Official Statement and related matters were discussed and reviewed. We have relied upon statements of such officials and information provided by them.

The statements contained herein based solely upon our participation in the preparation of documents, and our review, discussion, and examinations, as described above, and upon the information given to or obtained by us in the course thereof, without independent verification of factual matters. We have assumed but have not independently verified that the signatures on all documents and certificates that we have examined are genuine.

With respect to the due authorization, execution, and delivery of the Bonds, their status as valid and legally binding obligations of the City, the security provided for the benefit of the bondholders in the ordinance, and the exemption of interest on the Bonds from federal income taxes, we have relied upon the opinions of Co-Bond Counsel, of even date herewith, the form of which is included in the Official Statement as Appendix D. We have conducted no review of, and express no views with respect to, these matters.

In connection with litigation to which the City is a party or by which the City may otherwise be affected, we have relied upon the opinion of the Acting Corporation Counsel to the City, of even date herewith.

Subject to the matters set forth above, we advise you that the Bonds are exempt securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and Section 304(a)(4) of the Trust Indenture Act of 1939, as amended, to the extent provided in such Acts. It is not necessary, in connection with the sale of the Bonds to the public, to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Ordinance under the Trust Indenture Act of 1939, as amended.

Based upon our participation in the preparation of the Official Statement as Underwriters' Counsel, and without having undertaken to determine independently the accuracy, completeness, or fairness of the statements contained in the Official Statement, as of this date we have no reason to believe that the Official Statement dated as of October _____, 1986 (except for the financial statements and other financial and statistical data included therein, as to which matters no opinion is hereby expressed) contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein

or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and that we have reason to believe that the Official Statement as of this date (except for the financial statements and other financial and statistical data included therein, as to which matters no opinion is hereby expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

We advise that the statements contained in the Official Statement under the captions "The Bonds" and "Real Property Assessment, Tax Levy, And Collection Procedures", insofar as such statements contained under such caption purport to summarize certain provisions of the Bonds, and the Ordinance, present a fair summary of such provisions.

This letter is delivered solely for your benefit. This letter and the statements expressed herein are not to be used, circulated, quoted, or otherwise referred to within or without the Underwriting Group for any purposes other than the offering of the Bonds, except that references may be made to it in the Bond Purchase Agreement or in any listing of closing documents pertaining to the delivery of the Bonds.

Respectfully yours,

Action Deferred -- ISSUANCE OF \$250,000,000 IN CITY OF
CHICAGO 1987 GENERAL OBLIGATION
TENDER NOTES.

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

CHICAGO, November 13, 1986.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred an ordinance authorizing the issuance of City of Chicago 1987 General Obligation Tender Notes in the total estimated amount of \$250,000,000, 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 proposed ordinance transmitted with the foregoing committee report:

WHEREAS, The City of Chicago (the "City") is a body politic and corporate under the laws of the State of Illinois and a home rule unit under Article VII of the Illinois Constitution of 1970; and

WHEREAS, The City has determined that it is desirable and in the public interest of the City to issue notes of the City for the following purposes: (i) to finance current cash requirements of the City; (ii) to provide funds to pay amounts appropriated for specific purposes by the City for the year 1987; and (iii) to finance the acquisition of necessary equipment for the City; and

WHEREAS, It is necessary for the City to issue its notes for the purposes hereinafter provided, such borrowing being for a proper public purpose and in the public interest, and the City by virtue of its Constitutional home rule powers and all laws applicable thereto, has the power to issue such notes; now, therefore,

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

SECTION 1. Finding. The City Council, after a public hearing heretofore held on this ordinance by the Committee on Finance of the City Council, pursuant to proper notice having been given thereof, and in accordance with the findings and recommendations of such Committee, hereby finds that all of the recitals contained in the preambles to this ordinance are full, true and correct and does incorporate them into this Ordinance by this reference.

SECTION 2. Definitions. The terms defined in this Section shall, for all purposes of this Ordinance, have the meanings herein specified, unless the context clearly requires otherwise:

"Alternate Letter of Credit" shall mean an irrevocable letter, or letters, of credit delivered in accordance with Section 16(c) hereof. Any Alternate Letter of Credit shall be an irrevocable letter of credit, other than the Letter of Credit issued by the Bank and delivered to the Paying Agent concurrently with the original issuance of the Notes, issued by a commercial bank, the terms of which shall in all material respects be the same as the Letter of Credit, except as to identity of the Bank. On or prior to the date of the delivery of an Alternate Letter of Credit to the Paying Agent, the City shall have obtained (i) written evidence from Moody's, if the Notes are rated by Moody's, and S. & P., if the Notes are rated by S. & P., in each case to the effect that such rating agency has reviewed the proposed Alternate Letter of Credit and that the substitution of the proposed Alternate Letter of Credit for the Letter of Credit will not, by itself, result in a reduction or withdrawal of its ratings on the Notes from those which then prevail, and (ii) an opinion of counsel to the issuer of the Alternate Letter of Credit to the effect that the Alternate Letter of Credit is a valid and binding obligation of such Bank. The Paying Agent may conclusively rely upon a certificate of the Comptroller that the Alternate Letter of Credit is in conformity with the requirements of this Ordinance.

"Bank" shall mean such banking corporation or association as shall be designated by the Comptroller pursuant to Section 71 hereof, in its capacity as issuer of the Letter of Credit, its successors in such capacity and its assigns and, if an Alternate Letter of Credit has been

issued in accordance with Section 16(c) hereof, "Bank" shall mean the issuer, or issuers, of such Letter or Alternate Letter or Letters, of Credit in its capacity issuing such Letter of Credit or Alternate Letter of Credit, its, or their, successors in such capacity and their assigns. "Principal Office" of the Bank shall mean the principal office from time to time of the Bank.

"Bond Counsel" shall mean the firm of nationally recognized bond counsel designated by the duly designated Corporation Counsel of the City.

"Business Day" shall mean any day of the year on which banks located in the city, or cities, respectively, in which are located the Principal Offices of the Trustee, the Paying Agent, the Remarketing Agent and the Bank are not required or authorized to remain closed and on which The New York Stock Exchange, Inc. is not closed.

"City" shall mean the City of Chicago, Illinois.

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

"Commercial Paper Rate" means the interest rate on the Notes set under Section 3(c)(3).

"Commercial Paper Rate Period" means with respect to any Note, the period (which may be from 1 day to 180 days) determined as provided in Section 3(c)(3).

"Comptroller" shall mean the duly designated Comptroller, any Deputy Comptroller of the City and any person at the time designated to act on behalf of the Comptroller by written certificate furnished by the duly designated Comptroller to the Trustee, the Paying Agent, the Remarketing Agent and the Bank and filed with the City Clerk of the City. Such certificate may designate one or more alternates.

"Custody Account" means that account established on behalf of the Bank with an agent designated in the Reimbursement Agreement, and initially shall mean that account established by Irving Trust Company on behalf of the Bank.

"Daily Rate" means an interest rate on the Notes set under Section 3(c)(1).

"Determination Date" is defined in Section 3(c)(4).

"Event of Default" shall mean any of the events stated in Section 32 hereof.

"Fixed Rate" means an interest rate on the Notes set under Section 3(c)(4).

"Fixed Rate Period" is defined in Section 3(c)(4).

"Interest Payment Date" is defined in the Notes.

"Interest Period" is defined in the Notes.

"Interest Rate" means the rate on the Notes established pursuant to Section 3(c) hereof.

"Letter of Credit" shall mean the irrevocable letter, or letters of credit issued by the Bank contemporaneously with the original issuance of the Notes or any Series of Notes, except that upon the issuance and delivery of an Alternate Letter of Credit in accordance with Section 16(c) hereof, "Letter of Credit" shall mean such Alternate Letter of Credit. Each Series of Notes may be secured by a different Letter of Credit issued by the Bank or by a Letter of Credit issued by a different Bank, all as designated by the City pursuant to the terms of this Ordinance. Any reference to Letter of Credit herein shall be deemed to refer to the Letter of Credit related to such Series of Notes, unless the context shall clearly indicate otherwise. The Paying Agent may conclusively rely upon a certificate of the Comptroller that the Letter of Credit is in conformity with the requirements of this Ordinance.

"Letter of Credit Note" shall mean a note issued pursuant to a Reimbursement Agreement.

"Monthly Rate Evaluation Date" means the fifth day of each month while the Notes of any Series bear interest at a Short Term Rate unless such day is not a Business Day, in which case the Monthly Evaluation Date shall be the following Business Day.

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

"Notes" means the notes issued pursuant to this Ordinance.

"Note Fund" shall mean the fund created by Section 13 hereof.

"Noteholder" shall mean the person in whose name any Note is registered. the Trustee, the Paying Agent, the Remarketing Agent and the Bank may be Noteholders.

"Notice by Mail" or "Notice" of any action or condition "by Mail" shall mean a written notice meeting the requirements of this Ordinance mailed by first class mail to the Noteholders, at the addresses shown in the registration books maintained pursuant to Section 8 hereof.

"Opinion of Bond Counsel" means a written opinion of Bond Counsel.

"Ordinance" shall mean this Note Ordinance of the City.

"Outstanding", when used in reference to the Notes, shall mean, as at any particular date, the aggregate of all Notes authenticated and delivered under this Ordinance except:

(a) those cancelled at or prior to such date or delivered to or acquired by the Trustee or the Registrar at or prior to such date for cancellation;

(b) those matured or redeemed Notes which have not been presented for payment in accordance with the provisions of this Ordinance; and

(c) those in lieu of or in exchange or substitution for which other Notes shall have been authenticated and delivered pursuant to this Ordinance.

"Paying Agent" shall mean the paying agent designated by the Comptroller at the time of the initial sale of the Notes, or any other successor paying agent appointed in accordance with Section 62 hereof. If the Trustee is the Paying Agent, "Principal Office" of the Paying Agent shall mean the principal corporate trust office of the Trustee. If the Trustee is not the Paying Agent, then "Principal Office" shall mean the address given by the Paying Agent in writing to the City, the Trustee, the Bank and the Remarketing Agent.

"Rating Agency" means Moody's or S. & P.

"Record Date" is defined in the Notes.

"Registrar" shall mean the Paying Agent acting in the capacity of registrar under this Ordinance, its successors and their assigns.

"Reimbursement Agreement" shall mean the agreement or agreements between the City and the Bank, pursuant to which the related Letter of Credit is issued by the Bank and delivered to the Paying Agent, and initially shall mean the Reimbursement Agreement entered into pursuant to Section 71 of this Ordinance and any and all modifications, alterations, amendments and supplements thereto. Any reference to Reimbursement Agreement herein shall be deemed to refer to the Reimbursement Agreement related to such Series of Notes, unless the context shall clearly indicate otherwise.

"Remarketing Agent" shall mean the Remarketing Agent designated by the City with respect to the Notes, and initially shall mean the Remarketing Agent appointed in accordance with Section 70 hereof.

"Remarketing Agreement" means the agreement or agreements between the City and the Remarketing Agent entered into pursuant to Section 70 of this Ordinance, and any and all modifications, alterations, amendments and supplements thereto. Any reference to Remarketing Agreement herein shall be deemed to refer to the Remarketing Agreement related to such Series of Notes, unless the context shall clearly indicate otherwise.

"Series 1987B Notes" shall have the meaning assigned to such term in clause (ii) of paragraph (b) of Section 3 hereof.

"Short Term Rate" means a Daily, Weekly or Commercial Paper Rate.

"State" means the State of Illinois.

"Service Fund" means the fund created pursuant to Section 19 hereof, and held and administered by the Paying Agent.

"S. & P." shall mean Standard & Poor's Corporation, a corporation organized and existing under the laws of the State of New York, its successors and their assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S. & P." shall be deemed to refer to any other nationally recognized securities rating agency designated by the City in its place by notice to the Trustee, Paying Agent and Remarketing Agent.

"Supplemental Ordinance" shall mean any ordinance of the City modifying, altering, amending, supplementing or confirming this Ordinance for any purpose, in accordance with the terms hereof.

"Treasurer" shall mean the duly elected Treasurer of the City.

"Trustee" shall mean Continental Illinois National Bank and Trust Company of Chicago, as Trustee under this Ordinance, its successors in trust and their assigns. "Principal Office" of the Trustee shall mean the principal corporate trust office of the Trustee, which office at the date of this Ordinance is located at 30 North LaSalle Street, Chicago, Illinois 60697.

"Underwriters" shall mean the purchasers of the Notes from time to time entering into contracts of purchase with the City as described in Section 86 hereof.

"Weekly Rate" means an interest rate on the Notes set under Section 3(c)(2).

This Ordinance, except where the context by clear implication shall otherwise require, shall be construed and applied as follows:

- (a) Definitions include both singular and plural.
- (b) Pronouns include both singular and plural and cover all genders.
- (c) Any percentage of Notes, for the purposes of this Ordinance, shall be computed on the basis of the Notes Outstanding at the time the computation is made or is required to be made hereunder.
- (d) Headings of sections herein are solely for the convenience of reference and do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

SECTION 3. Creation of Notes.

(a) For the purpose of providing moneys for the purposes provided in the preambles hereof, it is hereby declared necessary that the City authorize and issue, and the City hereby authorizes and directs the issuance of, an issue of Notes, entitled to the benefit, protection and security of this Ordinance in an aggregate principal amount determined as provided hereunder, payable as to principal and interest from the sources indicated hereinafter. The Notes shall be designated by the title "City of Chicago General Obligation Tender Notes, Series 1987" (the "Notes"). The Notes shall be dated as provided in Clause (k) of this Section 3.

(b) The Notes shall be issued in various series (each a "Series") as below designated, and in the amounts, maturing, subject to prior redemption upon the terms and conditions as hereinafter set forth, and be for the purposes as follows:

(i) Series 1987A (the "Series 1987A Notes"), in the principal amount at any one time outstanding of not to exceed \$100,000,000, maturing on December 31, 1987, for the purpose of financing the current cash flow requirements of the City:

(ii) Series 1987B (the "Series 1987B Notes"), maturing on October 31, 1988, for the purpose of providing funds to pay amounts appropriated for Corporate Fund, Chicago Public Library (Maintenance and Operation) Fund, City Relief (General Assistance) Fund, Judgment Fund and Chicago Public Library (Building and Sites) Fund purposes for the year 1987, which Series 1987B Notes shall be secured as provided in Section 22 hereof, as determined by the Comptroller at the time of the initial sale of any Series 1987B Notes, and which Series 1987B Notes, if secured as provided in Section 22(a) hereof, shall be issued in principal amounts not to exceed, with respect to any specific purpose, 90% of the taxes levied for such purpose for the year 1987 and which Series 1987B Notes, if secured as provided in Section 22(b) hereof, shall be issued in principal amounts not to exceed in the aggregate 100% of the taxes levied for all such purposes for the year 1987; and

(iii) Series 1987C (the "Series 1987C Notes"), in the principal amount of \$30,000,000, maturing on October 31, 1991, for the purpose of acquiring certain capital equipment more fully described in Exhibit B attached hereto and made a part hereof by this reference.

Solely to permit the various Notes of any Series issued hereunder to have varying interest rate determination methods, any Series 1987 Notes issued hereunder may be issued and sold as provided in Section 86 hereof as one or more sub-series, each of which shall be (A) in the principal amount of not less than \$20,000,000, (B) deemed to be a "Series" under this Ordinance only for establishing and maintaining an interest rate determination method for such Notes, and (C) identified by a number following the Series designation from 1 upward (i.e. Series 1987__-1, etc.).

(c) Interest Rate Determination Methods.

(1) Daily Rate. When interest on any Series of the Notes is payable at a Daily Rate, the Comptroller will set a Daily Rate on each Business Day. Each Daily Rate will be the minimum rate necessary (as determined by the Comptroller) for the Remarketing Agent to sell the Notes of such Series on the day the rate is set at 100% of their principal amount plus accrued interest. The Daily Rate for any non-Business Day will be the rate for the last day on which a rate was set or, upon the commencement of a period during which the Notes of such Series bear interest at a Daily Rate, the rate established on the first Business Day after the date of such commencement.

If for any reason the Comptroller does not set a Daily Rate on any Business Day or a court holds that the rate set for any day is invalid or unenforceable, the Daily Rate for that day will be the average of 30-day yield evaluations at par of securities, the interest on

which is exempt from Federal income taxation, of issuers of commercial paper rated by a Rating Agency in its highest commercial paper rating category. Initially, that rate will be the earliest rate published each day by Munifacts Wire Systems, Inc. The City, acting through its Comptroller, may designate a replacement publisher to the Trustee and the Remarketing Agent. If Munifacts Wire System, Inc. or such replacement publisher does not publish such a commercial paper rate on a day on which a Daily Rate is to be set, the Remarketing Agent will set the Daily Rate at 50% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced on such day by the Federal Reserve Bank of New York, converted to a coupon-equivalent rate.

(2) Weekly Rate. The Comptroller will set a Weekly Rate on the last Business Day before the commencement of a period during which any Series of the Notes bear interest at a Weekly Rate and each Tuesday thereafter during which interest on the Notes of such Series is to be payable at a Weekly Rate or, if any Tuesday is not a Business Day, on the next succeeding Business Day. Each Weekly Rate will be the minimum rate necessary (as determined by the Comptroller) for the Remarketing Agent to sell the Notes of such Series on the date the rate is set at 100% of their principal amount plus accrued interest.

If for any reason the Comptroller does not set a Weekly Rate or a court holds that any rate set is invalid or unenforceable, the Weekly Rate for that period will be the average of 30-day yield evaluations at par of securities (whether or not actually issued), the interest on which is exempt from Federal income taxation, of at least 20 component issuers selected by the Remarketing Agent, including issuers of commercial paper, project notes, bond anticipation notes and tax anticipation notes, computed by the Remarketing Agent as of the day on which the Comptroller was to have set the Weekly Rate. When the Notes are rated by a Rating Agency in either of its two highest long-term debt rating categories, each component issuer must (a) have outstanding securities rated by a Rating Agency in its highest note or commercial paper rating category, or (b) not have outstanding notes or commercial paper rated by a Rating Agency but have outstanding securities rated by a Rating Agency in either of its two highest long-term debt rating categories. If the notes are rated by both Rating Agencies in a rating category that is lower than its two highest long-term debt rating categories, each component issuer must (a) have outstanding securities rated by one Rating Agency in its note or commercial paper rating category correlative, in the Remarketing Agent's judgment, to the long-term debt rating category of the Notes or (b) have outstanding securities rated by one Rating Agency in the same long-term debt rating category as the Notes are rated by that Rating Agency and not have any outstanding notes or commercial paper rated by such Rating Agency. The Remarketing Agent may change the component issuers from time to time in its discretion, subject to the foregoing requirements. If the Notes are not rated by a Rating Agency or the Remarketing Agent does not compute the average mentioned above, the Remarketing Agent will set the weekly rate at 55% of the interest rate for 30-day taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the day on which the Comptroller was to have set the Weekly Rate. Upon delivery to the Trustee of an Opinion of Bond Counsel that such action will not adversely affect the exemption of interest on the Notes of such Series from Federal income taxation, the City, acting through its Comptroller, may designate a new method of setting the Weekly Rate in the event any of the above-described methods is unavailable or unrealistic in the market place.

(3) Commercial Paper Rate.

(i) Determination of Commercial Paper Rate. The Commercial Paper Rate for each Note of a Series bearing interest at a Commercial Paper Rate will be determined by the Comptroller on the first Business Day of each Commercial Paper Rate Period applicable to such Note. Each Commercial Paper Rate will be the minimum rate necessary (as determined by the Comptroller) for the Remarketing Agent to sell such Note on such date at its principal amount.

If for any reason the Comptroller does not set a Commercial Paper Rate for any Commercial Paper Rate Period or a court holds that the rate set for such Commercial Paper Rate Period is invalid or unenforceable, the Commercial Paper Rate for such Note for such Period will be the earliest 30-day, 60-day or 90-day tax-exempt commercial paper rate published each day by Munifacts Wire System, Inc. (or its replacement as provided in Section 3(c)(1)), and representing, as of the date of determination, the average of 30-day (if such Commercial Paper Rate Period is from one to 30 days in length), 60-day (if such Commercial Paper Rate Period is from 31 to 60 days in length) or 90-day (if such Commercial Paper Rate Period is from 61 to 180 days in length), as the case may be, yield evaluations at par of securities, the interest on which is exempt from Federal income taxation, of issuers of commercial paper rated by a Rating Agency in its highest commercial paper rating category. If Munifacts Wire System, Inc. (or its replacement) does not publish a 30-day, 60-day or 90-day tax-exempt commercial paper rate, as the case may be, on the day on which a Commercial Paper Rate is to be set, the Commercial Paper Rate of such Note for such period shall be the applicable percentage of the interest rate (the "Commercial Paper Base Rate") for 30-day, 60-day or 90-day, as the case may be, taxable commercial paper (prime paper placed through dealers) announced by the Federal Reserve Bank of New York on the first Business Day of such Commercial Paper Rate Period as determined on the basis of the table set forth below.

Term of Next Succeeding Commercial Paper Rate Period	Applicable Percentage of Commercial Paper Base Rate
1-30 days	50%
31-60 days	52%
61-180 days	54%

(ii) Determination of Commercial Paper Rate Periods by Comptroller. While the Notes of any Series bear interest at the Commercial Paper Rate, the length of each Commercial Paper Rate Period (which may be from one to 180 days) for each Note of such Series shall, if the Comptroller's direction pursuant to Section 3(d)(1) so requires, be determined by the Comptroller based upon the Comptroller's judgment that such length will be beneficial to the market for, or the relative yield of, such Note based upon the factors set forth in Section 3(d)(2).

(iii) Determination of Commercial Paper Rate Periods by Remarketing Agent. While the Notes of any Series bear interest at a Commercial Paper Rate as a result of the City's direction pursuant to Section 3(d)(1) the Commercial Paper Rate Period for each Note shall be determined by the Remarketing Agent pursuant to Section 3(d)(1) unless the Comptroller's direction requires the Comptroller to make such determinations, in which event the Comptroller shall make such determination as described in the preceding paragraph.

(iv) Limitations. Notwithstanding the foregoing:

(1) no Commercial Paper Rate Period shall be established for any Series of Notes unless the Letter of Credit securing such Notes terminates no earlier than twenty (20) days after the last day of such Commercial Paper Rate Period;

(2) if the Remarketing Agent or the Comptroller have previously determined that the Notes of any Series are to bear interest at a rate other than the Commercial Paper Rate effective as of a future date, no new Commercial Paper Rate Period shall be established for such Series unless the last day of such Commercial Paper Rate Period occurs on or before the effective date of the change to such other rate; and

(3) if neither the Comptroller nor the Remarketing Agent sets the length of a Commercial Paper Rate Period for any Note of any Series when it is required to do so, a new Commercial Paper Rate Period lasting 30 days (or until the earlier stated maturity of the Notes of such Series) will follow.

(4) Fixed Rate. The Comptroller will set a Fixed Rate for any Series of Notes on date (the "Determination Date") no fewer than 7 nor more than 15 Business Days before the beginning of the period (the "Fixed Rate Period") in which interest on the Notes of any Series will be payable at a Fixed Rate to the maturity of such Series of Notes. The Fixed Rate for any Series will be the minimum rate necessary (as determined by the Comptroller) for the Remarketing Agent to sell the Notes of such Series on the Determination Date at their principal amount plus accrued interest.

If for any reason the Comptroller does not set a Fixed Rate for a Fixed Rate Period or a court holds that the rate set for a Fixed Rate Period is invalid or unenforceable, the rate for the Fixed Rate Period will be determined by the Remarketing Agent and will be the yield shown for "Municipal Bonds (New Issue Scales: Prime Grade GO)" having the same number of years to maturity as the number of 12-month periods in the Fixed Rate Period, as published in the last issue before the Determination Date of the *Salomon Brothers, Inc. Bond Market Roundup*. If that issue does not publish a yield for bonds having such number of years to maturity, the Fixed Rate will be determined by linear interpolation between the yields shown in that issue for bonds having the next shorter and next longer number of years to maturity. If the Fixed Rate Period is six months, the Fixed Rate shall be equal to the yield shown for "Short Term Rates (6 Month: Mig 1 Notes)", in that *Bond Market Roundup*; if the Fixed Rate Period is longer than six months but less than one year, the Fixed Rate will be determined by linear interpolation between that yield and the yield shown for the next longer maturity under "Municipal Bonds (New Issue Scales: Prime-Grade GO)". If the yields required to determine the Fixed Rate have not been published in the 30 days before the Determination Date, the Remarketing Agent will determine the Fixed Rate as of a date within 30 days before the Determination Date by likewise using or interpolating from its index for prime municipal obligations of the same maturity as the length of the Fixed Rate Period.

(5) The Interest Rate Determination Method for each Series of the Notes upon the initial delivery thereof shall be determined by the Comptroller based upon the

Comptroller's judgment that such Method will be beneficial to the market for, or the relative yield of, each Series of Notes based upon the factors set forth in Section 3(d)(2).

If any Series of the Notes is initially delivered bearing interest at a Commercial Paper Rate, the initial Commercial Paper Rate shall be of equal duration for all Notes of any such Series, and from and after the end of the initial Commercial Paper Rate Period such Series of Notes shall bear interest at a Daily Rate unless another Interest Rate Determination Method is designated pursuant to Sections 3(d)(1) or 3(d)(2) for such Series of Notes.

(d) Change in Interest Rate Determination Method.

(1) Change Directed by the City. The City may, acting through the Comptroller, change the method of determining the interest rate on the Notes of any Series by notifying the Paying Agent, Bank and Remarketing Agent at least 20 days prior to the proposed effective date of such change. Such notice shall contain (a) the effective date, (b) the proposed interest rate determination method, (c) if the change is to a Short Term Rate, the first Monthly Rate Evaluation Date, if any, upon which the determinations required pursuant to paragraph (2) below are to be made and whether or not such determinations are to be made by the Remarketing Agent, (d) if the change is to a Commercial Paper Rate, whether the length of the Commercial Paper Rate Periods will be set by the Comptroller or the Remarketing Agent and (e) if the change is to a Fixed Rate, the Determination Date. The notice must be accompanied by an Opinion of Bond Counsel stating that the change is not prohibited by the laws of the State or this Ordinance and will not adversely affect the exemption of interest on the Notes from Federal income taxation. If the Comptroller's notice complies with this paragraph, the interest rate on the Notes of such Series will be payable at the new rate on the effective date specified in the notice until there is another change as provided in this Section.

The Comptroller, upon delivering the opinions of counsel referred to in the preceding paragraph, may (a) make the determinations on each Monthly Rate Evaluation Date pursuant to paragraph (2) below or to cease to make such determinations for a specific or an indefinite period of time, (b) while the Notes of any Series bear interest at a Commercial Paper Rate, require the Remarketing Agent to set the length of each Commercial Paper Rate Period pursuant to Section 3(c)(3)(iii) or to cease to do so for a specific or an indefinite period of time or (c) override a determination made by the Remarketing Agent pursuant to paragraph (2) below provided that notice of redemption pursuant to Section 3(e) has not yet been given.

(2) Change Directed by the Remarketing Agent. Unless directed not to do so pursuant to the paragraph (1) above, the Remarketing Agent shall consider on each Monthly Rate Evaluation Date whether the method of determining the interest rate on any Series of the Notes should be changed to a different method of Short Term Rate because in the Remarketing Agent's judgment, conversion to a different Short Term Rate will be beneficial to the market for, or the relative yield of, such Series of Notes. If a change is to be made, the Remarketing Agent will promptly so notify the Paying Agent, the City and the Bank and will specify the effective date of the change. For purposes of this paragraph (2), the Remarketing Agent's determination that a different Short Term Rate will be "beneficial to the market for, or relative yield of, such Series of Notes" shall be based upon (a) the performance of such Series of Notes, measured by market supply and demand and

yield, relative to other securities which bear interest at the current rate or the other Short Term Rates or which, in the judgment of the Remarketing Agent, are otherwise comparable to such Series of Notes, or (b) any fact or circumstance relating to such Series of Notes or affecting the market for such Series of Notes or affecting such other comparable securities in a manner which, in the judgment of the Remarketing Agent will affect the market for such Series of Notes, which in any event leads the Remarketing Agent to conclude that such Series of Notes should bear interest at the Short Term Rate specified in such notice. As used in this paragraph (2), "beneficial" means beneficial to the City. The Remarketing Agent may use or not use any inputs and resources it deems appropriate, which may but need not include conversations with the City, and will make its decision based solely upon its judgment. On the effective date specified in such notice, unless a different determination shall have been made by the Remarketing Agent on an intervening Monthly Rate Evaluation Date or by the City pursuant to the paragraph (1) above, the Notes of such Series shall bear interest at the Short Term Rate specified in such notice. The notice must be accompanied by an Opinion of Bond Counsel stating that the change will not adversely affect the exemption of interest on the Notes from Federal income taxation.

The Remarketing Agent will not have any obligation, responsibility or liability of any kind to the Noteholders, the City, the Bank or to any other person with respect to any determination that the Notes of any Series will or will not bear interest at the current or any other Short Term Rate or the Fixed Rate, including but not limited to any omission by the Remarketing Agent to consider any facts or circumstances or any resources or inputs, it being the intent of this Ordinance that the Remarketing Agent may, in its unrestricted judgment, choose to consider no inputs or resources other than its own expertise.

(3) Limitations. Any change in the method of determining interest on the Notes of any Series pursuant to either paragraph (1) or paragraph (2) above must comply with the following:

(i) if a Commercial Paper Rate is then in effect, the effective date of any change must be the day following the last day of the Commercial Paper Rate Period of all Notes of such Series;

(ii) the effective date of all changes must be the first day of a month; and

(iii) no change shall be made in the interest rate determination method at the direction of the City pursuant to Section 3(d)(1) or at the direction of the Remarketing Agent pursuant to 3(d)(2) hereof if the Paying Agent shall receive written notice prior to such change that the Opinion of Bond Counsel required under Section 3(d)(1) or Section 3(d)(2), as the case may be, has been withdrawn. If the Paying Agent shall have sent any notice to the Noteholders regarding a change in rate under Section 3(e) then in the event of such withdrawal of opinion, the Paying Agent shall promptly notify all Noteholders of such withdrawal.

(e) Notice to Noteholders of Change in Interest Rate Determination Method. When a change in the interest rate determination method is to be made as to any Series of Notes, the Paying Agent will notify the Noteholders of such Series by first class mail at least 15 but not more than 60 days before the effective date of the change. The notice will be

accompanied by the Opinion of Bond Counsel required by Section 3(d)(1) or Section 3(d)(2), as the case may be. The notice will state:

- (1) that the interest rate determination method will be changed and what the new method will be,
- (2) the effective date of the new rate,
- (3) a description of the new method and the maximum interest rate, that the Remarketing Agent will provide each new rate (and Commercial Paper Rate Period when applicable) upon request and describing how to make such request,
- (4) the Interest Payment Dates and Record Dates in the new period,
- (5) whether the Noteholders of such Series have a right to tender their Notes during the new period and, if they do, the procedures to follow, and
- (6) that a mandatory redemption of the Notes of such Series will result on the effective date of the change as provided in the Notes, all the information required by this Ordinance to be included in a notice of redemption set forth in Section 11, that the owner may waive such redemption and the manner of waiving such redemption.

In addition, if the change is to a Fixed Rate, the notice will state

- (1) the Determination Date,
- (2) the name of the newspaper in which, and the date on which, the Fixed Rate will be published as provided below,
- (3) the end of the Fixed Rate Period, which shall be the maturity date of the Notes of such Series,
- (4) any ratings assigned the Notes of such Series by the Rating Agencies effective on the change,
- (5) that during the Fixed Rate Period there will be no right to tender the Notes,
- (6) the redemption provisions to which the Notes are subject during the Fixed Rate Period, and
- (7) that during the Fixed Rate Period Notes may be issued in denominations of \$5,000 or integral multiples of \$5,000.

If the change is to a Fixed Rate, at least 5 Business Days before its effective date the Paying Agent will publish notice of the new rate in a financial newspaper customarily published each business day and generally circulated in the Borough of Manhattan in New York, New York.

In addition, if the change is to a Commercial Paper Rate, the notice will state

(1) during the Commercial Paper Rate Period there will be no right to tender the Notes of such Series,

(2) that on the last day of each Commercial Paper Rate Period the Notes of such Series will be redeemed unless the owner waives such redemption and setting forth the manner of waiving such redemption, and

(3) that no notice of any such redemption will be given to the Noteholder.

(f) Calculation of Interest. The Paying Agent will compute the amount of interest payable on the Notes from the rates supplied to the Paying Agent by the person setting them. The Remarketing Agent will notify the Paying Agent in writing or by telephone promptly confirmed by tested telex by 12:00 Noon, New York City time,

(1) on the first Business Day after a month in which interest on the Notes is payable at a Daily Rate, of the Daily Rate for each day in such month,

(2) on the last Tuesday in each month (or if such Tuesday is not a Business Day, on the next Business Day) in which a Weekly Rate was set in such month, of the Weekly Rate for each day in such month,

(3) on the first Business Day of each Commercial Paper Rate Period, of the length thereof and the Commercial Paper Rate, and

(4) on the first Business Day after a Determination Date, of the Fixed Rate set on that Determination Date.

Using the rates supplied by this notice, the Paying Agent will calculate the interest payable on the Notes. The Remarketing Agent will inform the Paying Agent, Comptroller and Bank orally at the oral request of any of them of any interest rate set by the Comptroller or the Remarketing Agent. The Comptroller will inform the Remarketing Agent of any interest rate set by the Comptroller. The Paying Agent will confirm the effective interest rate by telephone or in writing to any Noteholder who requests it in any manner.

The setting of the rates and the calculation of interest payable on the Notes as provided in this Ordinance will be conclusive and binding on all parties.

(g) The Notes and the certificate of authentication to be executed on the Notes by the Registrar are to be in substantially the form thereof set forth in Exhibit A hereto, with necessary or appropriate variations, omissions and insertions as permitted or required by this Ordinance and provided, further, that in the issuance of any new Note resulting from a tender of a Note, or a portion thereof, which tendered Note has been previously called for redemption, in the preparation of such new Note the Registrar shall insert the redemption date rather than the stated maturity date for such Note.

(h) The Notes shall be subject to redemption at par and accrued interest, if any, prior to the maturity thereof, as follows:

(i) Each Series of Notes bearing interest at a Daily Rate or a Weekly Rate shall be subject to optional redemption by the City on the first day of each month, as a whole and pursuant to the procedures in Section 11 hereof.

(ii) Any Series of the Notes bearing interest at a Fixed Rate shall not be subject to optional redemption by the City.

(iii) All Notes (or if different Letters of Credit are issued in respect of separate Series of Notes, then all Notes of such Series) shall be subject to mandatory redemption by the City at the principal amounts thereof and accrued interest to the date of redemption in the event that the City, the Trustee, the Paying Agent and the Remarketing Agent receive notice from the Bank that the Letter of Credit in respect of such Notes will not be reinstated in accordance with the provisions of the Reimbursement Agreement and the Letter of Credit, or if such parties receive notice from the Bank that an event of default has occurred under the Reimbursement Agreement. If either of such events occur the Notes shall be called for mandatory redemption in accordance with the provisions of clause (b) of Section 11 hereof.

(iv) The Notes are subject to redemption pursuant to the paragraphs in the Notes captioned, "Mandatory Redemption at Beginning of Fixed Rate Period", "Mandatory Redemption on Each Interest Payment Date During Commercial Paper Period" or "Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate on the Notes".

(v) The Series 1987C Notes shall be subject to mandatory redemption by the City, in part by lot, pursuant to the procedures in Section 11 hereof, in the amount of \$2,500,000 on October 31 of each of the years 1989 and 1990.

In the event of the purchase by the City of less than all of the Series 1987C Notes for cancellation as provided in clause (j) of this Section 3, the principal amount of such Series 1987C Notes to be paid at maturity in 1991 or required to be mandatorily redeemed shall be reduced in the inverse order of such payment at maturity or mandatory redemption, as the case may be.

(i) Any Noteholder of a Note bearing interest at a Daily Rate or at a Weekly Rate has the right, subject to the provisions of the second succeeding paragraph, to tender a Note, or a portion thereof, provided that such portion is \$100,000 or any multiple thereof, for payment and to receive payment therefor, all as provided in the form of the Notes.

The Paying Agent shall deposit in the Custody Account any Notes tendered and not remarketed by the Remarketing Agent and the Registrar shall register any such Notes in the name of the Bank in the books of the Registrar kept pursuant to Section 8 hereof. Such Notes shall not be remarketed unless the Paying Agent shall have received an Opinion of Bond Counsel stating that such remarketing will not adversely affect the exemption of interest on such Notes from federal income taxation.

If any Event of Default, as defined in Section 32 hereof, has occurred and is continuing, and the Trustee has notified the Paying Agent that it has given Notice by Mail to the

Noteholders of a declaration that all the Notes are due and payable as provided in Section 32 hereof, none of the Notes shall be subject to tender prior to the maturity thereof.

Provided that sufficient funds are available on such date of tender for the payment of the principal amount of and accrued interest on any Note, or portion thereof, for which proper notice of tender has been given to the Paying Agent, then whether or not such Note shall have been delivered to the Paying Agent, from and after such date such Note, or such portion thereof, shall cease to bear interest and shall no longer be deemed to be Outstanding hereunder. If (i) the Noteholder has not specified the number of the Note, or portion thereof, for which such notice of tender has been given, (ii) such Noteholder fails to tender such Note, or portion thereof, for which proper notice of tender has been given and (iii) such Noteholder is the owner of Notes of the Series regarding which such notice of tender has been given in excess of the amount for which such tender notice has been given, the Registrar in its absolute discretion is authorized to determine which of such Notes, or portions thereof, of such Series owned by such Noteholder shall be deemed tendered and no longer Outstanding. The Registrar shall give prompt telephonic, telex or telegraphic notice of such determination to such Noteholder, the Paying Agent and the Remarketing Agent; provided, however, that if such notice is by telephone such notice shall be promptly confirmed in writing. Any such determination by the Registrar shall be conclusive and binding on the Paying Agent, Remarketing Agent and such Noteholder and his successors and assigns. The Registrar is authorized to issue a new Note in lieu of such Note as to which tender notice has been received as if such Note had been tendered.

(j) The City, acting through its Comptroller, reserves the right to purchase for cancellation any Note tendered for payment pursuant to clause (i) of Section 3 or to purchase any Note held in the Custody Account, upon notice to the Paying Agent and the Remarketing Agent given by irrevocable telephone, telex or telegraphic communication by the Comptroller not later than 2:00 P.M. on the Business Day preceding such day of purchase stating the principal amount and Series of Notes to be purchased; provided, however, that if such notice is by telephone such notice shall be promptly confirmed in writing by the Comptroller.

Any Notes so purchased for cancellation shall be selected first from Notes on deposit in the Custody Account and thereafter from any Notes as such become available upon tender.

(k) The Notes shall be issuable only as fully registered Notes (registered both as to principal and interest and not registered to "Bearer") in the denomination of \$100,000 or integral multiples thereof, except Notes of any Series bearing interest at a Fixed Rate which shall be in the denomination of \$5,000 or integral multiples thereof. Note of each Series (i) shall be numbered from 1 consecutively upwards, (ii) shall contain an appropriate prefix to such numbers to identify such Series, and (iii) shall be of a different color than the color of the Notes for any other Series.

The principal of Notes shall be payable to the Noteholders upon presentation and surrender of such Notes as they respectively become due at the Principal Office of the Paying Agent. Interest on Notes shall be paid to the Noteholders on the Interest Payment Date in immediately available funds in accordance with payment instructions given to the Paying Agent at the time of the registration thereof and in the absence of such instructions shall be paid by check or draft of the Paying Agent mailed to the address of such Noteholder

as it appears on the registration books maintained pursuant to Section 8 hereof. Noteholders may direct the Paying Agent to make payment by Federal Reserve Funds check or wire or by deposit to an account of the Noteholder maintained at the Paying Agent. Such payment of interest shall be to the Noteholders of record on the registration books maintained pursuant to Section 8 hereof as of the close of business on the Record Date; except that, if and to the extent that there shall be a default in the payment of the interest due on such Interest Payment Date, such default interest shall be paid to the Noteholders in whose name any such Notes (or any Note or Notes issued upon transfer or exchange thereof) are registered at the close of business on the Business Day next preceding the date of payment of such defaulted interest.

All Notes will be dated the date of their authentication.

Interest on the Notes will accrue and be payable during the periods and at the times provided for in the form of the Notes.

SECTION 4. Execution of Notes. Each of the Notes shall be signed and executed on behalf of the City by the facsimile signatures of the Mayor and the City Comptroller and attested by the facsimile signature of its City Clerk, and the corporate seal of the City shall be impressed, printed or lithographed on each Note. The Notes bearing the facsimile signatures of individuals who were at the time of the execution thereof the proper officers of the City shall bind the City notwithstanding that such individuals shall cease to hold such offices prior to the registration, authentication or delivery of such Notes or shall not have held such offices at the dated date of such Notes.

SECTION 5. Delivery and Registration. No Note shall be entitled to any right or benefit under this Ordinance, or be valid or obligatory for any purpose, unless there appears on such Note a certificate of authentication substantially in the form provided in Exhibit A hereto, executed by the Registrar by manual signature, and such certificate upon any such Note shall be conclusive evidence, and the only evidence that such Note has been duly authenticated, registered and delivered.

SECTION 6. General Obligation. Each Note shall be a direct and general obligation of the City for the payment of which, both principal and interest, the City pledges its full faith, credit and resources. Each Note shall be payable, both principal and interest, from any moneys, revenues, receipts, income, assets or funds of the City legally available for such purpose.

The City shall promptly cause to be paid the principal of and interest on each Note issued pursuant to this Ordinance at the place, at the time and in the manner provided herein and in the Notes to the true intent and meaning thereof.

SECTION 7. Lost, Destroyed, Improperly Cancelled or Undelivered Notes. If any Note, whether in temporary or definitive form, is lost (whether by reason of theft or otherwise), destroyed (whether by mutilation, damage, in whole or in part, or otherwise) or improperly cancelled, the Registrar may authenticate a new Note of like Series, date and denomination and bearing a number not contemporaneously outstanding; provided that (a) in the case of any mutilated Note, such mutilated Note shall first be surrendered to the Registrar and (b) in the case of any lost Note or Note destroyed in whole, there shall be first

furnished to the Registrar evidence of such loss or destruction, together with indemnification of the City, the Trustee, the Paying Agent, the Bank, the Remarketing Agent and the Registrar, satisfactory to such Registrar. In the event any lost, destroyed or improperly cancelled Note shall have matured or is about to mature, or has been called for redemption, instead of issuing a duplicate Note, the Registrar shall pay the same without surrender thereof if there shall be first furnished to the Registrar evidence of such loss, destruction or cancellation, together with indemnity, satisfactory to it. Upon the issuance of any substitute Note, the Registrar may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto. The Registrar may charge the Noteholder with the Registrar's reasonable fees and expenses in connection with any transaction described in this Section 7 except for improper cancellation by the Registrar.

If a Note is called for redemption and the City elects to purchase the Note in lieu of redemption as provided in Section 11 and funds are deposited with the Paying Agent sufficient for the purchase, whether or not the Note called for redemption is ever delivered, interest on such Note shall cease to be payable to the prior holder thereof from and after the purchase date, such holder shall cease to be entitled to the benefits or security of this Ordinance and shall have recourse solely to the funds held by the Paying Agent for the purchase of such Note and the Registrar shall not register any further transfer of such Note by such prior holder.

All Notes shall be owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment of lost, destroyed or improperly cancelled Notes, notwithstanding any law or statute now existing or hereafter enacted.

SECTION 8. Transfer, Registration and Exchange of Notes. The Registrar shall maintain and keep, at its Principal Office, books for the registration and transfer of Notes, which at all reasonable times shall be open for inspection by the City and the Trustee. The Registrar shall use its best efforts to make all necessary provisions to permit the exchange or registration of transfer of Notes at its Principal Office on the same Business Day on which such Notes are presented to it.

The transfer of any Note shall be registered upon the books of the Registrar at the written request of the Noteholder or his attorney duly authorized in writing, upon surrender thereof at the Principal Office of the Registrar, together with a written instrument of transfer satisfactory to the Registrar duly executed by the Noteholder or his duly authorized attorney and instructions to the Paying Agent as to the method of payment requested.

The City, the Trustee, the Paying Agent, the Registrar and the Remarketing Agent may deem and treat the Noteholder as the absolute owner of such Note, whether such Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on, or the purchase price of, such Note and for all other purposes, and neither the City, the Trustee, the Paying Agent, the Registrar nor the Remarketing Agent shall be affected by any notice to the contrary. All such payments so made to any such Noteholder shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

Notes, upon surrender thereof at the Principal Office of the Registrar may, at the option of the Noteholder, be exchanged for an equal aggregate principal amount of Notes of any authorized denomination of the same Series and bearing interest pursuant to the same Interest Rate Determination Method as all other Notes of such Series.

In all cases in which the privilege of exchanging Notes or registering the transfer of Notes is exercised, the City shall execute and the Registrar shall authenticate and deliver Notes in accordance with the provisions of this Ordinance. For every such exchange or registration of transfer of Notes, whether temporary or definitive, the Registrar may make a charge only in an amount sufficient to reimburse it for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, which sum or sums shall be paid by the person requesting such exchange or registration of transfer as a condition precedent to the exercise of the privilege of making such exchange or registration of transfer. During the Fixed Rate Period for any Series of Notes, the Registrar shall not be obligated to make any such exchange or registration of transfer of Notes during the ten (10) days next preceding the date of the mailing of notice of any proposed redemption of Notes nor shall the Registrar be required to make any exchange or registration of transfer of any Notes called for redemption.

Upon each registration of transfer of a Note bearing interest at a Commercial Paper Rate, the Paying Agent shall give written notice to the transferee that (a) no notices of the length of any Commercial Paper Rate Period or the Commercial Paper Rate borne by his Note during such period will be given to the owner of the Note, but that such information may be obtained, upon request, from the Remarketing Agent and setting forth the manner that such information may be obtained, (b) any Note bearing interest at a Commercial Paper Rate will be redeemed on its Interest Payment Date unless the owner chooses to waive such redemption and setting forth the manner in which such redemption may be waived and (c) that no notice of any such redemption will be given to the Noteholder.

Upon each registration of transfer while the Notes bear interest at a Commercial Paper Rate, or at any time the Paying Agent comes into possession of a Note bearing interest at a Commercial Paper Rate, the Paying Agent prior to any delivery of such Note to a Noteholder will attach, to the extent not already attached, and will make the appropriate insertions in, the Schedule attached to the form of Note in Exhibit A.

SECTION 9. Temporary Notes. Pending the preparation of definitive Notes, the City may execute and the Registrar shall authenticate and deliver temporary Notes. Temporary Notes may be issuable as Notes of any authorized denomination and substantially in the form of the definitive Notes but with omissions, insertions and variations as may be appropriate for temporary Notes, all as may be approved by the City, as evidenced by the execution and delivery thereof. Temporary Notes may contain such reference to any provisions of this Ordinance as may be appropriate. Every temporary Note shall be executed by the City and be authenticated by the Registrar upon the same conditions and in substantially the same manner, and with like effect, as the definitive Notes. As promptly as practicable the City shall execute and shall furnish definitive Notes and thereupon temporary Notes may be surrendered in exchange therefore without charge at the Principal Office of the Registrar, and the Registrar shall authenticate and deliver in

exchange for such temporary Notes a like aggregate principal amount of definitive Notes of authorized denominations. Until so exchanged the temporary Notes shall be entitled to the same benefits under this Ordinance as definitive Notes.

SECTION 10. Cancellation of Notes. All Notes which shall have been surrendered to the Paying Agent for payment or redemption, and all Notes which shall have been surrendered to the Registrar for exchange or registration of transfer, shall be cancelled by the Registrar. The Registrar shall furnish to the City, the Trustee, the Paying Agent, the Bank and the Remarketing Agent, a certificate evidencing such cancellations and specifying such Notes by number.

SECTION 11. Procedure for Redemption and Purchases in Lieu of Redemption. (a) In the event any of the Notes are called for redemption pursuant to subclauses (i) or (ii) of clause (h) of Section 3, and the Paying Agent has received from the City notice of such redemption at least 45 days prior to the designated redemption date, or when any of the Series 1987C Notes are to be mandatorily redeemed pursuant to subclause (v) of clause (h) of Section 3, the Paying Agent shall give notice, in the name of the City, of the redemption of such Notes, which shall: (i) specify the Notes to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Paying Agent), (ii) if less than all of the Notes are to be redeemed, specify the Series designation of the Notes so to be redeemed, and, if less than all of the Notes of any Series are to be redeemed, specify the particular Notes to be redeemed, identified by number, and the respective principal amounts of such Notes to be so redeemed, (iii) state any condition to such redemption, and (iv) state that on the redemption date, and upon the satisfaction of any such condition, the Notes to be redeemed shall cease to bear interest. Such notice may set forth any additional information relating to such redemption. Such notice shall be given by Mail to the Noteholders so affected at least thirty (30) days prior to the date fixed for redemption, with a copy thereof to the City, the Bank, the Trustee and the Remarketing Agent; provided, however, that failure duly to give such notice by Mail to any particular Noteholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of Notes for which notice has been properly given. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been given, whether or not actually received by the addressee. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then, upon presentation and surrender of Notes so called for redemption at the place or places of payment, such Notes shall be redeemed.

(b) In the event any of the Notes are called for redemption pursuant to subclause (iii) of clause (h) of Section 3 hereof, within five Business Days after the receipt by the Paying Agent of the notice to be given by the Bank pursuant to such subclause, the Paying Agent shall give notice, in the name of the City, of the redemption of such Notes, which shall: (i) specify the Notes, or Series of Notes, to be redeemed, the redemption date and the place or places where amounts due upon such redemption will be payable (which shall be the Principal Office of the Paying Agent), (ii) state any condition to such redemption, and (iii) state that on the redemption date, and upon the satisfaction of any such condition, the Notes, or Series of Notes, to be redeemed shall cease to bear interest. Such notice may set forth additional information relating to such redemption. Unless the Paying Agent shall have received notice from the Bank rescinding the notice given pursuant to subclause (iii)

of clause (h) of Section 3 of this Ordinance, notice shall be given by Mail to the Noteholders not less than five (5) days nor more than ten (10) days prior to the date fixed for redemption, with a copy thereof to the City, the Bank, the Trustee and the Remarketing Agent; provided, however, that failure duly to give such notice by Mail to any particular Noteholder, or any defect therein, shall not affect the validity of any proceedings for the redemption of Notes for which notice has been properly given. If a notice of redemption shall be unconditional, or if the conditions of a conditional notice of redemption shall have been satisfied, then, upon presentation and surrender of Notes so called for redemption at the place or places of payment, such Notes shall be redeemed.

(c) When Notes are called for redemption pursuant to the paragraphs in the Notes captioned, "Mandatory Redemption at Beginning of Fixed Rate Period", "Mandatory Redemption on Each Interest Payment Date During Commercial Paper Period" or "Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate on the Notes", and the Notes provide that they will be redeemed or purchased by the City, the City may direct the purchase of some of or all the Notes called for redemption if it gives a notice to the Paying Agent and the Bank by the day before the redemption date that it wishes the Notes to be purchased, the principal amount of which is specified in the notice. The Paying Agent will purchase Notes called for redemption pursuant to the paragraph in the Notes captioned, "Mandatory Redemption on Each Interest Payment Date During Commercial Paper Period" unless otherwise instructed in writing by the City before the redemption date.

(d) Notes purchased pursuant to tenders as provided in the Notes or in lieu of redemption as provided in the foregoing Section will be offered for sale by the Remarketing Agent as provided in this Section except as follows:

(i) Notes purchased pursuant to a tender after having been called for redemption pursuant to subclause (iii) of clause (h) of Section 3 will be cancelled.

(ii) Notes called for redemption under "Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate" in the Notes may be remarketed before the redemption date only if the buyer receives a copy of the redemption notice.

(iii) Notes deposited in the Custody Account may be remarketed only if the Opinion of Bond Counsel required by the second paragraph of Section 3(i) is provided to the Paying Agent.

(iv) Notes will be offered for sale under this Section during the continuance of an Event of Default or an event which with the passage of time or the giving of notice or both may become an Event of Default only in the sole discretion of the Remarketing Agent.

(e) Any Notes or portions thereof, which have been duly selected for redemption shall be deemed to be paid and shall cease to bear interest on the specified redemption date, if moneys sufficient to pay such Notes are held by the Paying Agent for the benefit of the Noteholders.

SECTION 12. No Partial Redemption of Notes After Default. Anything in this Ordinance to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default defined in clause (a), (b) or (c) of the first paragraph of Section 32 hereof, there shall be no redemption of less than all of the Notes at the time Outstanding.

SECTION 13. Creation of Note Fund. There is hereby created and established a trust fund to be designated "City of Chicago General Obligation Tender Notes, Series 1987, Note Fund." The Note Fund shall be held by the Trustee on behalf of the City, the Bank, the Noteholders, the Paying Agent, the Registrar and the Trustee as their interests may appear. The Note Fund shall contain the following three accounts: the Series 1987A Notes Account; the Series 1987B Notes Account; and the Series 1987C Notes Account.

SECTION 14. Deposits into Note Fund. The City shall deposit into the appropriate account within the Note Fund the moneys pledged under this Ordinance to the reimbursement of the Bank for the payment of the Notes under the Letter of Credit or for the payment of the Series 1987A Notes when necessary, unless a levy has been made as provided in Section 21 hereof, in which case, as such moneys become available and as to the Series 1987B and Series 1987C Notes as such moneys become available and in accordance with the provisions of the Reimbursement Agreement. As to the Series 1987A Notes, such moneys shall consist of any funds lawfully available for the purpose of reimbursing the Bank for such payments under the Letter of Credit or for the purpose of paying the principal of and interest on the Series 1987A Notes, which moneys shall include the proceeds of the collection of the taxes levied, if any, pursuant to Section 21 hereof. As to the Series 1987B Notes, (i) if secured as provided in Section 22(a) hereof such moneys shall consist of that part of the proceeds of the collection of the taxes levied for the year 1987 pledged by the City pursuant to Section 22(a) hereof and (ii) if secured as provided in Section 22(b) hereof, such moneys shall consist of any funds lawfully available for the purpose of reimbursing the Bank for such payments under the Letter of Credit or for the purpose of paying principal of and interest on the Series 1987B Notes, which moneys shall include the proceeds of the collection of taxes levied, if any, pursuant to Section 22(b) hereof. As to the Series 1987C Notes, such moneys shall consist of the proceeds of the collection of the taxes levied pursuant to Section 23 hereof and other moneys of the City legally available therefor.

The City may deposit lawfully available funds into any account of the Note Fund and may use lawfully available funds for the direct reimbursement of the Bank for the payment of Notes under the Letter of Credit or for direct payment to the Paying Agent for the payment of the principal of and interest on the Notes if the Bank fails to honor a proper draw on the Letter of Credit.

SECTION 15. Use of Moneys in the Note Fund. Moneys deposited in the separate accounts within the Note Fund shall be remitted by the Trustee to the Bank in an amount sufficient, to the extent available therein, to reimburse the Bank for any draw under the Letter of Credit in accordance with the provisions of the Letter of Credit and the Reimbursement Agreement.

Any notification by the Bank to the Trustee in respect of prepayment of advances pursuant to the provisions of the Letter of Credit and Reimbursement Agreement shall constitute an authorized instruction to transfer funds to the Bank. If such notice is

received by the Trustee prior to 2:00 P.M. the Trustee shall, to the extent sufficient funds are available in the appropriate account of the Note Fund, remit immediately available funds on such day to the Bank.

Moneys on deposit in the Note Fund shall be used to pay principal, interest or a tender or redemption price directly to the Paying Agent only at such time as the Bank has failed to honor a proper draw under the Letter of Credit. In all other events, principal, interest and tender and redemption prices on the Notes shall be paid first from the proceeds of the Letter of Credit, and moneys on deposit in the Note Fund shall be used to reimburse the Bank pursuant to the terms of the Reimbursement Agreement.

In no event shall the Trustee remit any funds in any of the three accounts within the Note Fund to the Bank for the purpose of reimbursing the Bank for any draw on the Letter of Credit for the payment of principal or interest on the Notes or for purchase of any Note which is not payable from the particular account within the Note Fund or remit any funds in any of the three accounts within the Note Fund to the Paying Agent for the purpose of paying principal or interest on the Notes or for the purchase of any Note which is not payable from the particular account within the Note Fund. Payments from such accounts shall be made only to and for purposes for which such accounts have been created and designated.

SECTION 16. Letter of Credit.

(a) The Paying Agent, acting independently of the City but on behalf of and for the benefit of the Noteholders, shall draw moneys under the Letter of Credit in accordance with the terms thereof to make timely payments of principal of the Notes required to be made whether upon stated maturity or upon redemption and interest on the Notes on any Interest Payment Date.

(b) The Paying Agent shall also draw moneys under the Letter of Credit in accordance with the terms thereof to meet the requirements of Section 3(i) and Section 11(c) hereof.

On the date on which any Series of Notes bears interest at the Commercial Paper Rate, and on the first Business Day of each calendar month thereafter while such Series of Notes bears interest at a Commercial Paper Rate and if the amount available to be paid under the Letter of Credit in respect of interest on the Notes is not in excess of 73 days interest on the Notes at the maximum rate of interest permitted to be borne by the Notes pursuant to the provisions of the Reimbursement Agreement, the Paying Agent shall draw under the Letter of Credit an amount which would be sufficient to cause the amount on deposit in the appropriate account of the Service Fund on such day to equal the accrued and unpaid interest on the Series of Notes outstanding on such date bearing interest at the Commercial Paper Rate plus the interest which would accrue on such Series of Notes from such date to and including the first Business Day of the following calendar month if such Series of Notes were outstanding at all times during such period and bore interest at the maximum rate of interest on the Notes permitted by the Reimbursement Agreement.

On the first Business Day of each calendar month after any Series of Notes bears interest at a Fixed Rate and if the amount available to be paid under the Letter of Credit in respect of interest on the Notes is not in excess of 73 days interest on the Notes at the

maximum rate of interest permitted to be borne by the Notes pursuant to the provisions of the Reimbursement Agreement, the Paying Agent shall draw under the Letter of Credit an amount which would be sufficient to cause the amount on deposit in the appropriate account of the Service Fund on such day to equal the accrued and unpaid interest on the Series of Notes outstanding on such date bearing interest at the Fixed Rate plus the interest which would accrue on such Series of Notes from such date to and including the first Business Day of the following calendar month if such Series of Notes were outstanding at all times during such period and bore interest at the rate of interest on the Notes.

In the event that any Series of Notes bears interest at the Commercial Paper Rate or at a Fixed Rate and the interest coverage under the Letter of Credit shall exceed interest coverage for 73 days computed at the maximum rate of interest borne by the Notes pursuant to the provisions of the Reimbursement Agreement, the Paying Agent shall make draws under the Letter of Credit at the times permitted therein to pay accrued and unpaid interest on the Series of Notes bearing interest at such Commercial Paper Rate or Fixed Rate.

(c) The City may deliver to the Paying Agent an Alternate Letter of Credit provided that (i) the conditions precedent to such delivery as specified in the definition of Alternate Letter of Credit are satisfied; (ii) the City shall notify the Trustee, Paying Agent, Remarketing Agent and Bank not less than 30 days prior to the delivery thereof of its intent to deliver an Alternate Letter of Credit; and (iii) the Paying Agent shall give Notice by Mail to Noteholders of the intended delivery of such Alternate Letter of Credit not less than 15 days prior to the delivery of such Alternate Letter of Credit. Upon satisfaction of the preceding provisions the Paying Agent shall accept such Alternate Letter of Credit and promptly surrender the previously held Letter of Credit to the Bank, in accordance with the terms of such Letter of Credit, for cancellation. If at any time there shall cease to be any Notes Outstanding hereunder, the Paying Agent shall promptly surrender the Letter of Credit to the Bank, in accordance with the terms of such Letter of Credit, for cancellation. The Paying Agent shall comply with the procedures set forth in the Letter of Credit relating to the termination thereof.

(d) Following the receipt by the Paying Agent and the Remarketing Agent of a Noteholder's notice of intention to tender a Note as provided in clause (i) of Section 3 hereof, the Paying Agent shall, not later than 11:45 A.M., on the day on which such Note is to be tendered as provided in such notice, draw on the Letter of Credit an amount sufficient to pay the principal of and accrued interest on such Note to be tendered or deemed tendered. No later than 1:00 P.M. on the day on which such Note is to be tendered as provided in such notice, the Remarketing Agent shall notify the Paying Agent of the principal amount of the Notes which have been remarketed. No later than 2:00 P.M. on such day the Remarketing Agent shall pick up and pay for the remarketed Notes in immediately available funds, which funds shall be held for the benefit of the Bank. Any Notes not remarketed shall be deposited in the Custody Account until remarketed or purchased by the City pursuant to clause (j) of paragraph 3 hereof.

(e) Upon instructions from the Comptroller or the Trustee, the Paying Agent shall give telex, telegraphic or telephonic notice, such telephonic notice to be promptly confirmed in writing, to the Bank, Trustee, City, Remarketing Agent and the Registrar of any reduction in the amount of the Letter of Credit as a result of the payment or provision for payment of

Notes, whether at maturity or upon redemption, or the cancellation of Notes pursuant to clause (j) of Section 3 hereof.

(f) So long as any of the Notes are Outstanding in accordance with the provisions hereof the City covenants to maintain the Letter of Credit in an amount sufficient to make timely payments of the principal of and interest on the Notes when due under the provisions hereof. The amount available to be paid under the Letter of Credit in respect of interest on the Notes shall be determined by the Comptroller and shall not exceed 215 days interest on the Notes at the maximum rate of interest permitted to be borne by the Note pursuant to the provisions of the Reimbursement Agreement.

SECTION 17. Custody of Note Fund; Withdrawal of Moneys. The Trustee shall keep custody of the Note Fund and shall withdraw moneys from the Note Fund only for the purposes and in accordance with the provisions of Sections 15, 20 and 46 hereof. Pending the need for the funds in the Note Fund, the Trustee shall invest such funds in any investments permitted by the Reimbursement Agreement upon the direction of the Treasurer. The income from such investments shall be credited to the particular account within the Note Fund from which the investment was made.

All moneys required to be deposited with or paid to the Trustee for deposit into the Note Fund under any provision hereof, all moneys withdrawn from the Note Fund or drawn under the Letter of Credit and held by the Trustee, and all investments held as a part of the Note Fund, shall be held by the Trustee, in trust for the benefit of the City, the Bank, the Noteholders, the Paying Agent, the Registrar and the Trustee, as their interests may appear.

SECTION 18. Notes Not Presented for Payment. In the event any Notes shall not be presented for payment when the principal thereof becomes due, either at maturity or at the date fixed for redemption thereof or otherwise, if moneys sufficient to pay such Notes are held by the Paying Agent for the benefit of the Noteholders, the Paying Agent shall segregate and hold such moneys in the Service Fund, without liability for interest thereon, for the benefit of Noteholders who shall (except as provided in the following paragraph) thereafter be restricted exclusively to such fund or funds for the satisfaction of any claim of whatever nature on their part under this Ordinance or relating to said Notes.

Any moneys which the Paying Agent shall segregate and hold in trust for the payment of the principal of or interest on any Note and which shall remain unclaimed for two years after such principal or interest has become due and payable shall, upon the City's, and, so long as the Reimbursement Agreement is in effect, the Bank's, written request to the Paying Agent, be paid to the City. After the payment of such unclaimed moneys to the City, the Noteholder shall thereafter look only to the City for the payment thereof, and all liability of the Trustee, the Paying Agent and the Bank with respect to such moneys shall thereupon cease.

SECTION 19. Creation of Service Fund. Any moneys held by the Paying Agent representing moneys drawn under the Letter of Credit or paid over to the Paying Agent by the Trustee or the City, shall be held in trust by the Paying Agent in a trust account on behalf of the City and the Noteholders, as their interests may appear, and to be designated "City of Chicago General Obligation Tender Notes, Series 1987, Service Fund" (the

"Service Fund"). The Service Fund shall contain the following three accounts: the Series 1987A Notes Account, the Series 1987B Notes Account and the Series 1987C Notes Account. Moneys shall be deposited in the appropriate account reflecting the Series of Notes for which such moneys were received. The Paying Agent shall keep custody of the Service Fund and shall withdraw money therefrom only for the purpose of paying the principal of and interest on the Notes and for the purpose and in accordance with the provisions of Sections 18 and 20 hereof.

The Series 1987A Notes Account, the Series 1987B Notes Account and the Series 1987C Notes Account shall each contain a Letter of Credit Subaccount and a General Subaccount. All moneys obtained under the Letter of Credit shall be deposited in the Letter of Credit Subaccount of the appropriate account and all other moneys held in the Service Fund shall be deposited in the General Subaccount of the appropriate account.

The Comptroller is hereby authorized to enter into such agreements with the Trustee providing for the further segregation of moneys held in the Service Fund or the Note Fund into additional subaccounts as may be necessary for carrying out the purposes of this Ordinance.

Pending the need for the funds in the Service Fund, the Paying Agent may invest such funds, at the direction of the Comptroller, in general obligations of, or obligations the principal of and interest on which are fully guaranteed as to timely payment by, the United States of America, which obligations shall have maturities not in excess of thirty (30) days from the date of such investment.

All amounts invested shall mature so as to insure timely payment on the Notes.

SECTION 20. Payment to City. Any moneys remaining in the Note Fund after the right, title and interest of the Trustee, the Paying Agent, the Bank, the Remarketing Agent and the Registrar, as the case may be, and all covenants, agreements and other obligations of the City to the Noteholders shall have ceased, terminated and become void and shall have been satisfied and discharged in accordance with the provisions hereof, shall be paid to the City.

Except as provided in the last paragraph of Section 18 hereof, after all covenants, agreements and obligations of the City to the Noteholders shall have ceased, terminated and become void and shall have been satisfied and discharged in accordance with the provisions hereof, any moneys remaining in the Service Fund shall be paid to the City.

Any moneys remaining in any account of the Note Fund or held by the Trustee or the Paying Agent for a particular series of the Notes shall be paid to the City after the right or title and interest of the Trustee, the Paying Agent, the Bank, the Remarketing Agent and the Registrar, as the case may be, and all covenants, agreements and other obligations of the City to the Noteholders of such series shall have been satisfied and discharged in accordance with the provisions hereof.

The Trustee and the Paying Agent shall be entitled to rely upon notice from or confirmation by each individual entity that its interests have been satisfied in releasing such moneys.

SECTION 21. Tax Levy for Reimbursement of the Bank for Drawings to Pay the Series 1987A Notes or for the Payment of the Series 1987A Notes. Unless the Comptroller shall certify to the Bank on or before December 1, 1987, that sufficient funds are legally available and will be used to reimburse the Bank on December 31, 1987 for a drawing or drawings under the Letter of Credit to pay the principal of and interest on the Series 1987A Notes, or to pay the principal of and interest on Series 1987A Notes, a tax levy ordinance shall be adopted by the City Council and a certified copy thereof filed with the County Clerks of Cook and Du Page Counties, Illinois, and a certified copy thereof mailed to the Bank, or before December 31, 1987, such ordinance to levy an amount sufficient to reimburse the Bank for such drawing or drawings on or before December 31, 1988 or to pay the principal of and interest on the Series 1987A Notes if the Bank has failed to honor a proper draw under the Letter of Credit. If such reimbursement obligation or payment of principal of and interest on the Series 1987A Notes is thereafter paid from any other funds or revenues of the City prior to the extension date for such levy such taxes so levied shall be abated.

The City Treasurer is hereby ordered and directed to deposit the proceeds of such taxes, if levied and collected, into the Note Fund in accordance with the terms of the Reimbursement Agreement.

SECTION 22. Security for the Series 1987B Notes. (a) In the event that the Comptroller shall determine to secure the Series 1987B Notes in accordance with this Section 22(a), from the proceeds of taxes levied by the City for the year 1987 for the Corporate Fund, Chicago Public Library (Maintenance and Operation) Fund, City Relief (General Assistance) Fund, Judgment Fund and Chicago Public Library (Building and Sites) Fund, the City Treasurer is hereby ordered and directed to deposit proceeds thereof into the Note Fund in an amount sufficient to reimburse the Bank in accordance with the terms of the Reimbursement Agreement or to pay the principal of and interest on the Series 1987B Notes if the Bank has failed to honor a proper draw on the Letter of Credit.

(b) In the event that the Comptroller shall determine to secure the Series 1987B Notes in accordance with this Section 22(b), the Series 1987B Notes shall be payable from funds on hand of the City and lawfully available. Unless the Comptroller shall certify to the Bank on or before October 1, 1988, that sufficient funds are legally available and will be used to reimburse the Bank on October 31, 1988, for a drawing or drawings under the Letter of Credit to pay the principal of and interest on the Series 1987B Notes, or to pay the principal of and interest on the Series 1987B Notes, a tax levy ordinance shall be adopted by the City Council and a certified copy thereof filed with the County Clerks of Cook and Du Page Counties, Illinois, and a certified copy thereof mailed to the Bank, on or before October 31, 1988, such ordinance to levy an amount sufficient to reimburse the Bank for such drawing or drawings on or before October 31, 1989, or to pay the principal of and interest on the Series 1987B Notes if the Bank has failed to honor a proper draw under the Letter of Credit. If such reimbursement obligation or payment of principal of and interest on the Series 1987B Notes is thereafter paid from any other funds or revenues of the City prior to the extension date for such levy, such taxes so levied shall be abated. The City Treasurer is hereby ordered and directed to deposit the proceeds of any taxes levied pursuant to this

Section 22(b) into the Series 1987B Notes Account of the Note Fund in accordance with the terms of the Reimbursement Agreement.

(c) The City covenants that other than the Series 1987B Notes, it will make no further borrowings payable from the proceeds of the taxes levied for the purposes referred to in Section 22(a) hereof unless such borrowings are junior and subordinate in all respects to the City's obligation to reimburse the Bank for any draw under the Letter of Credit for the purpose of paying principal of and interest on the Series 1987B Notes or to pay principal of and interest on the Series 1987B Notes if the Bank has failed to honor a proper draw on the Letter of Credit.

SECTION 23. Levy of Taxes for Reimbursement of the Bank for Drawings to Pay the Series 1987C Notes or for the Payment of the Series 1987C Notes. For the purpose of providing the funds required to reimburse the Bank for the payment of drawings to pay the principal of and interest (calculated at 6% per annum) on the Series 1987C Notes promptly as the same become due at maturity, or to pay the principal and interest on the Series 1987C Notes if the Bank has failed to honor a proper draw on the Letter of Credit there is hereby levied and there shall be collected the following direct annual tax upon all taxable property in the City:

For the Year	A Tax Sufficient to Produce the Sum of:	
1987	\$4,195,000	for interest from January 1, 1987 to April 30, 1989
1988	\$4,225,000	for interest and principal
1989	\$4,075,000	for interest and principal
1990	\$25,750,000	for interest and principal

The City Treasurer is hereby ordered and directed to deposit the proceeds of such taxes so levied into the Note Fund in accordance with the terms of the Reimbursement Agreement.

SECTION 24. Appropriations. The City shall appropriate amounts sufficient to reimburse the bank at the times and in the amounts as provided in the Reimbursement Agreement and to pay the fees and expenses of the Trustee, Paying Agent, Remarketing Agent and Registrar in a timely manner and the City hereby covenants to take timely action as required by law to carry out the provisions of this Section, but, if for any such year it fails to do so, this Ordinance shall constitute a continuing appropriation ordinance of such amounts without any further action on the part of the City Council.

SECTION 25. Insufficiency of Taxes to Pay Reimbursement Obligations and the Letter of Credit Note. In the event that proceeds of any taxes to be levied or to be levied hereunder are not available in time to make any payments when due under the Reimbursement Agreement, then the Comptroller and the Treasurer of the City are hereby directed to make such payments in accordance with the Reimbursement Agreement from any other moneys, revenues, receipts, income, assets or funds of the City that are legally available for

that purpose in advancement of the collection of the taxes and when the proceeds of such taxes are received such other funds shall be replenished, all to the end that the credit of the City may be preserved by the prompt payment of its obligations under the Reimbursement Agreement and the Letter of Credit Note as the same become due.

The Letter of Credit Note shall be a direct and general obligation of the City for the payment of which, both principal and interest, the City pledges its full faith, credit and resources. The Letter of Credit Note shall be payable, both principal and interest, from any moneys, revenues, receipts, income, assets or funds of the City legally available for such purpose.

The City shall promptly cause to be paid its obligations under the Reimbursement Agreement and the Letter of Credit Note at the place, at the time and in the manner provided therein.

In the event a payment is made in accordance with the Reimbursement Agreement as set forth above, the Comptroller shall promptly notify the City Council and set forth the reasons requiring such payment.

SECTION 26. Filing of Ordinance. A copy of this Ordinance, duly certified by the City Clerk, shall be filed in the respective offices of the County Clerks of Cook and DuPage Counties, Illinois (the "County Clerks"), and such filing shall constitute the authority for and it shall be the duty of said County Clerks, in each year beginning in 1987 to and including 1990, to extend the taxes levied pursuant to Section 23 hereof for collection, such taxes to be in addition to and in excess of all other taxes heretofore or hereafter authorized to be levied by the City on its behalf.

A copy of this Ordinance, duly certified by the City Clerk, shall also be filed with the Bank, the Paying Agent, the Remarketing Agent, the Registrar and the Trustee.

SECTION 27. Disclosure Documents. The Mayor or the City Comptroller are hereby authorized to execute and deliver such disclosure documents with respect to the Notes as they shall deem appropriate on behalf of the City, which disclosure documents shall be in substantially the forms previously used for similar financings of the City with appropriate revisions to reflect the terms and provisions of the Notes and to accurately describe the current condition of the City and the parties to the financing.

SECTION 28. Proceeds of the Notes. The proceeds from the sale of the Notes shall be used as follows:

(a) From the proceeds of the Series 1987A Notes a sum sufficient shall be used to finance the current cash requirements of the City; provided, however, that \$50,000,000 of the proceeds shall be available immediately to meet current cash requirements and amounts in excess of \$50,000,000 shall be available for such purposes only upon the approval of the City Council.

(b) The proceeds of any additional Series 1987B Notes shall be deposited in the Corporate Fund, Chicago Public Library (Maintenance and Operation) Fund, City Relief (General Assistance) Fund, Judgment Fund and Chicago Public Library (Building and

Sites) Fund as designated by the Comptroller in his notification of sale to the City Council described in Section 86 hereof and shall be used for the purpose of paying amounts appropriated for such respective funds for the year 1987.

(c) The proceeds from the sale of the Series 1987C Notes shall be deposited in the appropriate funds of the City and used for the purpose of acquiring capital equipment as provided for in subclause (iii) of clause (b) of Section 3 hereof.

SECTION 29. Performance of Covenants. The City shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Ordinance, in any and every Note executed, authenticated and delivered hereunder, in the Reimbursement Agreement, in the Letter of Credit Note and the Remarketing Agreement, and in all proceedings pertaining thereto.

SECTION 30. No Transfer of Letter of Credit. The Paying Agent shall not sell, assign or transfer the Letter of Credit except to a successor Paying Agent under this Ordinance and except as provided herein or in the Letter of Credit.

SECTION 31. Arbitrage and Tax Exemption Covenant.

(a) The City covenants for the benefit of the purchasers of the Notes that it will not act so as to cause the proceeds of the Notes, the earnings thereon and any other moneys on deposit in any fund or account maintained in respect of the Notes (whether such moneys were derived from the proceeds of the sale of the Notes or from other sources) to be used in a manner which would cause the Notes to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986 (the "Code"), or any comparable provision of any successor Internal Revenue Code of the United States of America.

(b) The City agrees to comply with all provisions of the Code, which if not complied with by the City, would cause the interest on the Notes not to be tax-exempt in the hands of a holder who is a natural person. The City further agrees: (a) through its officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to comply with all covenants, representations and assurances contained in a certificate or agreement regarding tax-exemption to be prepared by counsel approving the Notes; (c) to consult with such counsel and to comply with such advice as may be given; (d) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Notes; (e) to file such forms, statements and supporting documents as may be required and in a timely manner; and (f) if deemed necessary or advisable by its officers, to comply and pay fiscal agents, financial advisors, attorneys, and other persons to assist the City in such compliance.

SECTION 32. Events of Default. Each of the following events shall constitute and is referred to in this Ordinance as an "Event of Default":

(a) a failure to pay the principal of the Notes when the same shall become due and payable at maturity, upon redemption or otherwise;

(b) a failure to pay an installment of interest on the Notes upon the day when the same shall become due;

(c) a failure to pay the principal of and accrued interest on any validly tendered Note under the provisions of clause (i) of Section 3 hereof, to the holder thereof upon the same Business Day such Note is tendered:

(d) a failure by the City to maintain the Letter of Credit as provided in this Ordinance; or

(e) a failure by the City to observe and perform any covenant, condition, agreement or provision (other than as specified in clauses (a), (b), (c) or (d) of this Section) contained in the Notes or in this Ordinance on the part of the City to be observed or performed, which failure shall continue for a period of ninety (90) days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Trustee and the City by Noteholders owning not less than 25% of the principal amounts of Notes then Outstanding.

Upon the occurrence and continuance of any Event of Default described in the immediately preceding paragraph, the Trustee may, and at the written request of Noteholders owning not less than 25% in principal amount of Notes then outstanding, shall, by written notice to the City, the Remarketing Agent, the Paying Agent and the Bank, declare the Notes to be immediately due and payable, whereupon they shall, without further action, become and be immediately due and payable, anything in this Ordinance or in the Notes to the contrary notwithstanding, and the Trustee shall give notice thereof to the City and the Bank, and shall give notice thereof by Mail to all Noteholders owning Outstanding Notes.

SECTION 33. Remedies. Upon the occurrence and continuance of any Event of Default, then and in every such case the Trustee in its discretion may, and upon the written request of the Bank or Noteholders owning not less than 25% in principal amount of the Notes then Outstanding and receipt of indemnity to its satisfaction shall, in its own name and as the Trustee of an express trust:

(a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Noteholders, and require the City or the Bank to carry out any agreements with or for the benefit of the Noteholders and to perform its or their duties under this Ordinance and the Letter of Credit;

(b) bring suit upon the Notes; or

(c) by action or suit at law or in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Noteholders.

In the event that notice of the occurrence and continuance of an Event of Default has been mailed, as provided in Section 32 hereof, the Paying Agent shall assign the Letter of Credit to the Trustee and the Trustee shall pursue all remedies thereunder and hereunder and shall assume all duties of the Paying Agent and Registrar.

SECTION 34. Rescission of Notice of Acceleration; Restoration to Former Position. (a) The provisions of clause (b) of Section 11 are subject to the condition that any rescission and annulment of the consequences of the receipt of notice given pursuant to subclause (iii) of clause (h) of Section 3 hereof may constitute a rescission and annulment of the consequences thereof hereunder only if such notice of mandatory redemption shall not have been given by Mail to the Noteholders as provided herein and the Trustee shall have received written notice from the Bank that the Letter of Credit in respect of which the Bank had previously given notice pursuant to subclause (iii) of clause (h) of Section 3 hereof has been reinstated to the amount covered by such Letter of Credit immediately preceding the giving of such notice by the Bank. Prompt notice of such rescission and annulment shall be given, if received by the Paying Agent prior to the notice by Mail to the Noteholders of such mandatory redemption, to the City, the Trustee, the Bank and the Remarketing Agent.

(b) In the event that any proceeding taken by the Trustee to enforce any right under this Ordinance shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then the City, the Trustee, the Bank, the Noteholders, the Paying Agent, the Registrar and the Remarketing Agent respectively, and all rights, remedies and powers of each of such parties shall continue as though no such proceeding had been taken.

SECTION 35. Noteholders' Right to Direct Proceedings. Anything in this Ordinance to the contrary notwithstanding, the Noteholders owning a majority in principal amount of the Notes then Outstanding hereunder shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all remedial proceedings available to the Trustee under this Ordinance or exercising any trust or power conferred on the Trustee by this Ordinance.

SECTION 36. Limitation on Noteholders' Right to Institute Proceedings. No Noteholder, in its capacity as such, shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust or power hereunder, or any other remedy hereunder or on said Notes, unless such Noteholder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided and unless also Noteholders of not less than 25% in principal amount of the Notes then Outstanding shall have made written request of the Trustee so to do, after the right to institute said suit, action or proceeding shall have accrued, and shall have afforded the Trustee a reasonable opportunity to proceed to institute the same in either its or their name, and unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the institution of said suit, action or proceeding; it being understood and intended that no one or more of the Noteholders shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Ordinance, or to enforce any right hereunder or under the Notes, except in the manner herein provided, and that all suits, actions and proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Noteholders.

SECTION 37. No Impairment of Right to Enforce Payment. Notwithstanding any other provision in this Ordinance, the right of any Noteholder to receive payment of the principal of and interest on such Note, on or after the respective due dates expressed therein, or to institute suit for the enforcement of any such payment on or after such respective dates shall not be impaired or affected without the consent of such Noteholder.

SECTION 38. Proceedings by Trustee Without Possession of Notes. All rights of action (including the right to file proof of claims) under this Ordinance or under any of the Notes secured hereby which are enforceable by the Trustee may be enforced by it without the possession of any of the Notes, or the production thereof at the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the equal and ratable benefit of the Noteholders, subject to the provisions of this Ordinance.

SECTION 39. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Trustee, the Bank or to Noteholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

SECTION 40. No Waiver of Remedies. No delay or omission of the Trustee, the Bank or of any Noteholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given hereunder to the Trustee, to the Bank and to the Noteholders; respectively, may be exercised from time to time and as often as may be deemed expedient.

SECTION 41. Application of Moneys. Any moneys received by the Trustee, by any receiver or by any Noteholder pursuant to any right given or action taken under the provisions hereof, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Trustee, the Paying Agent or the Registrar, such receiver or Noteholder, shall be deposited in the Note Fund and all moneys so deposited in the Note Fund during the continuance of an Event of Default (other than moneys for the payment of Notes which had matured or otherwise become payable prior to such Event of Default or for the payment of interest due prior to such Event of Default) shall be applied as follows:

(a) Unless the principal of all the Notes shall have been declared due and payable, all such moneys shall be applied (i) first, to the payment to the persons entitled thereto of all installments of interest then due on the Notes, with interest on overdue installments, if lawful, at the rate of six percent per annum, in the order of maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment of interest, then to the payment ratably, according to the amounts due on such installment, and (ii) second, to the payment to the persons entitled thereto of the unpaid principal of any of the Notes which shall have become due (other than Notes called for redemption for the payment of which money is held pursuant to the provisions of the Ordinance) with interest on such Notes at the rate of six percent per annum from the respective dates upon which they became due and, if the amount

available shall not be sufficient to pay in full Notes due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal and interest due on such date, in each case to the persons entitled thereto, without any discrimination or privilege.

(b) If the principal of all the Notes shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Notes, with interest on overdue interest and principal, as provided in clause (a) of this Section 41, without preference or priority of principal over interest or interest over principal, or of any installment of interest over any other installment of interest, or of any Note over any other Note, ratably according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege. If principal and interest on the Notes and all other payments under this Ordinance have been paid, any amounts remaining shall be paid to the Bank, but only to the extent that funds are owed to the Bank as a result of draws on the Letter of Credit.

(c) If the principal of all the Notes shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of clause (b) of Section 34, then, subject to the provisions of clause (b) of this Section 41 which shall be applicable in the event that the principal of all the Notes shall later become due and payable, the moneys shall be applied in accordance with the provisions of clause (a) of this Section.

Whenever moneys are to be applied pursuant to this Section 41, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal and interest to be paid on such date shall cease to accrue. The Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date by Mail to all Noteholders owning Outstanding Notes and shall not be required to make payment to any Noteholder until such Note shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

SECTION 42. Severability of Remedies. It is the purpose and intention of this Ordinance to provide rights and remedies to the Trustee, the Bank and the Noteholders which may be lawfully granted, but should any right or remedy herein granted be held to be unlawful, the Trustee, the Bank and the Noteholders shall be entitled, as above set forth, to every other right and remedy provided in this Ordinance and by law.

SECTION 43. Acceptance of Duties. The City hereby appoints Continental Illinois National Bank and Trust Company of Chicago, as Trustee for the purposes and upon the express terms and conditions set forth herein. The acceptance of the Trustee shall be evidenced by its execution of an acceptance of such trust. The acceptance of the Paying Agent and the Registrar shall be evidenced by its execution of an acceptance of such duties. No implied covenants or obligations shall be read into this Ordinance against the Trustee

or the Paying Agent or the Registrar. The City and the Noteholders by their delivery and acceptance of delivery of any of the Notes agree to the terms set forth in the Ordinance.

SECTION 44. No Responsibility for Recitals. The recitals, statements and representations contained in this Ordinance or in the Notes, save only the Registrar's authentication upon the Notes, shall be taken and construed as made by and on the part of the City, and not by the Trustee or the Paying Agent and Registrar, and the Trustee and the Paying Agent and Registrar do not assume, and shall not have, any responsibility or obligation for the correctness of any thereof.

SECTION 45. Limitations on Liability. The Trustee or Paying Agent or Registrar may execute any of the trusts or powers hereof and perform the duties required hereunder by or through attorneys, agents or receivers, and shall be entitled to, and may rely upon, written advice of counsel concerning all matters of trust and duty hereunder, and the Trustee or Paying Agent or Registrar shall not be answerable for the negligence or misconduct of any such attorney or agent selected with reasonable care. Except during the continuance of an Event of Default, the Trustee need perform only those duties that are specifically set forth in this Ordinance and no others. The Trustee shall not be answerable for the exercise of any discretion or power under this Ordinance or for anything whatsoever in connection with the trust created hereby, except only for its own negligence or bad faith. The Trustee or Paying Agent or Registrar shall not be accountable for the use or application of the proceeds of any of the Notes issued hereunder.

The Registrar and the Paying Agent shall at all times have and perform only such duties as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Registrar or the Paying Agent. Neither the Registrar nor the Paying Agent nor any of their respective officers, employees, attorneys or agents shall be liable to the City, any Noteholder, the Remarketing Agent or the Bank for any action taken or omitted to be taken hereunder except for negligence or willful misconduct provided that this sentence does not extend the duties established by, or limit the exculpatory effect of, any other provision of this Ordinance, and provided further that the Paying Agent and Registrar shall not be liable for any error of judgment made in good faith by an officer of the Paying Agent and Registrar.

SECTION 46. Compensation, Expenses and Advances. The Trustee, the Paying Agent and the Registrar under this Ordinance shall be entitled to reasonable compensation for their services rendered hereunder (not limited by any provision of law in regard to the compensation of the trustee of an express trust) and to reimbursement for their actual out-of-pocket expenses (including the reasonable compensation and the expenses and disbursements of their agents and counsel) reasonably incurred in connection therewith except for such expenses incurred as a result of their negligence or bad faith. The City shall have the right to contest in good faith any fees or expenses of the Trustee, the Paying Agent and the Registrar without creating a default hereunder. If an Event of Default under this Ordinance shall otherwise exist, the Trustee, the Registrar and the Paying Agent shall have, in addition to any other rights hereunder, a claim, prior to the claim of the Noteholders and the Bank, for the payment of their compensation and the reimbursement of their expenses and any advances made by them, as provided in this Section, upon the moneys and obligations in the Note Fund, except for proceeds of drawings under the Letter of Credit and except for moneys or obligations deposited with or paid to the Paying Agent

for the redemption or payment or purchase of tendered Notes which are deemed to have been paid in accordance with the provisions hereof and funds held pursuant to Section 18 hereof.

The Remarketing Agent shall be entitled to compensation and the reimbursement of expenses as provided in the Remarketing Agreement.

SECTION 47. Notice of Events of Default. The Trustee shall not be required to take notice, or be deemed to have notice, of any default or Event of Default under this Ordinance other than an Event of Default under clause (a), (b), (c) or (d) of the first paragraph of Section 32 hereof, unless specifically notified in writing of such default or Event of Default by Noteholders owning at least 25% in principal amount of the Notes then Outstanding.

The Paying Agent shall give telegraphic or telex or telephonic notice to the Trustee, promptly confirmed in writing, of any Event of Default under clause (a) and (b) or, upon having notice thereof, (c) of the first paragraph of Section 32 hereof.

SECTION 48. Several Capacities. Anything in this Ordinance to the contrary notwithstanding, the same entity shall serve as Paying Agent and Registrar and may serve hereunder as the Trustee, the Paying Agent, the Registrar and the Remarketing Agent and in any other combination of such capacities, to the extent permitted by law; provided, however, that any resignation of any of such capacities by any such entity shall require the resignation of such entity from all of such capacities; and provided, further, however, that the Paying Agent, Registrar and Remarketing Agent shall all have their principal offices in the City of New York, New York.

SECTION 49. Good Faith Reliance. The Trustee, the Paying Agent and the Registrar in the absence of bad faith on their part, shall be protected and shall incur no liability in acting upon any resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document or telephonic notice (where authorized by this Ordinance) which it shall believe to be genuine and to have been passed or signed by the proper board, body or person or to have been prepared and furnished pursuant to any of the provisions of this Ordinance, or upon the written opinion of any attorney, engineer, accountant or other expert, and the Trustee, the Paying Agent and the Registrar shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements.

Neither the Trustee, the Registrar, the Paying Agent, nor the Remarketing Agent shall be bound to recognize any person as a Noteholder or to take any action at his request unless his Note shall be deposited with such entity or satisfactory evidence of the ownership of such Note shall be furnished to such entity.

Any request or direction of the City as provided in this Ordinance shall be sufficiently evidenced by, and the Trustee, the Paying Agent and the Registrar may conclusively rely upon, a written instrument from the City signed by its Comptroller. As to any fact or circumstance concerning which the Trustee requests verification, the Trustee, the Paying

Agent and the Registrar may conclusively rely upon a certificate signed by such Comptroller.

SECTION 50. Dealings in Notes and With City. The Trustee, the Bank, the Paying Agent, the Registrar or the Remarketing Agent, in its individual capacity, may buy, sell, own, hold and deal in any of the Notes issued hereunder for its own account or that of any other person, and may join in any action which any Noteholder may be entitled to take with like effect as if it did not act in any capacity hereunder. The Trustee, the Bank, the Paying Agent, the Registrar or the Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the City and may act as depositary, trustee or agent for any committee or body of Noteholders secured hereby or other obligations of the City as freely as if it did not act in any capacity hereunder.

The City, acting through its Comptroller and Treasurer, may buy, sell, own and hold any of the Notes issued hereunder for its own account; provided, however, that such Notes may only be bought through the Remarketing Agent and provided further however, that such Notes may only be sold or remarketed if the City has received an Opinion of Bond Counsel stating that such sale or remarketing will not adversely affect the exemption of interest on the Notes from Federal income taxation.

SECTION 51. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by this Ordinance by executing an instrument in writing resigning such trust and specifying the date when such resignation shall take effect, and filing the same with the City, the Paying Agent, the Remarketing Agent and the Bank, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving notice of such resignation by Mail, not less than three weeks prior to such resignation date, to the Noteholders. Such resignation shall take effect on the day specified in such instrument and notice, but only if a successor Trustee shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Trustee. If the successor Trustee shall not have been appointed within a period of 90 days following the giving of notice, then the Trustee shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as provided in Section 55.

SECTION 52. Removal of Trustee. The Trustee may be removed at any time prior to any Event of Default by the City by filing with the Trustee to be removed, and with the Remarketing Agent and the Bank, an instrument or instruments in writing executed by the City, appointing a successor, or an instrument or instruments in writing, designating a successor and accompanied by an instrument of appointment by the City of such successor. Such removal shall be effective thirty days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Trustee appointed hereunder shall execute, acknowledge and deliver to the City an instrument accepting such appointment hereunder.

SECTION 53. Appointment of Successor Trustee. In case at any time the Trustee shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and ipso facto exist in the office of the

Trustee and a successor may be appointed, and in case at any time the Trustee shall resign, then a successor may be appointed by the City, by an instrument authorized by ordinance of the City. After any appointment by the City, it shall cause notice of such appointment to be given to the predecessor Trustee, the successor Trustee, the Paying Agent, Remarketing Agent and the Bank, and to be given by Mail to all Noteholders. Any new Trustee so appointed by the City shall immediately and without further act supersede the predecessor Trustee.

SECTION 54. Qualifications of Successor Trustee. Every successor Trustee (a) shall be a bank or trust company (other than the Bank) (i) duly organized under the laws of the United States or any state or territory thereof, (ii) authorized by law to perform all the duties imposed upon it by this Ordinance and the laws of the State, and (iii) capable of meeting its obligations hereunder and (b) shall have a combined capital stock, surplus and undivided profits of at least \$50,000,000.

SECTION 55. Judicial Appointment of Successor Trustee. In case at any time the Trustee shall resign and no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Ordinance prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Trustee may forthwith apply to a court of competent jurisdiction for the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

SECTION 56. Acceptance of Trusts by Successor Trustee. Any successor Trustee appointed hereunder shall execute, acknowledge and deliver to the City an instrument accepting such appointment hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. Upon request of such Trustee, such predecessor Trustee and the City shall execute and deliver an instrument transferring to such successor Trustee all the estates, property, rights, powers and trusts hereunder of such predecessor Trustee and, subject to the provisions of Section 46 hereof, such predecessor Trustee shall pay over and deliver to the successor Trustee all moneys and other assets at the time held by it hereunder.

SECTION 57. Successor by Merger or Consolidation. Any corporation into which any Trustee hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor Trustee under this Ordinance, without the execution or filing of any paper or any further act on the part of the parties hereto, anything in this Ordinance to the contrary notwithstanding.

SECTION 58. Standard of Care; Action by Trustee. Notwithstanding any other provisions of this Ordinance, the Trustee shall, during the existence of an Event of Default of which the Trustee has actual notice, exercise such of the rights and powers vested in it by this Ordinance and use the same degree of skill and care in their exercise as a prudent person would use and exercise under the circumstances in the conduct of his own affairs; provided, however, that the Trustee shall be under no obligation to take any action in respect of any default or Event of Default hereunder other than an Event of Default under

clause (d) of the first paragraph of Section 32 hereof, or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing so to do by Noteholders of at least 25% in principal amount of the Notes then Outstanding, and, if in its opinion such action may tend to involve it in expense or liability, unless furnished from time to time as often as it may require, with security and indemnity satisfactory to it; but the foregoing proviso is intended only for the protection of the Trustee, and shall not affect any discretion or power given by any provisions of this Ordinance to the Trustee to take action in respect of any default or Event of Default without such notice or request from the Noteholders, or without such security or indemnity. Except during the continuance of an Event of Default, the Trustee need perform only those duties that are specifically set forth in this Ordinance and no others.

SECTION 59. Duties of the Trustee. The Trustee covenants and agrees:

(a) to keep such books and records as shall be consistent with prudent industry practice, and to make such books and records available for inspection by the City at all reasonable times; and

(b) to provide such information and reports to the Comptroller and the Bank as shall be reasonably requested in writing by the Comptroller and the Bank.

SECTION 60. Resignation of Paying Agent and Registrar. The Paying Agent and Registrar may resign and be discharged of the duties created by this Ordinance by executing an instrument in writing resigning such duties and specifying the date when such resignation shall take effect, and filing the same with the City, the Trustee, the Remarketing Agent and the Bank, not less than forty-five (45) days before the date specified in such instrument when such resignation shall take effect, and by giving notice of such resignation by Mail, not less than three weeks prior to such resignation date, to the Noteholders. Such resignation shall take effect on the day specified in such instrument and notice, but only if a successor Paying Agent and Registrar shall have been appointed as hereinafter provided, in which event such resignation shall take effect immediately upon the appointment of such successor Paying Agent and Registrar. If the successor Paying Agent and Registrar shall not have been appointed within a period of 90 days following the giving of notice, then the Paying Agent and Registrar shall be authorized to petition any court of competent jurisdiction to appoint a successor Paying Agent and Registrar as provided in Section 64.

SECTION 61. Removal of Paying Agent and Registrar. The Paying Agent and Registrar may be removed at any time prior to any Event of Default by the City by filing with the Paying Agent and Registrar to be removed, and with the Trustee, Remarketing Agent and the Bank, an instrument or instruments in writing executed by the City, appointing a successor, or an instrument or instruments in writing, designating and accompanied by an instrument of appointment by the City of such successor. Such removal shall be effective thirty days (or such longer period as may be set forth in such instrument) after delivery of the instrument; provided, however, that no such removal shall be effective until the successor Paying Agent and Registrar appointed hereunder shall execute, acknowledge and deliver to the City an instrument accepting such appointment hereunder.

SECTION 62. Appointment of Successor Paying Agent and Registrar. In case at any time the Paying Agent and Registrar shall be removed, or be dissolved, or if its property or affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy, or for any other reason, then a vacancy shall forthwith and *ipso facto* exist in the office of the Paying Agent and Registrar and a successor may be appointed, and in case at any time the Paying Agent and Registrar shall resign, then a successor may be appointed by the City, by an instrument authorized by ordinance of the City. After any appointment by the City, it shall cause notice of such appointment to be given to the predecessor Paying Agent and Registrar, the successor Paying Agent and Registrar, the Trustee, the Remarketing Agent and the Bank, and to be given by Mail to all Noteholders. Any new Paying Agent and Registrar so appointed by the City shall immediately and without further act supersede the predecessor Paying Agent and Registrar.

SECTION 63. Qualifications of Successor Paying Agent and Registrar. Every successor Paying Agent and Registrar (a) shall be a commercial bank or trust company (other than the Bank) (i) duly organized under the laws of the United States or any state or territory thereof and (ii) authorized by law to perform all the duties imposed upon it by this Ordinance and the laws of the State, and (b) shall have a combined capital stock, surplus and undivided profits of at least \$50,000,000.

SECTION 64. Judicial Appointment of Successor Paying Agent and Registrar. In case at any time the Paying Agent and the Registrar shall resign and no appointment of a successor Paying Agent and Registrar shall be made pursuant to the foregoing provisions of this Ordinance prior to the date specified in the notice of resignation as the date when such resignation is to take effect, the retiring Paying Agent and Registrar may forthwith apply to a court of competent jurisdiction for the appointment of a successor Paying Agent and Registrar. Such court may thereupon, after such notice, if any, as it may deem proper and prescribed, appoint a successor Paying Agent and Registrar.

SECTION 65. Acceptance of Duties by Successor Paying Agent and Registrar. Any successor Paying Agent and Registrar appointed hereunder shall execute, acknowledge and deliver to the City an instrument accepting such appointment hereunder, and thereupon such successor Paying Agent and Registrar, without any further act, deed or conveyance, shall become duly vested with all the estates, property, rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named Paying Agent and Registrar herein. Upon request of such Paying Agent and Registrar, such predecessor Paying Agent and Registrar, and the City shall execute and deliver an instrument transferring to such successor Paying Agent and Registrar all the estates, property, rights, powers hereunder of such predecessor Paying Agent and Registrar and, subject to the provisions of Section 46 hereof, such predecessor Paying Agent and Registrar shall pay over and deliver to the successor Paying Agent and Registrar all moneys and other assets at the time held by it hereunder.

SECTION 66. Successor by Merger or Consolidation. Any corporation into which any Paying Agent and Registrar hereunder may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which any Paying Agent and Registrar hereunder shall be a party, shall be the successor Paying Agent and Registrar under this Ordinance, without the execution or filing of any paper or

any further act on the part of the parties hereto, anything in this Ordinance to the contrary notwithstanding.

SECTION 67. Duties of Paying Agent. The Paying Agent (if other than the Trustee) shall notify the Trustee of the location of its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Trustee under which such Paying Agent will agree, particularly:

(a) to hold all sums held by it for the payment of the principal of or interest on Notes in trust for the benefit of the Noteholders until such sums shall be paid to such Noteholders or otherwise disposed of as herein provided;

(b) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City and the Trustee at all reasonable times; and

(c) provide such information and reports to the Comptroller as shall be reasonably requested in writing by the Comptroller.

SECTION 68. Duties of Registrar. The Registrar (if other than the Trustee) shall notify the Trustee of the location of its Principal Office and signify its acceptance of the duties and obligations imposed upon it hereunder by a written instrument of acceptance delivered to the Trustee under which such Registrar will agree, particularly:

(a) to keep such books and records as shall be consistent with prudent industry practice and to make such books and records available for inspection by the City and the Trustee at all reasonable times; and

(b) to provide such information and reports to the Comptroller as shall reasonably be requested in writing by the Comptroller.

SECTION 69. Payments by Paying Agent and Registrar. Any provision of this Ordinance to the contrary notwithstanding, the Registrar and the Paying Agent shall never be required to make any payments or purchase any tendered Notes except from funds provided by the Bank, the Trustee, the City or the Remarketing Agent and no provision of this Ordinance shall require the Paying Agent and Registrar to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder.

SECTION 70. Remarketing Agent. The City hereby authorizes the Comptroller to appoint the Remarketing Agent. A Remarketing Agreement in substantially the form attached hereto as Exhibit C is hereby approved in connection with the issuance of the Notes or any Series of Notes and the City officials designated therein are authorized and directed to execute the same. Any Remarketing Agent appointed by the Comptroller must agree to perform the functions described in the attached Remarketing Agreement on terms that are no less favorable (as determined by the Comptroller) and fees that are no more costly to the City than those set forth in said Remarketing Agreement.

In the absence of any designated Remarketing Agent, notice to a Remarketing Agent shall not be necessary to a valid tender.

SECTION 71. The Bank. The City hereby authorizes the Comptroller to appoint the Bank, subject to the requirements of this Section 71. A Reimbursement Agreement relating to the Notes in substantially the form attached hereto as Exhibit D and a Letter of Credit Note in substantially the form attached hereto as Exhibit E are hereby approved in connection with the issuance of the Notes or any Series of Notes and the City officials designated therein are authorized to execute the same with such changes as shall be approved by the officer or officers executing the same, with such execution to constitute conclusive evidence of their approval and the City Council's approval of any changes or revisions therein from the form of Reimbursement Agreement and Letter of Credit Note attached hereto.

In appointing the Bank pursuant to this Section 71, the Comptroller must select a banking corporation or association that (i) will perform the functions described in the attached Reimbursement Agreements and the attached Letter of Credit Notes on terms (including rates of interest) that are no less favorable (as determined by the Comptroller) and fees that are not more costly to the City than those set forth in said Reimbursement Agreements and Letter of Credit Notes and (ii) will cause the Notes to bear the highest short-term ratings available from Moody's and S & P, or one of them in the event that the Notes are not to be rated by both.

SECTION 72. Limitations Upon Rights. Notwithstanding any other provision of this Ordinance to the contrary, no right granted to the Trustee, Paying Agent, Remarketing Agent, Registrar or any other entity ever appointed in any capacity under this Ordinance shall ever be construed to grant to such entities, or any of them, any rights with respect to any properties or facilities of the City. The operations of the City are essential to the public welfare and safety and shall never be subject to any control, supervision or direction of such entities or any of them. Such entities, by their acceptance of the trusts and other obligations created under this ordinance, hereby assent to the foregoing limitations and agree to be bound thereby for all purposes.

SECTION 73. Note Insurance. The Comptroller is hereby authorized to obtain a policy of note insurance if it is determined by him to be desirable in connection with the marketing and remarketing of the Notes and the Trustee shall be authorized to receive the proceeds of any such policy for application pursuant to the provisions thereof.

SECTION 74. Limitations on Amendments of this Ordinance. This Ordinance shall not be modified or amended in any respect subsequent to the issuance of the Notes except as provided in and in accordance with and subject to the provisions hereof.

SECTION 75. Amendments Without Noteholder Consent. The City may, from time to time and at any time, without the consent of or notice to the Noteholders, but upon notice to, and with the written consent of, the Bank, the Trustee and the Paying Agent amend this Ordinance as follows:

- (a) to cure any formal defect, omission, inconsistency or ambiguity in this Ordinance;

(b) to grant to or confer or impose upon the Trustee or the Paying Agent for the benefit of the Noteholders any additional rights, remedies, powers, authority, security, liabilities or duties which may lawfully be granted, conferred or imposed and which are not contrary to or inconsistent with this Ordinance as theretofore in effect, provided that no such additional liabilities or duties shall be imposed upon the Trustee or the Paying Agent without its consent;

(c) to add to the covenants and agreements of, and limitations and restrictions upon the City in this Ordinance other covenants, agreements, limitations and restrictions to be observed by the City which are not contrary to or inconsistent with this Ordinance as theretofore in effect;

(d) to confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, this Ordinance, or of any moneys, securities or funds;

(e) to authorize a different denomination or denominations of the Notes and to make correlative amendments and modifications to this Ordinance regarding exchangeability of Notes of different denominations, redemptions of portions of Notes of particular denominations and similar amendments and modifications of a technical nature;

(f) to comply with any applicable requirements of the Trust Indenture Act of 1939, as from time to time amended;

(g) to modify, alter, amend or supplement this Ordinance in any other respect which is not materially adverse to the Noteholders or the Bank and which does not involve a change described in clause (i) or (ii) (iii) of Section 76(a) hereof and which, in the judgment of the Trustee (who may rely upon an opinion of Bond Counsel), is not to the material prejudice of the Trustee or the Paying Agent; and

(h) to provide any amendment necessary for uncertificated Notes or coupons and bearer Notes or Notes registered as to principal only.

Before the City shall amend the Ordinance pursuant to this Section, there shall have been delivered to the Trustee and the Paying Agent an opinion of Bond Counsel stating that such amendment is authorized or permitted by this Ordinance, complies with the respective terms thereof, will, upon the adoption thereof, be valid and binding upon the City in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Notes, and the Trustee and the Paying Agent may rely conclusively upon such opinion as to such matters.

SECTION 76. Amendments With Noteholder Consent.

(a) Except for any amendment adopted pursuant to Section 75 hereof, subject to the terms and provisions contained in this Section and not otherwise, the City may, from time to time, with the written consent of the Bank, the Trustee, the Paying Agent and the consent of Noteholders of not less than 60% in aggregate principal amount of the Notes then Outstanding (excluding therefrom any Notes then owned by the City), adopt any Supplemental Ordinance deemed necessary or desirable by the City for the purposes

of modifying, altering, amending, supplementing or rescinding, in any particular, any of the terms or provisions contained in this Ordinance; provided, however, that, unless approved in writing by the Bank and the Noteholders of all the Notes then Outstanding, nothing herein contained shall permit, or be construed as permitting, (i) a change in the times, amounts or currency of payment of the principal of or interest on any Outstanding Note, a change in the terms of the purchase thereof by the Paying Agent or the Trustee, or a reduction in the principal amount or redemption price of any Outstanding Note or the rate of interest thereon, or (ii) a preference or priority of any Note or Notes over any other Note or Notes, or (iii) a reduction in the aggregate principal amount of Notes the consent of the Noteholders of which is required for any such amendment.

(b) If at any time the City shall propose to adopt any Supplemental Ordinance for any of the purposes of this Section, the Trustee shall cause the notice of the proposed Supplemental Ordinance to be given by Mail to all Noteholders owning Outstanding Notes. Such notice shall briefly set forth the nature of the proposed Supplemental Ordinance and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Noteholders.

(c) Within two years after the date of the first mailing of such notice, the City, the Trustee and the Paying Agent may approve such Supplemental Ordinance in substantially the form described in such notice, but only if there shall have first been delivered to the Trustee (i) the required consents, in writing, of Noteholders and the Bank, and (ii) an opinion of Bond Counsel stating that such Supplemental Ordinance is authorized or permitted by this Ordinance, complies with its terms and, upon the execution and delivery thereof, will be valid and binding upon the City in accordance with its terms and will not adversely affect the exemption from federal income taxation of interest on the Notes, and the Trustee and the Paying Agent may rely conclusively upon such opinion as to such matters.

(d) If Noteholders of not less than the percentage of Notes required by this Section shall have consented to and approved the execution and delivery thereof as herein provided, no Noteholder shall have any right to object to the execution and delivery of such Supplemental Ordinance, or to object to any of the terms and provisions contained therein or the operation thereof, or in any manner question the propriety of the execution and delivery thereof, or to enjoin or restrain the City or Trustee or the Paying Agent from adopting, executing and delivering the same or from taking any action pursuant to the provisions thereof.

SECTION 77. Effect of Supplemental Ordinance. Upon the execution and delivery of any Supplemental Ordinance pursuant to the provisions of this Ordinance, this Ordinance shall be, and be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Ordinance of the City, the Trustee, the Paying Agent, the Bank and all Noteholders owning Notes then Outstanding shall thereafter be determined, exercised and enforced under this Ordinance subject in all respects to such modifications and amendments.

SECTION 78. Consent of Bank Required. Anything herein to the contrary notwithstanding, any Supplemental Ordinance under this Ordinance which affects any rights, powers, remedies, agreements or obligations of the Bank under this Ordinance, or

requires a revision of the Letter of Credit shall not become effective unless and until the Bank shall have consented to such Supplemental Ordinance. Written notice of any Supplemental Ordinance shall be furnished to the Bank, Moody's and S & P, by the Trustee.

SECTION 79. Parties in Interest. Except as herein otherwise specifically provided, nothing in this Ordinance expressed or implied is intended or shall be construed to confer upon any person, firm or corporation other than the City, the Bank, the Paying Agent, the Trustee, the Remarketing Agent, the Registrar and the Noteholders any right, remedy or claim under or by reason of this Ordinance, this Ordinance being intended to be for the sole and exclusive benefit of the City, the Bank, the Paying Agent, the Trustee, the Remarketing Agent, the Registrar and the Noteholders.

The provisions of this Ordinance shall constitute a contract between the City, the Bank, the Paying Agent, the Trustee, the Remarketing Agent, the Registrar and the holders of the Outstanding Notes, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided, so long as there are any Outstanding Notes.

SECTION 80. Severability. In case any one or more of the provisions of this Ordinance or of the Notes issued hereunder shall, for any reason, be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Ordinance or such Notes, and this Ordinance and such Notes shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein or therein.

SECTION 81. No Personal Liability of Officials of City. No covenant or agreement contained in the Notes or in this Ordinance shall be deemed to be the covenant or agreement of any official, officer, agent or employee of the City in his individual capacity, and neither the members of the City Council nor any official executing the Notes shall be liable personally on the Notes, the Letter of Credit Note or under the Reimbursement Agreement or be subject to any personal liability or accountability by reason of the issuance of the Notes, the Letter of Credit Note or the execution and delivery of the Reimbursement Agreement.

SECTION 82. Counterparts. This Ordinance may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original: but such counterparts shall together constitute but one and the same Ordinance.

SECTION 83. Governing Law. The laws of the State of Illinois shall govern the construction and enforcement of this Ordinance and of all Notes issued hereunder; provided, however, that the administration of the trusts imposed upon the Trustee and the Paying Agent by this Ordinance shall be governed by, and construed in accordance with, the laws of the respective jurisdictions in which the Trustee and the Paying Agent have their Principal Offices.

SECTION 84. Notices. Except as otherwise provided in this Ordinance, all notices, certificates, requests, requisitions or other communications by the City, the Trustee, the Paying Agent, the Registrar, the Remarketing Agent or the Bank pursuant to this Ordinance shall be in writing and shall be sufficiently given and shall be deemed given

when mailed by registered mail, postage prepaid, addressed as follows: if to the City, at the Comptroller's Office, City Hall, Room 501, 121 North LaSalle Street, Chicago, Illinois 60602, Attention: City Comptroller; if to the Trustee, at 30 North LaSalle Street, Chicago, Illinois 60697, Attention: Corporate Trust Department; if to the Paying Agent, other than with respect to tenders, at the address designated to the City and, with respect to tenders, at such other or similar address as shall be designated to the City; if to the Registrar or the Remarketing Agent, at the address designated to the City; and if to the Bank, to the address designated in the Letter of Credit. Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent hereunder, including without limitation, telephonic, telex or other similar forms of notice.

The City shall promptly give notice of (i) the designation of any new Trustee or Paying Agent, (ii) the termination of the Letter of Credit, (iii) any intention to obtain an Alternate Letter of Credit as provided in clause (c) of Section 16 hereof, (iv) any proposed amendment to this Ordinance, (v) any amendment to the Letter of Credit, the Reimbursement Agreement (or the Custody Agreement executed in connection therewith), or the Remarketing Agreement which, in the opinion of the City, the Trustee or the Paying Agent, is deemed to be a material change, (vi) any replacement of the Remarketing Agent or (vii) any change in the interest rate determination method hereunder, directly to: Moody's Investors Service, Inc., 99 Church Street, New York, New York 10007, Attention: Municipal Department - Structured Finance Group, and to Standard and Poor's Corporation, 25 Broadway, New York, New York 10004, or to such other address as shall be provided to the City for such notice.

SECTION 85. Business Days and Times.

(a) If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Ordinance, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Ordinance, and no interest shall accrue for the period after such nominal date.

(b) All times for the making of any payment or the performance of any Act, as provided in this Ordinance, shall mean the local time prevailing in the City of New York, New York.

SECTION 86. Sale and Delivery of the Notes. Each Series of Notes shall be sold and delivered to the underwriters and subject to the terms and conditions of a contract of purchase related thereto. All or a portion of each Series of Notes may be sold separately or in combination with any other Series of Notes from time to time in accordance with the following paragraph. In connection with the offering and delivery of the Notes at separate times, the Comptroller shall be authorized to enter into any additional agreements comparable to any agreement authorized hereunder and to deliver any certificates required of the City in connection with such separate sale.

The sale and delivery of all or a portion of any Series, or combination of Series, of Notes shall be authorized by the Comptroller with the approval of the Chairman of the Committee on Finance of the City Council, the Vice Chairman of the Committee on

Finance of the City Council or the Chairman of the Committee on the Budget of the City Council.

Subsequent to the sale of any Series 1986B Notes, the Comptroller shall file in the office of the City Clerk a notification of sale directed to the City Council setting forth (i) the aggregate principal amount of Series 1986B Notes sold and the purchaser thereof, (ii) the respective purposes for which such Series 1986B Notes were sold and the respective amounts of the proceeds of such sale to be deposited into the funds of the City for such respective purposes, (iii) whether such Series 1986B Notes are to be secured as provided in Section 22(a) hereof or as provided in Section 22(b) hereof and (iv) if secured as provided in Section 22(a) hereof, the percentages of the levies made for such respective purposes for the year 1987 being anticipated by the sale of such Series 1986B Notes.

The Registrar shall be authorized to authenticate and deliver each Series of Notes at the initial delivery of such Series upon receipt of the related Letter of Credit and telephonic authorization, to be confirmed in writing, from the Comptroller evidencing that all conditions precedent to the issuance of such Notes as provided in this Ordinance, the related Reimbursement Agreement, the related contract of purchase and the related Remarketing Agreement have been satisfied.

SECTION 87. Repealer. To the extent that any ordinances, resolution, rule, order or provision of the Municipal Code of the City of Chicago, or part thereof, is in conflict with the provisions of this Ordinance, the provisions of this Ordinance shall be controlling. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

SECTION 88. Publication. This Ordinance shall be published by the City Clerk, by causing to be printed in special pamphlet form at least 100 copies hereof, which copies are to be made available in his office for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this Ordinance, and this Ordinance shall be in full force and effect from and after its adoption, approval by the Mayor and publication.

[Exhibit B attached to this ordinance printed on pages
36765 through 36767 of this Journal.]

Exhibits A, C, D, Annexes A, B, C, D, E, F, Exhibits A, C-1, C-2, D-1, D-2 and E attached to this ordinance read as follows:

Exhibit A.

(Form of Note).

(Continued on page 36768)

EXHIBIT B1987 CAPITAL EQUIPMENT NOTE PROGRAM

<u>Department/Item Description</u>	<u>Amount</u>
1. Budget and Management	
a) Fleet Management: Fuel System/Improvements	\$ 847,000
b) Data Processing/Equipment/Furniture	703,500
c) Vehicles	250,000
d) Datacenter	
1. Communication Controller	345,000
2. Remote Communication Controller	80,000
3. Disk Storage	400,000
Subtotal Datacenter	<u>825,000</u>
Subtotal Budget and Management	<u>2,625,500</u>
2. Comptroller's Office	
a) Financial Management System, Phase II	4,113,000
b) Office Communication Network	<u>68,000</u>
Subtotal Comptroller's Office	<u>4,181,000</u>
3. Consumer Services - Opti-Scan	3,500
4. Fire Department	
a) Vehicles	
- 5 Custom Pumpers	825,000
- 2 Rehab Pumpers	140,000
- 3 Custom Hook and Ladders	250,000
- 2 Rehab Hook and Ladders	200,000
- 15 Ambulances	875,000
- 10 'A' Cars with Radios	200,000
- 1 Custom Snorkel	500,000
- 2 Trucks - Air Mask Services	100,000
- 1 Truck-Field support	100,000
- Miscellaneous Vehicles	100,000
Subtotal Vehicles	<u>4,165,000</u>
b) Communications Equipment (Radios)	82,000
c) Other Equipment	214,000
d) Emergency Medical Service Equipment	<u>531,000</u>
Subtotal Fire Department	<u>4,994,000</u>
5. Health Department	
a) Data Processing Equipment	62,000
b) X-Ray machines and other equipment	<u>188,000</u>
Subtotal Health Department	<u>250,000</u>

1987 Capital Equipment Note Program
Page 2

<u>Department/Item Description</u>	<u>Amount</u>
6. Law Department - Data Processing Equipment	23,000
7. Municipal Reference Library - Copier	13,000
8. Office of Municipal Investigations - Purchase of 4 personal computers	15,000
9. Planning Department - Personal computer work station	10,000
10. Police Department	
a) Fingerprint Terminals	350,000
b) Communications Equipment	850,000
c) Vehicles	
- 250 Marked Squad Cars	3,337,500
- 150 Unmarked Squad Cars	1,875,000
- 30 Squadrol Cabs/Chassis	405,000
- 8 Station Wagons	104,000
- 30 Used Cars	225,000
- 25 Three-Wheel Motorcycles	200,000
- 2 Prisoner Transport Vans	120,000
- 1 Evidence/Recovered Property Truck	30,000
- 1 Equipment and Supply Truck	30,000
- 1 Fork Lift M.M.D.	10,000
- 1 Unmarked Station Wagon	13,000
Subtotal Police Vehicles	<u>6,349,500</u>
Subtotal Police Department	<u>7,549,500</u>
11. Chicago Public Library Bookstock Purchase	<u>3,000,000</u>
12. Public Works	
a) Intradepartmental Terminals	77,000
b) Computer Aided Design Station (Engineering)	50,000
c) Disk Storage - 300 mb (Maps and Plats)	22,000
Subtotal Public Works	<u>149,000</u>
13. Revenue Department	
a) Data processing display units, control units and software for collection program	150,000
b) License and Tax Division Display Units	5,000
Subtotal Revenue	<u>155,000</u>

1987 Capital Equipment Note Program
Page 3

<u>Department/Item Description</u>	<u>Amount</u>
14. Latino Commission	
- Personal Computer	\$ 7,000
15. Personnel Department	
- Data and Word Processing equipment	247,000
16. Streets and Sanitation	
a) 50 Refuse Trucks	4,485,000
b) 17 Refuse Trucks for Dumpster Program	1,564,000
c) Software for City-wide Cart Program	100,000
d) Salt Spreader, Cabs/Chassis and Plowframes	<u>628,500</u>
Subtotal	<u>6,777,500</u>
TOTAL 1987 CAPITAL EQUIPMENT NOTE	<u>\$30,000,000</u>

(Continued from page 36764)

A. Forms Generally. The Notes, the Certificate of Authentication and the form of Assignment to be printed on each of the Notes, shall be substantially in the forms set forth in this Exhibit A with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Ordinance and may have such letters, numbers or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of Bond Counsel) thereon as may, consistently herewith, be established by the City or determined by the officers executing such Notes as evidenced by their execution thereof. Any portion of the text of any Notes may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

The definitive Notes shall be printed, lithographed or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing such Notes as evidenced by their execution thereof, but any temporary Note may be typewritten or photocopied or otherwise reproduced.

B. Form of Registered Note.

(Front Side)

REGISTERED
NO.

PRINCIPAL AMOUNT
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

CITY OF CHICAGO

GENERAL OBLIGATION

TENDER NOTE

SERIES 1987__

Maturity

Date: _____

Redemption Date: _____

Registered Owner:

Principal Amount:

The City of Chicago, Illinois (the "City") hereby acknowledges itself to owe and, for value received, hereby promises to pay to the Registered Owner (named above) or registered assigns (hereinafter the "Noteholder"), on the Maturity Date (identified above), unless this

Note shall have been previously called for redemption and payment of the redemption price made or provided for, or if purchased as provided herein and in the Ordinance, upon the presentation and surrender hereof as hereinafter set forth, the Principal Amount (stated above) and interest on said Principal Amount from and including the Dated Date (identified above) until payment of said Principal Amount has been made or duly provided for at the rates and on the dates set forth herein. This Note, or a portion hereof, shall be purchased on the demand of the Noteholder as hereinafter described. The principal of this Note is payable at the principal corporate trust office of _____, _____, or its successors or assigns, as Paying Agent (the "Paying Agent"). The interest so payable on any Interest Payment Date (as hereinafter defined) will, subject to certain exceptions provided in the Ordinance, be paid to the person in whose name this Note is registered at the close of business on the Record Date (as hereinafter defined) preceding such Interest Payment Date. Interest on this Note is payable by the Paying Agent in the manner provided in the Ordinance.

If an Event of Default (as defined in the Ordinance) has occurred and is continuing and the principal of all the Notes shall have been declared due and payable by Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois, or its successors or assigns, as trustee (the "Trustee") and notice thereof mailed to the Noteholders then the principal hereof shall be payable at the principal corporate trust office of the Trustee and the payment of interest hereon shall be made by such Trustee as provided in the Ordinance.

Reference is hereby made to the further provisions of this Note set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, to have happened and to have been performed, precedent to and in the execution and delivery of the Ordinance and the issuance of this Note, do exist, have happened and have been performed in regular and due form as required by law.

No covenant or agreement contained in this Note or the Ordinance shall be deemed to be a covenant or agreement of any official, officer, agent or employee of the City in his individual capacity, and neither the officials of the City, nor any official executing this Note, shall be liable personally on this Note or be subject to any personal liability or accountability by reason of the issuance or sale of this Note.

This Note shall not be entitled to any right or benefit under this Ordinance, or be valid or become obligatory for any purpose, until this Note shall have been authenticated by the execution by the Registrar, or its successor as Registrar, of the certificate of authentication inscribed hereon.

In Witness Whereof, the City of Chicago has caused the seal of that City to be imprinted by facsimile hereon and this Note to be signed by the facsimile signatures of its Mayor and City Comptroller and attested by the facsimile signature of the City Clerk.

(facsimile signature)

Mayor, City of Chicago

(facsimile signature)

City Comptroller, City of Chicago

(SEAL)

Attest:

(facsimile signature)

City Clerk, City of Chicago

Date:

CERTIFICATE OF AUTHENTICATION

This is to certify that this Note is one
of the Notes described in the within
mentioned Ordinance.

_____, as Registrar

By _____
Authorized Signature

(Form of Note -- Reverse Side)

1. Authorization. This Note is one of the duly authorized General Obligation Tender Notes, Series 1987, of the City, consisting of Series 1987A, 1987B and 1987C (the "Notes"), issued under and pursuant to the Constitution and the City's powers as a home rule unit under Article VII of the Illinois Constitution of 1970, and an ordinance of the City adopted _____, 1986 (the "Ordinance"), for the purpose of providing funds to (i) finance current cash flow requirements of the City, (ii) anticipate the receipt of taxes levied for specified purposes by the City for the year 1987 and (iii) finance the acquisition of certain equipment for the City.

2. Definitions. Any term used herein as a defined term but not defined herein shall be defined as in the Ordinance.

3. Source of Payments. The City has caused to be delivered to the Paying Agent an irrevocable letter of credit (the "Letter of Credit") of _____ (the "Bank"), in its capacity as issuer of the Letter of Credit, its successors in such capacity and its assigns, which Letter of Credit will expire by its terms not earlier than the maturity date of the Notes. The Paying Agent shall be entitled under the Letter of Credit to draw up to (a) an amount sufficient (i) to pay the principal of the Notes, or (ii) to enable the Paying Agent to pay the purchase price or the portion of the purchase price equal to the principal

amount of the Notes delivered to it for purchase or purchased in lieu of redemption and not remarketed, plus (b) an amount equal to not less than seventy-two (72) nor more than two hundred fifteen (215) days' accrued interest on the outstanding Notes (i) to pay interest on the Notes or (ii) to enable the Paying Agent to pay the portion of purchase price of the notes delivered to it equal to the accrued interest, if any, on such Notes. The City may, upon the conditions specified in the Ordinance, provide for the delivery to the Paying Agent of an Alternate Letter of Credit.

This Note, and the issue of which it is a part, shall be direct and general obligations of the City for the payment of which, both principal and interest, the City pledges its full faith, credit and resources and each such Note shall be payable from any moneys, revenues, receipts, income, assets or funds of the City legally available for such purpose.

4. Interest Rate. Interest on this Note will be paid at a Daily Rate, a Weekly Rate, a Commercial Paper Rate or a Fixed Rate as selected by the City and in certain cases the Remarketing Agent (as hereinafter defined) and as determined in accordance with the Ordinance. While there exists an Event of Default under the Ordinance, the interest rate on the Notes will be the rate of six percent (6%) per annum. The City, acting through its Comptroller, or in certain cases, the Remarketing Agent may change the interest rate determination method from time to time. A change in the method will result in redemption of the Notes (see "Redemptions" below).

When interest is payable at a Daily, Weekly or Commercial Paper Rate, it will be computed on the basis of the actual number of days elapsed over a year of 365 days (366 in leap years), and when payable at a Fixed Rate, on the basis of a 360- day year of twelve 30-day months. Interest on overdue principal and, to the extent lawful, on overdue premium and interest will be payable at the rate of six percent (6%) per annum.

5. Interest Payment and Record Dates. Interest will accrue on the unpaid portion of the principal of this note from the last date to which interest was paid, or if no interest has been paid, from the date of the original issuance of the Notes until the entire principal amount of this Note is paid. When Interest is payable at the rate in the first column below, interest accrued during the period (an "Interest Period") shown in the second column will be paid on the date (an "Interest Payment Date") in the third column to holders of record on the date (a "Record Date") in the fourth column:

<u>Rate</u>	<u>Interest Period</u>	<u>Interest Payment Date</u>	<u>Record Date</u>
Daily	Calendar month	Fifth Business Day of the next month	Last Business Day of the month
Weekly	Calendar month	Fifth Business Day of the next month	Last Business Day of the month
Commercial Paper	From 1 to 180 days as deter- mined for each	Last Day of appli- cable Commercial Paper Rate Period	Last Business Day before Interest Payment Date

<u>Rate</u>	<u>Interest Period</u>	<u>Interest Payment Date</u>	<u>Record Date</u>
	Note pursuant to the Ordinance ("Commercial Paper Rate Period")		
Fixed	From any Interest Payment Date in such Fixed Rate Period or the first day of such Period through the next succeeding (i) June 30 or December 31 prior to maturity, (ii) December 30, at the time of maturity of Series 1987A Notes or (iii) October 30, at the time of maturity of the Series 1987B Notes or the Series 1987C Notes	Next day	(i) Prior to the maturity of any Series of Notes, the fifteenth day of the month (June or December) before the payment date and (ii) in connection with the maturity date of any Series of Notes, the fifteenth day of the month in which the maturity date occurs

"Business Day" is defined in the Ordinance. Payment of defaulted interest will be made to holders of record on the fifth-to-last Business Day before payment.

6. Method of Payment. Holders must surrender Notes to the Paying Agent or the Remarketing Agent, as the case may be, to collect principal or the purchase price (see "Tenders" below). Interest will be paid on the Interest Payment Date to the registered holder hereof as of the Record Date in immediately available funds in accordance with payment instructions given to the Paying Agent at the time of the registration thereof and in the absence of such instructions shall be paid by check or draft of the Paying Agent mailed to such holder's registered address. Noteholders may direct the Paying Agent to make payment by Federal Reserve Funds check or wire or by deposit to an account of the Noteholder maintained at the Paying Agent. Principal and interest will be paid in money of the United States that at the time of payment is legal tender for payment of public and private debts or by checks or wire transfers payable in such money. If any payment on the Notes is due on a non-Business Day, it will be made on the next Business Day, and no interest will accrue as a result.

7. Tenders. "Tender" means to require, or the act of requiring, the Paying Agent to purchase a Note at its holder's option under the provisions of this Section 7 at 100% of the principal amount plus interest accrued to the date of purchase.

Daily Rate Tender. When interest on the Notes is payable at a Daily Rate, a holder of a Note may tender the Note by delivering

(a) a written or telephone notice to the Paying Agent and the Remarketing Agent (see addresses below) by 10:30 A.M., New York City time, on a Business Day, stating the principal amount and Series of the Note and the date (which may be the date the notice is delivered) the Note is to be purchased, and

(b) the Note to the Remarketing Agent (address below) by 12:00 Noon, New York City time, on the date of purchase (see additional requirements below).

Weekly Rate Tender. When interest on the Note is payable at a Weekly Rate, a holder of a Note may tender the Note by delivering

(a) a written or telephone notice to the Paying Agent and the Remarketing Agent (addresses below) on a Business Day stating the principal amount and Series of the Note and the date, which must be a Business Day at least seven days after the notice is delivered, on which the Note is to be purchased, and

(b) the Note to the Paying Agent by 10:00 A.M., New York City time, on the date of purchase (see additional requirements below).

Payment of Purchase Price. The purchase price for a Note tendered to the Paying Agent will be paid in immediately available funds by the close of business on the date of purchase.

Delivery Addresses; Additional Delivery Requirements. Notices in respect of tenders and Notes tendered must be delivered as follows:

Notices to
Remarketing Agent

Notes and Notices
to Paying Agent

Notes to
Remarketing Agent

These addresses may be changed by notice mailed by first class mail to the Noteholders at their registered addresses. All tendered Notes must be accompanied by an instrument of transfer satisfactory to the Paying Agent or Remarketing Agent, executed in blank by the registered owner with the signature guaranteed by a bank, trust company or member firm of the New York Stock Exchange.

No Tenders During Default. No Notes may be tendered during the existence of an Event of Default if the Trustee has notified the Paying Agent that it has given notice by Mail to the Noteholders of a declaration that all the Notes are due and payable.

8. **Redemptions.** As provided below, the City has the right to purchase Notes in lieu of certain redemptions. By Acceptance Of This Note, The Owner Agrees To Sell And Surrender This Note, Properly Endorsed, To The City In Lieu Of Redemption Under The Conditions Described Below. All redemptions and purchases in lieu of redemption will be made in funds immediately available on the redemption or purchase date and will be at a redemption or purchase price of 100% of the principal amount of the Notes being redeemed or purchased plus interest accrued to the redemption or purchase date, except that interest accruing at a Daily or Weekly Rate will be paid on the Interest Payment Date following the redemption or purchase date. Notes tendered for purchase on a date after a call for redemption but before the redemption date will be purchased pursuant to the tender. No purchase of Notes by the City or advance use of any funds to effectuate any such purchase shall be deemed to be a payment or redemption of the Notes or of any portion thereof and such purchase will not operate to extinguish or discharge the indebtedness evidenced by such Notes.

Optional Redemption During Daily, Weekly or Commercial Paper Rate Period. When interest on the Notes is payable at a Daily or Weekly Rate, the Notes may be redeemed in whole at the option of the City on the first day of each month. The Notes are not subject to optional redemption during any Commercial Paper Rate Period but are subject to mandatory redemption during any such Period as provided in the second succeeding paragraph.

Mandatory Redemption at Beginning of Fixed Rate Period. When the Notes are to bear interest at a Fixed Rate, the Notes will be redeemed or purchased by the City in lieu of redemption on the effective date of the Fixed Rate. Noteholders may waive this redemption as provided below.

Mandatory Redemption on Each Interest Payment Date During Commercial Paper Rate Period. When Notes bear interest at a Commercial Paper Rate, each Note will be redeemed or purchased by the City in lieu of redemption on the Interest Payment Date of such Note. If Notes are scheduled to be redeemed under the following paragraph, the Notes will be called under, and redemption will be governed by, that paragraph and not this paragraph. Noteholders may waive this provision as provided below.

Mandatory Redemption Upon a Change in the Method of Determining the Interest Rate on the Notes. On the effective date of the change in the method of determining the interest rate on the Notes (the four methods being Daily, Weekly, Commercial Paper or Fixed Rates) the Notes will be redeemed or purchased by the City in lieu of redemption on the effective date of such change. Owners of Notes may waive this redemption as provided below.

Waiver of Redemption. To waive redemption pursuant to one of the foregoing three paragraphs, Noteholders must deliver the Notes with respect to which such waiver is made to the Paying Agent at its address under "Tenders" above by the sixth-to-last Business Day before the redemption date (or on the first Business Day of any Commercial Paper Rate Period which is shorter than six Business Days) accompanied by an instrument executed by the owner (1) directing the City and the Paying Agent not to redeem such Notes (or the portion thereof specified therein), (2) agreeing not to sell such Notes or portion thereof prior to the redemption date (3) agreeing not to exercise any tender applicable to such Notes

prior to the redemption date, (4) acknowledging that such waiver is irrevocable and (5) when applicable, acknowledging that a current right to tender the Notes will not be available after the redemption date.

If the Notes are being redeemed due to a change in the method of determining interest to a Commercial Paper Rate,

(1) the waiver must also direct the City and the Paying Agent not to redeem such Notes for any subsequent Commercial Paper Rate Period established between the date of such waiver and the effective date of the change, and

(2) if the Remarketing Agent notifies the Paying Agent that the Notes are to be sold on the condition that the Noteholder designates an agent to hold such Notes on the owner's behalf for as long as the Notes bear interest at a Commercial Paper Rate, then the waiver must contain a direction by the Noteholder to deliver such Notes to such agent on the effective date of the change.

Any waiver of redemption shall be irrevocable and any right to tender such Note shall not be exercisable by the owner once the waiver has been given. A waiver shall bind any subsequent owner of such Note or any Note delivered in substitution therefor. Also the failure by the owner timely to waive any redemption shall be binding on any subsequent owner of such Note or any Note delivered in substitution therefor.

Notwithstanding the foregoing, no waiver may be made with respect to any Note if the City has directed (or the Ordinance requires) that such Note be redeemed and canceled.

Any Note received by the Paying Agent pursuant to a waiver shall be held in safekeeping for its owner and shall be returned to such owner (or his agent) on the redemption date.

Scheduled Mandatory Redemption of Series 1987C Notes. Series 1987C Notes are subject to mandatory redemption in the amount of \$2,500,000 on October 31 of each of the years 1989 and 1990, as provided in the Ordinance, the particular Notes and \$100,000 or \$5,000, as the case may be, units of Notes to be selected by the Registrar.

No Optional Redemption During Fixed Rate Period. When the interest on the Notes is payable at a Fixed Rate, the Notes are not subject to redemption at the option of the City.

Mandatory Redemption for Failure to Reinstate the Letter of Credit or for an Event of Default under the Reimbursement Agreement. All Notes shall be subject to mandatory redemption by the City at the principal amounts thereof and accrued interest to the date of redemption in the event that the City, the Trustee, the Paying Agent and the Remarketing Agent receive notice from the Bank that the Letter of Credit in respect of such Notes will not be reinstated in accordance with the provisions of the Reimbursement Agreement and the Letter of Credit, or if such parties receive notice from the Bank that an event of default has occurred under the Reimbursement Agreement.

Notice of Redemption. At least 30 days before each optional redemption described in Section 8 hereof, the Trustee will mail a notice of redemption by first-class mail to each

Noteholder at the holder's registered address. Notice of other redemptions shall be given as provided in the Ordinance. Failure to give any required notice of redemption as to any particular Notes will not affect the validity of the call for redemption of any Notes in respect of which no failure occurs. Any notice mailed as provided in this paragraph will be conclusively presumed to have been given whether or not actually received by the addressee.

Effect of Notice of Redemption. When notice of redemption is required and given, and when Notes are to be redeemed without notice, Notes called for redemption become due and payable on the redemption date at the applicable redemption price, subject to the City's right to purchase Notes as provided above; in such case when funds are deposited with the Paying Agent sufficient for redemption or for purchase, interest on the Notes to be redeemed or purchased ceases to accrue as of the date of redemption or purchase.

9. Denominations; Transfer; Exchange. The Notes are in registered form without coupons in denominations of \$100,000 or any integral multiple of \$100,000, except that when interest is payable at a Fixed Rate Notes may be in denominations of \$5,000 or integral multiples of \$5,000. A holder may transfer or exchange Notes in accordance with the Ordinance. The Registrar may require a holder, among other things, to furnish appropriate endorsements and transfer documents and to pay any taxes and fees required by law or permitted by the Ordinance. The Notes may be exchanged at the principal office of the Registrar upon the terms set forth in the Ordinance.

10. Persons Deemed Owners. The registered holder of this Note may be treated as the owner of it for all purposes.

11. Unclaimed Money. If money for the payment of principal, interest or purchase price remains unclaimed for two years, the Paying Agent will pay the money to or for the account of the City. After that, holders entitled to the money must look only to the City and not to the Paying Agent or the Issuer of the Letter of Credit for payment unless an abandoned property law designates another person.

12. Amendment and Supplement, Waiver. Subject to certain exceptions, the Ordinance may be amended or supplemented, with the consent of the holders of 60% in aggregate principal amount of the Notes. Without the consent of any Noteholder, the City may amend or supplement the Ordinance as described in the Ordinance, to cure any ambiguity, omission, defect or inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, or to make any change that does not materially adversely affect the rights of any Noteholder.

13. Defaults and Remedies. The Ordinance provides that the occurrences of certain events constitute Events of Default. If an Event of Default occurs and is continuing, the Trustee, may, and at the written request of the holders of at least 25% in principal amount of the Notes, shall declare the principal of all the Notes to be due and payable immediately. An Event of Default and its consequences may be waived as provided in the Ordinance. Noteholders may not enforce the Ordinance or the Notes except as provided in the Ordinance. The Trustee may refuse to enforce the Ordinance or the Notes unless it receives indemnity satisfactory to it. Subject to certain limitations, holders of a majority in principal amount of the Notes may direct the Trustee in its exercise of any trust or power.

14. No Recourse Against Others. A member, director, officer or employee, as such, of the City shall not have any liability for any obligations of the City under the Notes or the Ordinance or for any claim based on such obligations or their creation. Each Noteholder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issue of the Note.

15. Authentication. This Note shall not be valid until the Registrar signs the certificate of authentication on the other side of this Note.

16. Abbreviations. Customary abbreviations may be used in the name of a Noteholder or an assignee, such as TEN COM (= tenants in common), TEN ENT (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

[Form of Assignment]

I or we assign and transfer to

Insert social security or other
identifying number of assignee

[_____]

[_____]

(Print or type name, address and zip code of assignee)

this Note and irrevocably appoint _____ agent to
transfer this Note on the books of the City. The Agent may substitute another to act for
him.

Dated: _____

Signed: _____

(Sign exactly as name appears on the other side of this Note)

Signature guaranteed: _____

[Form Of Schedule To Be Attached To Notes Only When
Notes Bear Interest At Commercial Paper Rate]

Commercial Paper Rates And Periods.

Beginning of Commercial Rate Period	End of Commercial Paper Rate Period (Mandatory Redemption Date)	Current Commercial Paper Rate	Signature of Paying Agent
_____:	_____:	_____:	_____:
_____:	_____:	_____:	_____:
_____:	_____:	_____:	_____:
_____:	_____:	_____:	_____:

*Exhibit C.**Remarketing Agreement.*

This Remarketing Agreement is made and entered into as of February 1, 1986, between the City of Chicago (the "City") and _____ as Remarketing Agent (the "Remarketing Agent").

Witnesseth:

Whereas, the City, on the 4th day of February, 1986, adopted an ordinance entitled "An Ordinance Providing For The Issuance Of General Obligation Tender Notes, Series' 1986 A, B and C, Of The City Of Chicago, Illinois" (the "Ordinance"), pursuant to which the City will issue General Obligation Tender Notes, Series 1986A and Series 1986B (the "Notes"); and

Whereas, the City and the Bank (as defined in the Ordinance) have entered into a Reimbursement Agreement (as defined in the Ordinance); and

Whereas, the City in the Ordinance has appointed Irving Trust Company, New York, New York as Paying Agent; and

Whereas, the City in Section 3(i) of the Ordinance has provided for tender by Noteholders of their Notes and has established certain procedures in respect thereto;

Now, Therefore, for and in consideration of the covenants herein made, and subject to the conditions herein set forth, the parties hereto agree as follows:

Section 1. Definitions. Except as otherwise defined herein, all words with initial capitals shall have the same meaning as defined in the Ordinance. All times in this Remarketing Agreement shall mean the local time prevailing in the City of New York, New York.

Section 2. Obligations of Remarketing Agent -- General.

(a) The City pursuant to the Ordinance has appointed the Remarketing Agent for the purpose of remarketing any Notes tendered pursuant to Section 3(i) of the Ordinance and any Notes purchased in lieu of redemption by the Paying Agent pursuant to Section 11(e) of the Ordinance.

(b) The Remarketing Agent hereby agrees to use its best efforts to offer for sale and to sell the Notes tendered pursuant to Section 3(i) of the Ordinance and any Notes purchased in lieu of redemption by the Paying Agent pursuant to Section 11(e) of the Ordinance, at a price of 100% of the principal amount thereof plus accrued interest, if any; provided, however, the Remarketing Agent shall not be obligated to offer and sell the Notes (i) if the Bank shall give notice to the Paying Agent to effect a redemption pursuant to Section 3(h) (iii) of the Ordinance, or (ii) if there is an Event of Default as defined in Section 32 of the Ordinance. Further, the Remarketing Agent shall not remarket the amount of Notes which the City may from time to time elect to purchase pursuant to Section 3(j) of the Ordinance, or the Notes of any Series which either bear interest at a Commercial Paper Rate during a Commercial Paper Rate Period or at a Fixed Rate.

(c) The obligation of the Remarketing Agent to pay or provide payment at 2:00 P.M. for the Notes which the Remarketing Agent has advised the Paying Agent at 1:00 P.M. it had remarketed shall be absolute and unconditional except only as to such Notes which are not received by the Remarketing Agent from the Paying Agent by 2:00 P.M.

(d) The Remarketing Agent at all times shall be construed to be acting as an agent for and on behalf of the City.

(e) The Remarketing Agent shall consult with the Comptroller at such times as he shall request and shall upon his request furnish information to him for the purpose of establishing the interest rates on the Notes. The Remarketing Agent shall inform the Comptroller not less than weekly, and at such other times as the Comptroller shall request, the minimum Interest Rate which, in the Remarketing Agent's opinion, is necessary to remarket the amount of Notes reasonably expected to be tendered at 100% of the principal amount thereof plus accrued interest. The Remarketing Agent will set the interest rate on the Notes under those circumstances and pursuant to the terms and conditions set forth in Sections 3(c) and (d) of the Ordinance.

(f) The Remarketing Agent will not have any obligation, responsibility or liability of any kind to the Noteholders, the City, the Bank or to any other person with respect to any determination that the Notes of any Series will or will not bear interest at the current or any other Short Term or Fixed Rate, including but not limited to any omission by the Remarketing Agent to consider any facts or circumstances or any resources or inputs, it being the intent of this Agreement that the Remarketing Agent may, in its unrestricted judgment, choose to consider no resources or inputs other than its own expertise.

Section 3. Paying Agent.

As a condition of the obligation of the Remarketing Agent to act pursuant to this Remarketing Agreement, a Paying Agent appointed by the City pursuant to the Ordinance shall at all times be in place, and the City shall pay or reimburse the Paying Agent for its reasonable fees, charges and expenses (including counsel fees) rendered or incurred in such

capacity pursuant to the Ordinance, the Reimbursement Agreement and this Remarketing Agreement.

Section 4. Remarketing Fees.

(a) The City shall pay the Remarketing Agent as compensation for its services hereunder a fee of one-eighth of one percent (1/8%) of the principal amount of each Note remarketed by the Remarketing Agent subject to a maximum in each calendar year of one-eighth of one percent (1/8%) of the average principal amount of the Notes outstanding during any calendar year (the "Maximum Annual Compensation"), or to pay such other amounts as may be agreed upon from time to time by the City and the Remarketing Agent. Payments of all amounts due to the Remarketing Agent shall be made quarterly in arrears on each February 1, May 1, August 1 and November 1, commencing May 1, 1986. The period from the date of the initial delivery of the Notes to May 1, 1986 shall be considered the first quarterly period for purposes of this Section 4(a).

(b) When Notes are remarketed in connection with the change in the Interest Rate Determination Method to a Fixed Rate, the City and the Remarketing Agent will agree on a fee. The City will pay all expenses of delivering remarketed Notes and reimburse the Remarketing Agent for all direct, out-of-pocket expenses incurred by it as Remarketing Agent, including reasonable counsel fees and disbursements.

(c) The Remarketing Agent will not be entitled to compensation for any period after this Remarketing Agreement shall be terminated, except for a pro rata portion of the fee in respect of the quarter in which such termination occurs and amounts, if any, due from prior quarters. In the event the Remarketing Agent resigns during any calendar year for which it has received compensation for its services, the Remarketing Agent shall refund to the City "Excess Compensation", if any. "Excess Compensation" shall mean that positive amount, if any, determined by multiplying the Maximum Annual Compensation, assuming that no purchases for cancellation will be made by the City subsequent to the effective date of such resignation, by the percentage of the calendar year elapsed as of the date of the resignation of the Remarketing Agent and subtracting the resulting product from the amount of compensation actually received by the Remarketing Agent for such calendar year. Such refund shall be made to the City within fourteen (14) days after the effective date of such resignation.

(d) The City shall make all such payments directly to the Remarketing Agent upon presentation by the Remarketing Agent of quarterly statements of charges incurred. Any overpayments made by virtue of the recalculation of principal amount of Notes outstanding shall be refunded to the City within two weeks after such recalculation.

Section 5. Removal or Resignation of the Remarketing Agent.

The Remarketing Agent may be removed at any time by the City by giving at least thirty (30) Business Days' notice to the Remarketing Agent, the Trustee and the Paying Agent. The Remarketing Agent may at any time resign and be discharged of the duties and obligations created by this Remarketing Agreement by giving at least thirty (30) Business Days' notice to the City, the Trustee and the Paying Agent.

Section 6. Tender for Purchase of Notes; Remarketing; Purchase.

(a) During a period when the Notes bear interest at a Daily Rate, any owner of a Note may tender such Note on any Business day by giving written or telephonic notice to the Remarketing Agent and the Paying Agent by 10:30 A.M. on that day, and, if the owner holds the Note, delivering such Note to the Remarketing Agent by 12:00 noon on the same day.

(b) During a period when the Notes bear interest at a Weekly Rate, any owner of a Note may tender such Note on any Business Day by giving written or telephone notice to the Remarketing Agent and the Paying Agent not later than the seventh day preceding the date specified for the purchase of such Note in the notice and, if the owner holds the Note, delivery of such Note to the Paying Agent by 10:00 A.M. on the date specified for the purchase in the notice.

(c) If an owner holds the Note that the owner wishes to tender, each delivery of Notes must be accompanied by an instrument of transfer satisfactory to the Paying Agent and the Remarketing Agent executed in blank by the owner of the Note with the owner's signature guaranteed by a bank, trust company or New York Stock Exchange member.

(d) The Paying Agent, upon receipt of each notice of tender described in Section 3(i) of the Ordinance will on the same Business Day confirm the substance of such notice by telephone with such persons as the Remarketing Agent may hereinafter designate in writing to the Paying Agent.

(e) Upon the receipt by the Remarketing Agent of the notice of tender described in Section 3(i) of the Ordinance and of the confirming communication by the Paying Agent or notice of purchase in lieu of redemption described in Section 11(c) of the Ordinance, the Remarketing Agent shall use its best efforts to offer for sale and to sell such Notes at a price equal to 100% of the principal amount thereof plus accrued interest, if any.

Section 7. Remarketing of Notes Held under the Custody Agreement.

In the event any Notes shall be held by the Paying Agent in the Custody Account, the Remarketing Agent shall use its best efforts to offer for sale and to sell such Notes at a price equal to the principal amount thereof plus accrued interest, if any, to the date of remarketing; provided, that the Remarketing Agent shall not remarket such Notes unless the Paying Agent shall have received an opinion of Bond Counsel stating that such remarketing will not adversely affect the exemption of interest on such Notes from Federal income taxation. If the Remarketing Agent shall successfully offer for sale and sell any such Notes, the Remarketing Agent shall purchase such Notes in accordance with Section 8 below.

Section 8. Purchase by the Remarketing Agent of Notes to be Remarketed.

(a) By 11:30 A.M. on any Business Day when Notes are tendered as described in Section 6(a) above or on any Business Day when the Remarketing Agent shall remarket any Notes to be purchased in lieu of redemption or held in the Custody Account, the Remarketing Agent shall give telephonic notice to the Paying Agent of its intent to

remarket such Notes specifying (i) the aggregate principal amount of Notes for which the Remarketing Agent has found purchasers, (ii) the names, addresses, taxpayer identification numbers and denominations respecting which the remarketed Notes are to be issued and registered, and (iii) the method by which interest on such Notes is to be paid by the Paying Agent to the Noteholder on the Interest Payment Date as is provided in the Ordinance. The Paying Agent will prepare or cause to be prepared the Notes on the same Business Day.

(b) Not later than 2:00 P.M. on the same Business day, the Remarketing Agent shall pick-up the Notes from the Paying Agent, and shall pay therefor a purchase price equal to the principal amount thereof plus accrued interest, if any, by giving payment instructions to debit an account maintained by the Remarketing Agent with the Paying Agent, or making payment by such other method in immediately available funds as shall be mutually agreeable to the Remarketing Agent and the Paying Agent.

Section 9. Delivery of Notes. The Remarketing Agent's determination that all conditions necessary for the transfer of any Note delivered to the Paying Agent upon tender by a Noteholder have been complied with shall be a condition precedent to any transfer of such Note pursuant to this Remarketing Agreement.

Section 10. Dealing in Notes by Remarketing Agent. The Remarketing Agent, in its individual capacity, either as principal or agent, may in good faith buy, sell, own, hold and deal in any of the Notes, and may join in any action which any Noteholder may be entitled to take with like effect as if it did not act in any capacity hereunder. The Remarketing Agent, in its individual capacity, either as principal or agent, may also engage in or be interested in any financial or other transaction with the City and may act as depository, trustee, or agent for any committee or body of Noteholders or other obligations of the City as freely as if it did not act in any capacity hereunder.

Section 11. Intention of Parties. It is the express intention of the parties hereto that no purchase, sale or transfer of any Notes, as herein provided, shall constitute or be construed to be the extinguishment of any Notes or the indebtedness represented thereby or the reissuance of any Notes or the refunding of any indebtedness represented thereby.

Section 12. Representations by City. As the basis for the undertakings on its part herein contained, the City represents that it is a home rule municipality duly organized and existing under the laws of the State of Illinois; it is fully empowered to enter into this Remarketing Agreement pursuant to its home rule powers and pursuant to necessary action taken by its corporate authorities; and the execution and delivery by it of this Remarketing Agreement and the performance of the agreements herein contained do not and will not contravene or constitute a default under any agreement, indenture, mortgage, loan agreement, commitment, or other existing requirements of law or any other agreement of any kind to which it is a party or by which it is or may be bound.

Section 13. Governing Law. This Remarketing Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 14. Notices. Unless otherwise provided herein, all notices, certificates, requests or other communications hereunder shall be sufficiently given and shall be deemed

delivered or given when delivered by hand or sent by telegram or tested telex or mailed by registered mail, postage prepaid, addressed as follows:

If to the City:

Comptroller's Office
City Hall, Room 501
121 North LaSalle Street
Chicago, Illinois 60602
Attention: City Comptroller

If to Paying Agent:

If to the Remarketing Agent:

Each of the recipients of notices under this Agreement listed above may, by written notice given hereunder to the others, designate any further or different addresses to which subsequent notices, certificates, requests, or other communications shall be sent. In addition, the parties hereto may agree to any other means by which subsequent notices, certificates, requests or other communications may be sent.

Section 15. Term of Remarketing Agreement. Unless otherwise terminated in accordance with the provisions hereof, this Remarketing Agreement shall remain in full force and effect from the date hereof until the payment in full of the Notes.

In Witness Whereof, the parties hereto have caused this Remarketing Agreement to be duly executed as of the day and year first above written.

[Signature forms omitted for printing purposes.]

Exhibit D.

REIMBURSEMENT AGREEMENT

BETWEEN

THE CITY OF CHICAGO

AND

Dated as of January 1, 1986

Reimbursement Agreement, dated as of January 1, 1986, between the City of Chicago (the "City") and (the "Bank").

Whereas, the City intends to issue and sell \$_____ aggregate principal amount of its General Obligation Daily Adjustable Tax Exempt Securities, Series 1986 A, B, and C (the "Notes") issued pursuant to an ordinance adopted by the City Council of the City on January ____, 1986; and

Whereas, in order to secure payment when due of the principal of and interest on each of the Notes, the City has requested the Bank to agree to issue an unconditional irrevocable transferable letter of credit in the form of Exhibit A hereto (the "Letter of Credit") in the amount of \$_____ of which \$_____ may be drawn in respect of the principal of the Notes and \$_____ may be drawn in respect of interest thereon;

Now, Therefore, in consideration of the premises and in order to induce the Bank to issue the Letter of Credit, the City and the Bank hereby agree as follows.

Article I.

Definitions.

Section 1.01 Definitions. Terms defined above shall have the meanings set forth above and the following terms shall have the following meanings:

"Advance" shall have the meaning set forth in Section 3.01.

"Agreement" shall mean this Reimbursement Agreement, as the same may be from time to time amended, supplemented or modified.

"Business Day" shall mean any day on which (i) banks located in the city, or each of the cities, as the case may be, in which the Principal Offices (as defined in the Ordinance) of the Trustee, Paying Agent and the Bank are located are not required or authorized to remain closed and (ii) The New York Stock Exchange, Inc. is not closed.

"Custody Agreement" shall mean the agreement dated as of January 1, 1986 between the Bank and _____ and any successor agreement thereto.

"Custody Account" shall have the meaning set forth in the Custody Agreement.

"Date Of Issuance" shall mean the date specified by the City as the date of issuance of the Letter of Credit.

"Debt" shall mean at any date, without duplication, (i) all general obligations for borrowed money and (ii) all general obligations evidenced by bonds, debentures, notes or other similar instruments. Such Debt of the City shall include Debt of others guaranteed by the City.

"Dollar-Day" means any day on which Advances bearing interest at the Initial Rate are outstanding hereunder. The "value" of a Dollar-Day shall be equal to the aggregate principal amount of all Advances bearing interest at the Initial Rate on each such day.

"Event of Default" shall have the meaning set forth in Section 9.01.

"Initial Rate" shall have the meaning set forth in Section 3.02.

"Initial Rate Availability Expiration Date" shall mean the date on which the aggregate value of Dollar-Days elapsed reaches _____.

"Interest Payment Date" shall have the meaning set forth in the Ordinance.

"Letter of Credit Amount" shall mean the maximum amount available to be drawn under the Letter of Credit and shall initially be \$ _____.

"Letter of Credit Note" shall have the meaning set forth in Section 3.01.

"Note Fund" shall have the meaning set forth in the Ordinance.

"Ordinance" shall mean the ordinance adopted by the City Council of the City on January ____, 1986 authorizing the issuance of the Notes and the Letter of Credit Note.

"Official Statement" shall mean the official statement document with respect to the Notes.

"Paying Agent" shall mean any other or successor paying agent appointed in accordance with the Ordinance.

"Permitted Investments" shall mean any of the following obligations or securities:

(i) direct obligations of the United States of America and agencies thereof, or

(ii) obligations fully guaranteed by the United States of America, or

(iii) certificates of deposit issued by, or bankers' acceptances of, or time deposits with, any bank, trust company or national banking association incorporated or doing business under the laws of the United States of America or one of the states thereof having combined capital and surplus and retained earnings of at least \$300,000,000 (including the Trustee if such conditions are met), or

(iv) commercial paper of companies incorporated or doing business under the laws of the United States of America or one of the states thereof and in each case having a rating assigned to such commercial paper by Standard & Poor's Corporation or Moody's Investor Service, Inc. (or, if neither such organization shall rate such commercial paper at any time, by any nationally recognized rating organization in the United States of America) equal to the highest rating assigned by such organization, or

(v) repurchase agreements with any financial institution having combined capital and surplus and retained earnings of at least \$300,000,000 with any of the obligations of the type described in clauses (i) through (iv) above as acceptable collateral, provided that the term of any such repurchase agreement shall not exceed 90 days.

"Person" shall mean an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a state, a government or political subdivision or an agency or instrumentality thereof.

"Preliminary Official Statement" shall mean the preliminary version of the Official Statement authorized to be distributed pursuant to the Ordinance.

"Prime Rate" for any day shall mean the rate of interest for such day publicly announced by _____ from time to time as its prime rate.

"Purchase Contract" shall mean the Contract of Purchase between the City and _____ as senior manager of the Underwriters named therein (including the other managers and itself) relating to the sale of the Notes.

"Remarketing Agent" shall mean the Remarketing Agent designated by the City with respect to the Notes.

"Series A Letter of Credit Amount" shall mean the maximum amount available to be drawn under the Letter of Credit with respect to Series A Notes and shall initially be \$_____.

"Series B Letter of Credit Amount" shall mean the maximum amount available to be drawn under the Letter of Credit with respect to Series B Notes and shall initially be \$_____.

"Series C Letter of Credit Amount" shall mean the maximum amount available to be drawn under the Letter of Credit with respect to Series C Notes and shall initially be \$_____.

"Series A Notes" shall mean the City's General Obligation Daily Adjustable Tax Exemption Securities, Series 1985 A.

"Series B Notes" shall mean the City's General Obligation Daily Adjustable Tax Exemption Securities, Series 1985 B.

"Series C Notes" shall mean the City's General Obligation Daily Adjustable Tax Exemption Securities, Series 1985 C.

"State" shall mean the State of Illinois.

"Tender Advance" shall have the meaning set forth in Section 3.03.

"Tender Draft" shall have the meaning set forth in the Letter of Credit.

"Termination Date" shall have the meaning set forth in Section 2.02.

"Trustee" shall mean _____, as Trustee under the Ordinance and its successors, and any other bank or trust company at any time substituted in its place pursuant thereto.

Article II.

Issuance of Letter of Credit.

Section 2.01 The Letter of Credit. The Bank agrees, subject to the terms and conditions set forth herein and upon notice from the City to the Bank, to issue on or after January 15, 1986 the Letter of Credit in the aggregate amount of \$_____, of which \$_____ may be drawn in respect of the principal of the Notes and \$_____ may be drawn in respect of interest thereon as set forth in the Letter of Credit, to the Paying Agent for the account of the holders of the Notes. The Letter of Credit shall be in the form of Exhibit A hereto.

Section 2.02 The Termination of Letter of Credit. The Letter of Credit shall terminate on the earliest of (i) November 30, 199__, (ii) the date on which the Paying Agent delivers to the Bank written notice that all of the Notes have been redeemed in accordance with Section 3 of the Ordinance or purchased for cancellation in accordance with Sections 3 and 10 of the Ordinance and (iii) the date on which the Paying Agent shall have accepted an Alternate Letter of Credit (as defined in the Ordinance), in accordance with Section 16 of the Ordinance, in substitution for the Letter of Credit. The earliest of such dates is referred to herein as the "Termination Date".

Article III.

Letter of Credit Note.

Section 3.01 Letter of Credit Note. Each amount paid upon a drawing under the Letter of Credit shall be reimbursed on the day paid, provided that any such amount not reimbursed on the day so paid shall constitute an advance (individually, an "Advance" and collectively, "Advances") to the City on the date so paid by the Bank which the City shall be obligated to repay as provided herein. Advances shall be evidenced by a full faith and credit general obligation Letter of Credit Note in the form of Exhibit B hereto, to be delivered to the Bank on the Date of Issuance. Such Letter of Credit Note shall be dated the Date of Issuance. The Bank shall, and is hereby authorized by the City to, endorse on the schedule forming a part of the Letter of Credit Note appropriate notations evidencing the date,

amount and maturity of each Advance evidenced by such Letter of Credit Note and the date and amount of each payment of principal thereof.

Section 3.02 Interest on the Advances. Each Advance shall bear interest on the unpaid principal amount thereof at the following rates:

(a) Subject to the provisions of paragraphs (c), (d), (e) and (f) of this Section, for each of the first thirty days that an Advance is outstanding, at a rate per annum equal to the sum of the Overnight Effective Federal Funds Rate for such day as quoted in the "Composite Closing Quotations for U. S. Government Securities" published by the Federal Reserve Bank of New York plus 1/2 of 1% (the "Initial Rate").

(b) Thereafter until due and payable, at a rate per annum equal to the Prime Rate from time to time in effect.

(c) No Advance shall bear interest at the Initial Rate after the Initial Rate Availability Expiration Date. The Bank shall inform the City in writing of the date that is the Initial Rate Availability Expiration Date and thereafter all Advances shall bear interest at a rate per annum equal to the Prime Rate from time to time in effect.

(d) No Advance shall bear interest at the Initial Rate after the maturity date of the Notes to which such Advance relates. After such date each such Advance shall bear interest at a rate per annum equal to the Prime Rate from time to time in effect.

(e) Upon the redemption of Notes pursuant to subclause (h)(ii) of Section 3 of the Ordinance, each Advance shall bear interest at a rate per annum equal to the sum of the Prime Rate from time to time in effect plus 2%.

(f) Any Advance, together with accrued interest thereon, or any portion thereof, not paid on the applicable due date set forth in Section 3.03 shall bear interest payable on demand at a rate per annum equal to the sum of the Prime Rate from time to time in effect plus 2% per annum.

Interest payable pursuant to paragraphs (a), (b), (c), (d) and (e) above shall be payable in arrears on the first day of each calendar month, and upon prepayment or maturity of the relevant Advance. Each Advance shall bear interest from and including the date of payment upon the drawing under the Letter of Credit giving rise to such Advance until but not including the date on which it is repaid in full. Interest shall be computed on the basis of a year of 365 days (366 days in a leap year) and paid for the actual number of days elapsed (including the first day but excluding the last day).

Section 3.03 Repayment of Advances. The principal amount of Advances evidenced by the Letter of Credit Note shall become due and payable and shall be repaid as provided below:

(a) Each Advance that arises from payment of a draw under the Letter of Credit to pay principal of or interest on Notes tendered to the Paying Agent and purchased in accordance with sub-clause (i) of Section 3 of the Ordinance (a "Tender Advance") shall be repaid in full, together with accrued interest thereon, on the date that is the earliest

of (i) the date on which such Notes are remarketed, (ii) the date on which such Notes are purchased for cancellation pursuant to sub-clause (i) of Section 3 of the Ordinance, or (iii) the date on which Advances relating to such Notes mature pursuant to paragraphs (b), (c), and (d) of this Section.

(b) Except as provided in paragraphs (d) and (e) of this Section, each Advance that arises from payment of a draw under the Letter of Credit to pay interest on Series A Notes or Series B Notes on an Interest Payment Date or principal of or interest on Series A Notes or Series B Notes upon optional redemption or at maturity shall be repaid in full, together with accrued interest thereon, on December 31, 1987.

(c) Except as provided in paragraphs (d) and (e) of this Section, (i) each Advance that arises from payment of a draw under the Letter of Credit to pay principal of or interest on Series C Notes at maturity shall be repaid in full, together with interest thereon on December 31, 199__) and (ii) each Advance that arises from payment of a draw under the Letter of Credit to pay interest on Series C Notes on an Interest Payment Date or Principal of or interest on Series C Notes upon optional redemption shall be repaid in full, together with accrued interest thereon, in equal installments on December 31 of the year in which each such payment is made and December 31 of each year thereafter up to and including December 31, 1990.

(d) If any event or condition shall which results in the acceleration of the maturity of any Debt of the City, then each Advance outstanding on the date of such acceleration shall be repaid in full, together with interest thereon, on written demand to the City from the Bank.

(e) If subsequent to the Issue Date the City issues any Debt which enables the holder of such Debt or any Person acting on such holder's behalf to accelerate such Debt upon the occurrence of an event of default under such Debt, then each Advance that arises from payment of a draw under the Letter of Credit to pay principal of and interest on Notes upon the redemption of Notes pursuant to sub-clause (h) (ii) of Section 3 of the Ordinance and each Advance arising out of prior draws under the Letter of Credit outstanding on the date of such redemption shall be repaid in full, together with interest thereon, on written demand to the City from the Bank.

(f) All payments made, or caused to be made, by the City to the Bank hereunder shall be made in lawful currency of the United States and in immediately available funds at the account of the Bank in New York specified in the Letter of Credit Note. Payment in accordance with the foregoing to the Bank shall discharge the obligation of the City to make such payment.

(g) Whenever any payment by the City under any provision of this Agreement shall be due on a day which is not a Business Day, the date for payment thereof shall be extended to the next succeeding Business Day, together with interest thereon for such extended time at the applicable rate in effect.

(h) Upon making any payment or causing any payment to be made to the Bank as required or permitted by Article III hereof, the City shall (i) inform the Bank whether

such payment is in reimbursement of a draw under the Letter of Credit on the day of such payment or in payment of an Advance and (ii) if the amount of such payment is less than the amount required to reimburse the Bank in full for such draw or to pay outstanding Advances in full, as the case may be, the City shall designate the Series of Notes in respect of which such reimbursement is being made or the Advances being paid, as the case may be. If the City does not comply with the requirements of the previous sentence, the Bank may, in its discretion, apply such amount to the reimbursement of such draw relating to any one or more Series of Notes or the payment of any outstanding Advances, provided that if the Bank is informed by the City that such amount is being paid from a specific account in the Note Fund, such amount shall be applied only to reimbursement of a draw or payment of Advances to be paid from such account pursuant to the ordinance. The preceding two sentences shall not be applicable to any payment of proceeds of the resale of Notes tendered pursuant to subsection (i) of Section 3 of the Ordinance, which shall be applied as set forth in Section 3.04(b) of this Agreement;

Section 3.04 Prepayment of Advances. (a) The City may at any time and from time to time prepay or cause to be prepaid any Advance in whole or in part, and, if in part in amounts aggregating not less than \$100,000 and any integral multiple thereof, without penalty or premium, together with interest accrued thereon to the date of prepayment. It is understood that (i) the Letter of Credit provides that if the Paying Agent receives notice from the Bank not earlier than 5 calendar days and not later than 10 calendar days from the date of a drawing under the Letter of Credit by an Interest Draft (as defined in the Letter of Credit) that an Advance arising from such drawing has not been prepaid in full, the right to draw on the Letter of Credit by an Interest Draft shall not be reinstated and (ii) the Ordinance provides that if the right to draw on the Letter of Credit by an Interest Draft is not reinstated, the Paying Agent shall call the Notes for redemption.

(b) Simultaneously with the resale of any Notes held by the Paying Agent in the Custody Account on behalf of the Bank the City shall cause the proceeds of such resale to be paid to the Bank to the extent of any outstanding Tender Advances, together with accrued interest thereon, relating to such Notes. Such proceeds shall be applied by the Bank in full in repayment of such outstanding Tender Advances and the City shall, on the day of such resale, pay to the Bank any additional amounts required to pay such outstanding Tender Advances in full.

Any interest paid to the Bank in respect of Notes held by the Paying Agent in the Custody Account on behalf of the Bank shall be applied by the Bank first in reduction of interest to be paid on Tender Advances relating to such Notes and then in reduction of the principal of such Advances. Any excess after such applications shall be paid to the City.

(c) The City covenants and agrees that on December 31, 198__ it shall prepay or cause to be prepaid any Advance, together with accrued interest thereon, arising from payment of a draw under the Letter of Credit to pay principal of or interest on Series A Notes prior to the maturity of such Notes, to the extent the City has legally available funds to make such prepayment on such date.

(d) Advances, together with accrued interest thereon, relating to any Series of Notes shall be prepaid to the extent the Trustee, pursuant to Section 15 of the ordinance and on demand of the Bank, pays to the Bank moneys deposited in the respective accounts within the Note Fund.

Article IV.

Other Payments.

Section 4.01 Other Payments. (a) The City agrees to pay to the Bank fees with respect to the Letter of Credit until the termination of the Letter of Credit in the following amounts:

(i) 0.25% per annum of the Series A Letter of Credit Amount in effect on the date such payment is required to be made;

(ii) 0.325% per annum of the Series B Letter of Credit Amount in effect on the date such payment is required to be made; and

(iii) 0.4% per annum of the Series C Letter of Credit Amount in effect on the date such payment is required to be made.

Fees to be paid pursuant to this paragraph (a) shall be paid semi-annually in advance, commencing on the Date of Issuance (for the period from the Date of Issuance through June 30, 198__) and thereafter on July 1 and January 1 of each year. The Bank agrees that the City shall have no obligation to pay fees pursuant to this paragraph (a) during the continuance of a failure by the Bank to make payment upon a valid draw under the Letter of Credit.

(b) If any change in the law or regulation of the United States or any state thereof or in the interpretation thereof by any court or administrative or governmental authority charged with the administration thereof shall either (i) impose, modify or deem applicable any reserve, special deposit or similar requirement against letters of credit issued by the Bank or (ii) impose on the Bank any other condition regarding the Letter of Credit, and the result of any event referred to in clause (i) or (ii) above shall be to increase the cost to the Bank of issuing or maintaining the Letter of Credit (which increase in cost shall be the result of the Bank's reasonable allocation of the aggregate of such cost increases resulting from such events), then upon thirty days' notice from the Bank, the City shall on the Interest Payment Date next succeeding the end of such notice period pay to the Bank all additional amounts which are necessary to compensate the Bank for such increased cost incurred by the Bank. The Notice referred to in the previous sentence shall state the nature of the event giving rise to such notice and shall include a certificate, itemized in detail, as to the increased costs incurred by the Bank as a result of such event, which certificate shall be conclusive (absent manifest error) as to the amount of such increased costs. The City will also pay to the bank, on notice by the Bank on behalf of any participating bank referred to in Section 10.04 of this Agreement and in accordance with the above procedure, any additional amounts which are necessary to compensate such participating bank for increased costs described in clause (i) or clause (ii) above incurred by such participating bank. The Bank shall not demand payment more frequently than once in any sixty day period. All payments of increased costs shall bear interest thereon if not

paid within two Business Days after the Interest Payment Date when due until payment in full at a rate of interest per annum equal to 2% plus the Prime Rate in effect from time to time. The Bank will use good faith and reasonable efforts to minimize the amount of such increased costs. The Bank agrees that if it becomes entitled to invoke the provisions of this Section, it will, if requested by the City, use good faith and reasonable efforts to designate another agency or branch of the Bank in the United States at which to book its obligations under the Letter of Credit, with the object of avoiding such increase in costs provided that such designation can be made on such terms that the Bank and such other agency or branch suffer no economic, legal or regulatory disadvantage.

Article V.

Conditions.

Section 5.01 Conditions Precedent to Issuance of Letter of Credit. (a) The Bank will issue the Letter of Credit upon the request of the City in accordance with Section 2.01 and subject to fulfillment of the conditions set forth in subsections (b), (c), (d) and (e) below.

(b) The Bank shall have received on or before the Date of Issuance the following, each dated on or as of such date, in form and substance satisfactory to the Bank:

(i) Evidence satisfactory to counsel for the Bank of the adoption by the City Council of the Ordinance;

(ii) opinions of the Corporation Counsel of the City, and Chapman and Cutler and Richard H. Newhouse, Esq., Bond Counsel, in the forms attached as Exhibits C1 and C2 hereto;

(iii) an opinion of Davis Polk & Wardwell, special United States counsel for the Bank, in the form attached as Exhibit D1 hereto;

(iv) an opinion of Braun Moriya Hoashi and Kubota, special Japanese counsel for the Bank, in the form attached as Exhibit D2 hereto;

(v) an executed copy (or duplicates thereof) of the Purchase Contract;

(vi) a certificate of the City Clerk of the City, certifying the name and true signature of the officer of the City authorized to execute this Agreement and the Letter of Credit Note;

(vii) the amounts specified to be paid on the Issuance Date pursuant to Section 4.01(a); and

(viii) such other documents, instruments, approvals or opinions as the Bank may reasonably request.

(c) The representations and warranties contained in Section 7.01 hereof shall be correct on and as of the Date of Issuance as though made on and as of such date and no Event of Default and no condition or event which, with the giving of notice or lapse of

time or both, would become such an Event of Default shall have occurred and be continuing on the Date of Issuance and the Bank shall have received a certificate signed by the Comptroller of the City, dated the Date of Issuance, to that effect.

(d) On or before the Date of Issuance:

(i) all conditions precedent to the issuance of the Notes shall have occurred:

(ii) the City shall have duly executed, issued and sold the Notes to the Underwriters as contemplated by the Purchase Contract and the City shall have duly executed, issued and delivered the Letter of Credit Note to the Bank; and

(iii) the Bank and _____ shall have entered into the Custody Agreement.

Article VI.

Obligations Absolute.

Section 6.01 Obligations Absolute. The obligations of the City to make payments under this Agreement and the Letter of Credit Note shall be unconditional and irrevocable, and shall be performed in accordance with the terms of this Agreement, under all circumstances, including without limitation the following circumstances:

(a) any lack of validity or enforceability of the Letter of Credit or the Letter of Credit Note;

(b) any amendment or waiver of or any consent to departure from the Ordinance;

(c) the existence of any claim, set-off, defense or other rights which the City may have at any time against the Paying Agent, any beneficiary or any transferee of the Letter of Credit (or any Persons for whom the Paying Agent, any such beneficiary or any such transferee may be acting), the Bank or any other Person, whether in connection with this Agreement, any related documents or any unrelated transactions, provided that nothing herein shall prevent the assertion of any such claim by separate suit or compulsory counterclaim;

(d) any statement or any other document presented under the Letter of Credit proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate;

(e) payment under the Letter of Credit by the Bank to the Service Fund (as defined in the Ordinance) against presentation of a draft or certificate which does not comply with the terms of the Letter of Credit; or

(f) any other circumstance or happening whatsoever, whether or not similar to the foregoing.

Article VII.

Representations and Warranties.

Section 7.01 Representations and Warranties of the City. The City hereby represents and warrants to the Bank that:

(a) The City has full legal right, power and authority (i) to enter into this Agreement, and (ii) to execute and deliver the Letter of Credit Note as provided herein and in the Ordinance; and the City has duly authorized and approved the execution and delivery of the Letter of Credit Note and this Agreement and the performance by the City of its obligations thereunder and hereunder;

(b) No further authorization or approval is required for the execution and delivery of this Agreement or the Letter of Credit Note by the City and this Agreement and the Letter of Credit Note constitute legal, valid and binding obligations of the City, enforceable in accordance with their respective terms; and no further authorization or approval is required for the performance by the City of its obligations hereunder or thereunder;

(c) The City, acting through the Mayor and the Comptroller, has duly authorized and approved the Preliminary Official Statement and has duly authorized, approved and executed the Official Statement;

(d) The Ordinance has been duly adopted for the City by the City Council, is in full force and effect and is a contract with the holders of the Notes and with the Bank and is a legal, valid and binding obligation of the City, enforceable by the Bank in accordance with its terms;

(e) The Letter of Credit Note when issued and delivered by the City to the Bank pursuant to this Agreement will, to the extent of any Advances evidenced thereby, constitute a general obligation of the City to which the full faith and credit of the City is pledged and for the payment of principal of and interest on which taxes will be levied and proceeds of taxes levied will be applied as provided in the Ordinance;

(f) Upon reliance on the opinion of Bond Counsel, payments of interest on the Letter of Credit Note are exempt from federal income taxation;

(g) No consent or approval of, or registration or declaration with, any Federal, State or other governmental commission, board, regulatory body or instrumentality, other than under state blue sky or securities laws and other than the approval of the City Council (which approval has been obtained), is or was required in connection with any of the actions of the City described in subparagraph (a), (b), (c), (d) or (e) of this Section 7.01, nor is any election or referendum of voters required in connection therewith;

(h) All legislation (except for the tax levy ordinance provided for in Section 21 of the Ordinance) necessary to fulfill the terms and conditions of, and to carry out the transactions contemplated by the Ordinance, this Agreement, the Letter of Credit Note and the Purchase Contract is in full force and effect;

(i) The execution and delivery of this Agreement and the Letter of Credit Note by the City, and the carrying out of the transactions contemplated by the Ordinance, this Agreement, the Purchase Contract and the Letter of Credit Note do not and will not conflict with or constitute on the part of the City a breach of, or a default under, any existing law (including, without limitation, the Constitution of the State), any court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the City is subject or by which it is bound;

(j) The Preliminary Official Statement, as of the date thereof, did not contain any untrue statement of a material fact or omit to state any material fact necessary to make the Preliminary Official Statement, or the statements and information therein contained, in light of the circumstances under which they were made, not misleading, provided that the foregoing shall not apply to any information provided by the Bank to the City for inclusion therein and appearing in Appendix B thereof;

(k) The Official Statement does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the Official Statement, or the statements and information therein contained, in light of the circumstances under which they were made, not misleading, provided that the foregoing shall not apply to any information provided by the Bank to the City for inclusion therein and appearing in Appendix B thereof;

(l) Except as disclosed, prior to the execution of this Agreement, in the Preliminary Official Statement, the Official Statement or in writing to the Bank, no litigation is pending (or to the knowledge of the City threatened) against the City in any court (i) to restrain or enjoin the delivery by the City of the Notes or the Letter of Credit Note, or (ii) in any manner questioning the authority of the City to issue, or the issuance or validity of, the Letter of Credit Note, the Notes or any other Debt of the City or (iii) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the issuance of the Notes or the Letter of Credit Note, or (iv) questioning any of the legislation referred to in Section 7.01(h), or (v) questioning the validity or enforceability of the Ordinance or (vi) questioning in any manner the levy, collection or deposit or proposed levy, collection or deposit of any material portion of the revenues of the City pledged to the repayment of the Letter of Credit Note, or (vii) contesting in any way the completeness, accuracy or fairness of the Preliminary Official Statement or the Official Statement or (viii) which might in any material respect adversely affect the transactions contemplated herein and in the Official Statement, and the entitlement of any members of the City Council and of any officers of the City executing this Agreement, the Letter of Credit Note or any document delivered hereunder to their respective positions are not being contested;

(m) The representations and warranties of the City set forth in the Purchase Contract are true and correct;

(n) The proceeds of taxes of the City pledged pursuant to Section 22 of the Ordinance, the taxes levied pursuant to Section 23 of the Ordinance and the taxes to be levied pursuant to Section 21 of the Ordinance for payment of the Notes and the Letter of Credit Note have not been, and will not be, pledged by the City to the payment of any

other obligation, and upon payment to the Trustee for deposit in the Note Fund, will not be subject to any prior claim or prior lien:

(o) Any debt evidenced by the Letter of Credit Note will rank at least equally in right of payment by the City with all other full faith and credit general obligations of the City not secured by a pledge of specific revenues of the City;

(p) The City's 1986 Cash Flow Projection, copies of which have been furnished to the Bank, are based on data and assumptions which, to the best knowledge of the City, are accurate and complete in all material respects and have been prepared in accordance with the City's customary financial practices applied on a consistent basis:

(q) Subsequent to the respective dates as of which information is given in the Official Statement there has not been any material adverse change in the financial position, or prospects or projections, results of operations or condition, financial or otherwise, of the City, except as described in the Official Statement or the City's 1986 Cash Flow Projection referred to in paragraph p above:

(r) There is no amendment, or proposed amendment certified for placement on a statewide ballot, to the Constitution of the State or any published administrative interpretation of the Constitution of the State or any State law, or any legislation which has passed either house of the State legislature, or any published judicial decision interpreting any of the foregoing, the effect of which is to materially adversely affect the Notes, the Letter of Credit Note or the Letter of Credit, or any holder or beneficiary thereof in his capacity as such; and

(s) The City is a "home rule unit" as that term is defined in Section 6 of Article VII of the 1970 Constitution of the State, the City having a population in excess of 25,000 and having not elected by referendum not to be such a home rule unit. Pursuant to the provisions of Section 6(a) of Article VII and subject to the limitations of that Article, the City may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt.

Section 7.02 Representations and Warranties of the Bank. The Bank represents and warrants as of the date hereof that:

(a) The execution, delivery and performance by the Bank of this Agreement and the Letter of Credit are within its corporate power, have been duly authorized by all necessary corporate action, and require no action by or in respect of, or filing with, any governmental body, agency or official (other than under any state blue sky or securities laws);

(b) This Agreement constitutes a valid and binding agreement of the Bank, and the Letter of Credit, when executed and delivered in accordance with this Agreement, will constitute a valid and binding obligation of the Bank, enforceable in accordance with their respective terms except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and the availability of equitable remedies may be limited by equitable principles of general applicability; and

(c) The financial statements of the Bank delivered to the City for inclusion in the Preliminary Official Statement and Official Statement present fairly the financial position of the Bank as of March 31, 198__ and the results of the Bank's operations for the year then ended in conformity with accounting principles generally accepted in Japan applied on a consistent basis.

Article VIII.

Covenants.

The City hereby agrees that:

Section 8.01 Information. The City will deliver to the Bank (i) in as many copies as it shall request, as soon as available, the following documents:

- (a) the annual financial statements of the City;
- (b) the City's annual budget and the City's annual appropriation ordinance;
- (c) the City's quarterly statements of receipts and disbursements; and
- (d) any disclosure documents distributed in connection with any public issue of Debt of the City;

and (ii) from time to time such additional information regarding the financial condition of the City as the Bank may reasonably request. Promptly upon becoming aware of the existence of an occurrence which would, with the lapse of time or giving of notice, or both, lead to an Event of Default the City shall give notice to the Bank of such occurrence, which notice shall state what action the City proposes to take in regard to such occurrence.

Section 8.02 Inspection of Records. Upon reasonable request of the Bank and during normal business hours, the City will give the Bank, or any attorney-in-fact or counsel therefor, access to and permission to examine, copy or make excerpts from, any and all books, records and documents under control of the Comptroller of the City relating to the financial condition of the City.

Section 8.03 Compliance with Law. The City will comply with and observe the obligations and requirements set forth in the Ordinance and in the Constitution of the State and in all statutes and regulations binding upon it relating to the Notes, the Letter of Credit Note or this Agreement.

Section 8.04 Payment of Proceeds of Taxes into Note Fund. The City will cause the City Treasurer to deposit into the appropriate accounts in the Note Fund the proceeds of taxes levied pursuant to Sections 21 and 23 of the Ordinance. A pro rata share, based on the proportion that the taxes levied pursuant to such Sections in each year bears to the total amount of taxes levied by the City in such year, of each installment of taxes received by the City shall be deposited into the appropriate accounts in the Note Fund.

The City shall cause the City Comptroller to direct the City Treasurer to deposit the proceeds of taxes pledged pursuant to Section 22 of the Ordinance into the appropriate account in the Note Fund as follows:

(i) a pro rata share, based on the proportion that \$ _____ bears to the total amount of taxes levied for the year 198__ for payment into the City's Corporate Fund, of each payment of proceeds of such taxes into such Fund;

(ii) a pro rata share, based on the proportion that \$ _____ bears to the total amount of taxes levied for the year 198__ for payment into the Chicago Public Library (Maintenance and Operation) Fund, of each payment of proceeds of such taxes into such Fund;

(iii) a pro rata share, based on the proportion that \$ _____ bears to the total amount of taxes levied for the year 198__ for payment into the City's Judgment Fund, of each payment of proceeds of such taxes into such Fund;

(iv) a pro rata share, based on the proportion that \$ _____ bears to the total amount of taxes levied for the year 198__ for payment into the City Relief (General Assistance) Fund, of each payment of proceeds of such taxes into such Fund; and

(v) a pro rata share, based on the proportion that \$ _____ bears to the total amount of taxes levied for the year 198__ for payment into the Chicago Public Library (Building and Sites) Fund, of each payment of proceeds of such taxes into such Fund.

Nothing contained in this Section 8.04 shall prevent the City from making payments into the appropriate accounts in the Note Fund sooner than required by this Section, nor shall the provisions hereof be construed as requiring or permitting the City to pay into the Note Fund greater or lesser amounts than the amounts required by the Ordinance.

Section 8.05 Permitted Investments. The City will cause the City Treasurer to direct the Trustee to invest moneys in the Note Fund only in Permitted Investments.

Section 8.06 Maximum Interest Rate on Notes. The rate of interest on the Notes established by the City pursuant to sub-clauses (d) and (i) of Section 3 of the Ordinance will at no time exceed ten percent per annum.

Article IX.

Events of Default.

Section 9.01 Events of Default. The occurrence and continuance of any one or more of the following events shall be an Event of Default:

(a) Payment of any amount of principal of or interest on the Letter of Credit Note shall not be made when the same shall become due and payable; or

(b) Any representation or warranty made by the City in this Agreement, or any statement or representation made by or on behalf of the City in any document delivered hereunder, shall prove to have been incorrect in any material respect when made; or

(c) The City shall default in the due and punctual performance of the undertakings contained in Sections 21, 22, and 23 of the Ordinance; or

(d) The City shall fail to pay when due any principal of or interest on Debt of the City in an aggregate principal amount in excess of \$1,000,000 or any event shall occur as a result of which any holder or holders (or a trustee on behalf of such holders) of any Debt of the City in an aggregate principal amount in excess of \$1,000,000, shall have the right to accelerate the maturity of such Debt; or

(e) The City shall default in the due and punctual performance of any other of the covenants, agreements and provisions contained in the Ordinance, this Agreement or in the Letter of Credit Note to be performed by the City and such default shall continue for thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the Bank; or

(f) The City shall become insolvent or admit in writing its inability to pay its debts as they mature or shall declare a moratorium on the payment of its debts or apply for, consent to or acquiesce in the appointment of a trustee or receiver for itself or any part of its property, or shall take any action to authorize or effect any of the foregoing; or in the absence of any such application, consent or acquiescence, a trustee or receiver shall be appointed for it or for a substantial part of its property or revenues and shall not be discharged within a period of thirty (30) days; or all, or any substantial part, of the property of the City shall be condemned, seized, or otherwise appropriated, or any bankruptcy, reorganization, debt arrangement or other proceeding under any bankruptcy or insolvency law or any dissolution or liquidation proceeding shall be instituted by or against the City (or any action shall be taken to authorize or effect the institution by it of any of the foregoing) and if instituted against it, shall be consented to or acquiesced in by it, or shall not be dismissed within a period of thirty (30) days; or

(g) The City shall default in the payment when due of any amount payable pursuant to Section 4.01(a) of this Agreement and such default shall continue for five (5) days after notice of such default shall have been given to the City by the Bank.

Upon the occurrence and continuance of any Event of Default the Bank may, by written notice to the City, the Paying Agent, the Remarketing Agent and the Trustee, direct the Paying Agent to call the Notes for redemption as provided in sub-clause (h)(ii) of Section 3 of the Ordinance.

Article X.

Miscellaneous.

Section 10.01 Amendments and Waivers. No amendment or waiver of any provision of this Agreement or the Letter of Credit Note nor consent to any departure by the City therefrom shall in any event be effective unless the same shall be in writing and signed by

the City and the Bank. Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

Section 10.02 Notice. All notices, requests and other communications to any Person hereunder shall be in writing (including bank wire, telegram, telecopier, telex or similar writing) and shall be given to such Person, addressed to it, at its address or telecopier or telex number set forth below or such other address or telecopier or telex number as such Person may hereafter specify for the purpose by notice to the City and the Bank. Each such notice, request or communication shall be effective (i) if given by telex or telecopy, when such telex or telecopy is transmitted to the telex or telecopy number specified below and the appropriate answerback is received, (ii) if given by mail five days after such communication is deposited in the mails with first class postage prepaid, addressed as aforesaid or (iii) if given by any other means, when delivered at the address specified below.

Person	Address
City of Chicago	Comptroller's Office City Hall, Room 501 121 North LaSalle Street Chicago, Illinois 60602 Attn: City Comptroller Telecopy: (312) 744-8401

Telex:

[Address]

as Paying Agent

Attn:

Telecopy:

[Trustee]

Attn:

Telex:

Section 10.03 No Waiver; Remedies. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

Section 10.04 Continuing Obligation. The obligations of the City under this Agreement shall continue until the later of (i) the Termination Date or (ii) the date upon which all amounts to be paid by the City hereunder shall have been paid in full, and shall (a) be binding upon the City and (b) inure to the benefit of and be enforceable by the Bank and its successors, transferees and assigns; provided, however, that the City may not assign all or any part of this Agreement without the prior written consent of the Bank. The Bank may grant participations to other banking institutions in portions of its obligations under the Letter of Credit and in the Advances evidenced by the Letter of Credit Note, provided that any instrument or agreement under which such participation is granted shall provide that such participating bank or banks agree to be bound by the last two sentences of Section 4.01(b).

Section 10.05 Transfer of Letter of Credit. The Letter of Credit may be transferred in accordance with the provisions set forth therein.

Section 10.06 Liability of the Bank. As against the Bank, the City assumes all risks of the acts or omissions of the Paying Agent and any transferee of the Letter of Credit with respect to its use of the Letter of Credit. Neither the Bank nor any of its officers or directors shall be liable or responsible for: (a) the use which may be made of the Letter of Credit or for any acts or omissions of the Paying Agent and any beneficiary or transferee in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any indorsement thereon, even if such documents should in fact prove to be in any or all respects invalid, insufficient, fraudulent or forged; (c) payment by the Bank to the Paying Agent or any transferee of the Letter of Credit against presentation of documents which do not comply with the terms of the Letter of Credit, including failure of any documents to bear any reference or adequate reference to the Letter of Credit; or (d) any other circumstances whatsoever in making payment under the Letter of Credit, except only that the City shall have a claim against the Bank, and the Bank shall be liable to the City, to the extent, but only to the extent, of any direct, as opposed to consequential, damages suffered by the City which the City proves were caused by (i) the Bank's willful misconduct or gross negligence in determining whether documents presented under the Letter of Credit comply with the terms thereof or (ii) the Bank's failure to pay under the Letter of

Credit after the presentation to it by the Paying Agent (or a transferee to whom the Letter of Credit has been transferred in accordance with its terms) of a draft and certificate strictly complying with the terms and conditions of the Letter of Credit. In furtherance and not in limitation of the foregoing, the Bank may accept documents that appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary unless the Paying Agent (or a transferee of the Letter of Credit) and the City shall notify the Bank prior to acceptance that such documents do not comply with the Letter of Credit.

The City hereby indemnifies and holds the Bank harmless from and against any and all claims, damages, losses, liabilities, costs or expenses (including fees and expenses of counsel for the Bank, approved by the City, provided that the approval of such counsel by the City shall not be withheld unreasonably) which the Bank may incur or which may be claimed against the Bank by any Person by reason of any inaccuracy in any material respect, or any untrue statement or alleged untrue statement of any material fact, contained in the Preliminary Official Statement (except for Appendix B thereto) or the Official Statement (except for Appendix B thereto) or any amendment or supplement thereto, or by reason of the omission or alleged omission to state therein a material fact necessary to make such statements, in the light of the circumstances under which they were made, not misleading. No indemnity shall be payable by the City pursuant to the preceding sentence if the Bank makes any settlement of any such claim without the consent of the City, which consent shall not be withheld unreasonably. The Bank shall promptly notify the City of any such claim. The City reserves the right to intervene in any action based on such claim and the Bank shall not oppose such intervention.

Section 10.07 Costs, Expenses and Taxes. The City agrees to pay on demand all reasonable costs and expenses in connection with the preparation, execution, delivery and administration of this Agreement, the Letter of Credit and the Letter of Credit Note and any other documents which may be delivered in connection herewith or therewith, including, without limitation, the reasonable fees and out-of-pocket expenses of Davis Polk & Wardwell, as special United States counsel for the Bank and with respect to advising the Bank as to its rights and responsibilities under this Agreement or any waiver or amendment of, or the enforcement of, this Agreement or the Letter of Credit Note and such other documents which may be delivered in connection with this Agreement. In addition, the City shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of this Agreement and the Letter of Credit Note and such other documents and agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees, provided, that the Bank agrees promptly to notify the City of any such taxes and fees.

Section 10.08 Severability. Any provision of this Agreement which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

Section 10.09 Setoff. In addition to, and without limitation of, any rights of the Bank under applicable law, if the City becomes insolvent, however evidenced, or any Event of

Default occurs and is continuing, any indebtedness from the Bank to the city (excluding any trust accounts and other security and cash held in an agency capacity pursuant to a written agreement with respect to the agency and trust capacity between the City and the Bank) may be offset and applied toward the payment of the Advances, whether or not the Advances, or any part thereof, shall then be due; provided, however, that the Bank hereby agrees to waive, at any time after the commencement of a proceeding in bankruptcy or reorganization with respect to the City, its rights to set off any and all deposits or other moneys at any time held and other indebtedness at any time owing by the Bank for the credit or the account of the City against any and all obligations. Notwithstanding the foregoing, the waiver of the Bank set forth above shall be of no force or effect at such time as, if in the unqualified opinion of nationally recognized counsel experienced in bankruptcy matters, due to legislative or judicial developments after the date hereof, the absence of such waiver or failure to comply therewith will not constitute a basis for the granting of injunctive relief against payment under the Letter of Credit.

Section 10.10 Additional Collateral. The Bank hereby covenants and agrees that if at any time it shall obtain or take any additional collateral security for the obligations of the City hereunder or under the Letter of Credit Note, it shall cause the same to be granted to it and the beneficiary of the Letter of Credit by the City for the pro rata benefit and security of (i) itself to secure such obligations, and (ii) the beneficiary of the Letter of Credit to secure the Notes, if and to the extent that the Notes are supported by the Letter of Credit. The foregoing provisions of this Section 10.10 shall only be applicable if and to the extent that proceeds of collateral are applied to the obligations of the City hereunder or under the Letter of Credit Note and the Bank shall be free to first make applications to other indebtedness, obligations and liabilities of the City to it. The beneficiary of the Letter of Credit may only receive the benefits of the provisions of this Section 10.10 if and to the extent that such benefits are applied to the payment of amounts which could have been drawn under the Letter of Credit and all rights under this provision shall cease upon the receipt by the beneficiary of all amounts which may be drawn under the Letter of Credit.

Section 10.11 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

Section 10.12 Headings. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

In Witness Whereof, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first above written.

[Signature forms omitted for printing purposes.]

Annex A.

Certificate For The Reduction
Of Amounts Available Under
Irrevocable Letter Of Credit No. _____
Dated _____

The undersigned, a duly authorized officer of the undersigned Paying Agent (the "Paying Agent"), hereby certifies to _____ (the "Bank"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit", the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Paying Agent that:

(1) The Paying Agent is the Paying Agent under the Ordinance for the holders of the Notes.

(2) The Paying Agent hereby notifies you that on or prior to the date hereof the principal amount of Notes which have been (i) redeemed and paid pursuant to the Ordinance, (ii) paid at maturity or (iii) purchased by the City for cancellation pursuant to the Ordinance, is as follows:

Series A Notes	-	\$ _____	redeemed and paid.
		\$ _____	matured and paid.
		\$ _____	purchased for cancellation.
Series B Notes	-	\$ _____	redeemed and paid.
		\$ _____	matured and paid.
		\$ _____	purchased for cancellation.
Series C Notes	-	\$ _____	redeemed and paid.
		\$ _____	matured and paid.
		\$ _____	purchased for cancellation.

(3) Following the redemption, maturity and payment or purchase referred to in paragraph (2) above, the aggregate principal amount of all of the Notes Outstanding (as defined in the Ordinance) is as follows:

Series A Notes	-	\$ _____
Series B Notes	-	\$ _____
Series C Notes	-	\$ _____

(4) The maximum amount of interest, computed in accordance with the terms and conditions of the Notes and the Ordinance, which could accrue on the Notes referred to the paragraph (3) above in a period of 65 days is as follows:

Series A Notes	-	\$ _____

Series B Notes - \$ _____

Series C Notes - \$ _____

(5) The amount available to be drawn by the Paying Agent under the Letter of Credit by any Interest Draft relating to each series of Notes is reduced to the amounts set forth below (such amounts being equal to the amounts specified in paragraph (4) above) upon receipt by the Bank of this Certificate:

Series A Notes - \$ _____

Series B Notes - \$ _____

Series C Notes - \$ _____

(6) The amount available to be drawn by the Paying Agent under the Letter of Credit by any Tender Draft or any Maturity Draft relating to each series of Notes (before subtracting any amount drawn under an Interest Draft and remaining unreimbursed) is reduced to the amounts set forth below (such amounts being equal to the sum of the amounts specified in paragraphs (3) and (4) above with respect to each series of Notes) upon receipt by the Bank of this Certificate:

Series A Notes - \$ _____

Series B Notes - \$ _____

Series C Notes - \$ _____

In Witness Whereof, the Paying Agent has executed and delivered this Certificate this _____ day of _____, 19____.

as Paying Agent

By _____
[Name and Title]

Annex B.

Certificate For Drawing In Connection With The
Payment Of Up To _____ Days' Interest On
The City Of Chicago General Obligation Daily
Adjustable Tax Exempt Securities, Series 1986 (The "Notes")

Irrevocable Letter of Credit No. _____

The undersigned, a duly authorized officer of the undersigned Paying Agent (the "Paying Agent"), hereby certifies to _____ (the "Bank"), with reference to Irrevocable Letter of Credit No. _____ the "Letter of Credit", the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Paying Agent, that:

(1) The Paying Agent is the Paying Agent under the Ordinance for the holders of the Notes.

(2) The Paying Agent is making a drawing under the Letter of Credit with respect to a payment of interest on the Notes, which payment is due on _____.

(3) [The Interest Draft accompanying this Certificate is the first Interest Draft presented by the Paying Agent under the Letter of Credit.]* [The Interest Draft last presented by the Paying Agent under the Letter of Credit was honored and paid by you on _____, 19____, and the Paying Agent did not within 10 calendar days after the date of such drawing receive a notice from you that an Advance (as defined in the Reimbursement Agreement) arising from such payment had not been prepaid in full.]**

* To be used in the Certificate relating to the first Interest Draft only.

** To be used in each Certificate relating to each Interest Draft other than the first Interest Draft.

(4) The amount of the Interest Draft accompanying this Certificate is equal to \$_____, comprising \$_____ in respect of interest payable on Series A Notes, \$_____ in respect of interest payable on Series B Notes and \$_____ in respect of interest payable on Series C Notes. It was computed in compliance with the terms and conditions of the Notes and the Ordinance and does not include any amount of interest on the Notes included in any Tender Draft (which has not been reinstated) or any Maturity Draft presented on or prior to the date of this Certificate.

In Witness Whereof, the Paying Agent has executed and delivered this Certificate as of the _____ day of _____, 19____.

as Paying Agent

By _____
[Name and Title]

Annex C.

Certificate For Drawing In Connection With The
Payment Of Principal Of and Up To _____ Days'
Interest On The City Of Chicago General Obligation
Daily Adjustable Tax Exempt Securities, Series 1986
(The "Notes") In Support Of A Tender

Irrevocable Letter of Credit No. _____

The undersigned, a duly authorized officer of the undersigned Paying Agent (the "Paying Agent"), hereby certifies to _____ (the "Bank"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit", the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Paying Agent, that:

(1) The Paying Agent is the Paying Agent under the Ordinance for the holders of the Notes.

(2) The Paying Agent is making the drawing under the Letter of Credit with respect to a payment, upon a tender of all or less than all of the Notes which are Outstanding (as defined in the Ordinance), of (i) the unpaid principal amount of the Notes to be purchased as a result of a tender pursuant to the terms of sub-clause (g) Section 3 of the Ordinance and (ii) the amount of interest (not exceeding _____ days' interest) accrued and unpaid thereon to the date of purchase thereof, which payment is due on the date on which this Certificate and the Tender Draft it accompanies are being presented to the Bank.

(3) The amount of the Tender Draft accompanying this Certificate is equal to the sum of (i) \$ _____ being drawn in respect of the payment of unpaid principal of Notes, comprising \$ _____ in respect of payment of principal of Series A Notes, \$ _____ in respect of payment of principal of Series B Notes and \$ _____ in respect of payment of principal of Series C Notes, to be purchased as a result of a tender and (ii) \$ _____ being drawn in respect of the payment of accrued and unpaid interest on such Notes, comprising \$ _____ in respect of such interest on Series A Notes, \$ _____ in respect of such interest on Series B Notes and \$ _____ in respect of such interest on Series C Notes, and does not include any amount of interest included in any Interest Draft (which has not been reinstated) or any Maturity Draft presented on or prior to the date of this Certificate.

(4) The amount of the Tender Draft accompanying this Certificate was computed in compliance with the terms and conditions of the Notes and the Ordinance and does not exceed the amount available to be drawn by the Paying Agent under the Letter of Credit.

(5) The Paying Agent acknowledges that, pursuant to the terms of the Letter of Credit, upon presentation of the Tender Draft accompanying this Certificate, the amounts available to be drawn by the Paying Agent under the Letter of Credit with

respect to each Series of Notes by any subsequent Interest Drafts, Tender Drafts and Maturity Drafts are automatically decreased by an amount equal to the amount of such Tender Draft applicable to such Series of Notes, subject to reinstatement as provided in the Letter of Credit.

In Witness Whereof, the Paying Agent has executed and delivered this Certificate as of the _____ day of _____, 19____.

as Paying Agent

By _____
[Name and Title]

Annex D.

Certificate For Drawing In Connection With The
Payment Of Principal Of And Up To _____ Days'
Interest On The City Of Chicago General
Obligation Daily Adjustable Tax Exempt Securities,
Series 1986 (The "Notes"), Upon Stated Maturity Or
Optional Or Mandatory Redemption Of Any Series As A Whole

Irrevocable Letter of Credit No. _____

The undersigned, a duly authorized officer of the undersigned Paying Agent (the "Paying Agent"), hereby certifies to _____ (the "Bank"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit", the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Paying Agent, that:

(1) The Paying Agent is the Paying Agent under the Ordinance for the holders of the Notes.

(2) The Paying Agent is making a drawing under the Letter of Credit with respect to the payment, either at stated maturity or as a result of a redemption pursuant to Section 3 of the Ordinance, of the unpaid principal amount of, and up to _____ days' accrued and unpaid interest on, all of the [Series ____]* Notes which are Outstanding (as defined in the Ordinance) which payment is due on the date on which this Certificate and the Maturity Draft it accompanies are being presented to the Bank.

(3) The amount of the Maturity Draft accompanying the Certificate is equal to the sum of (i) \$ _____ being drawn in respect of the payment of unpaid principal of [Series

_____] * Notes and (ii) \$_____ being drawn in respect of the payment of accrued and unpaid interest on such Notes and does not include any amount of interest on the Notes included in any Interest Draft or Tender Draft presented on or prior to the date of this Certificate (which has not been reinstated).

* To be included if the certificate pertains to Notes of a particular Series.

(4) The amount of the Maturity Draft accompanying this Certificate was computed in compliance with the terms and conditions of the Notes and the Ordinance and does not exceed the amount available to be drawn by the Paying Agent under the Letter of Credit.

In Witness Whereof, the Paying Agent has executed and delivered this Certificate as of the ____ day of _____, 19 ____.

as Paying Agent

By _____
[Name and Title]

* To be included if the certificate pertains to Notes of a particular Series.

Annex E.

Notice Of Dishonor.

[Name and Address
of Paying Agent]

Re: Unconditional Irrevocable
Letter of Credit No. _____

Dear Sirs:

You are hereby notified that we will not honor your demand for payment under the above-referenced Letter of Credit as evidenced by [your demand for payment dated _____], which demand was not made in accordance with the terms and conditions of such Letter of Credit because: [list reasons].

We [herewith return/are holding at your disposal] [such demand for payment].

By _____
Title:

Annex F.

Instruction To Transfer.

_____, 198____

Re: Unconditional Irrevocable Letter of Credit No. _____
("Letter of Credit")

Gentlemen:

For value received, the undersigned beneficiary hereby irrevocably advises you that it transferred to:

(Name of Transferee)

(Address)

all rights of the undersigned beneficiary to draw under the above-captioned Letter of Credit (the "Letter of Credit"). [The transferee has succeeded the undersigned as Paying Agent under the Ordinance (as defined in the Letter of Credit)] [The transferee is the Trustee under the Ordinance and an Event of Default has occurred under the Ordinance].

By this transfer, all rights of the undersigned beneficiary in the Letter of Credit are transferred to the transferee and the transferee shall hereafter have the sole rights as beneficiary thereof; provided, however, that no rights shall be deemed to have been transferred to the transferee until such transfer complies with the requirements of the Letter of Credit pertaining to transfers.

Accordingly, you are hereby advised that all rights of the undersigned beneficiary to draw under the Letter of Credit are hereby irrevocably assigned to:

(Name of Transferee)

(Address)

and that all payments to [name of successor paying agent/trustee] under the Letter of Credit should be made to [account # and name (which must be an account in New York in the case of a successor paying agent)].

Very truly yours,

[Name of Paying Agent],
as predecessor Paying Agent

By _____
[Title]

Exhibit A.

[Form Of Unconditional Irrevocable Letter Of Credit]

Unconditional Irrevocable Letter
of Credit No. _____

[Date of Issuance]

[Address]

New York, New York 10015

Att: Corporate Trust Department

Dear Sirs:

At the request and on the instructions of the City of Chicago (the "City"), we hereby establish in your favor, as Paying Agent under the above Ordinance (the "Ordinance") for the benefit of holders of the Notes (as defined below), pursuant to which up to \$_____ in aggregate principal amount of full faith and credit General Obligation Daily Adjustable Tax Exempt Securities, Series 1986 A, B and C (by series, the "Series A Notes", the "Series B Notes" and the "Series C Notes" respectively, and, collectively, the "Notes") of the City of Chicago are being issued, our Unconditional Irrevocable Letter of Credit No. _____ (the "Letter of Credit"), in the amount of \$_____ (the "Letter of Credit Amount", as more fully described below), effective immediately and terminating on the earliest of (i) November 30, 198_, (ii) the date on which all of the Notes shall have been redeemed or purchased for cancellation pursuant to Section 3 of the Ordinance and (iii) the date on which you shall have accepted an alternate letter of credit in substitution hereof in accordance with the Ordinance. The earliest of such dates is referred to herein as the "Termination Date".

The Letter of Credit Amount is comprised of (i) \$_____ available to be paid in respect of principal of Series A Notes and \$_____ available to be paid in respect of interest on Series A Notes (together, the "Series A Letter of Credit Amount"), (ii) \$_____ available to be paid in respect of principal of Series B Notes and \$_____ available to be paid in respect of interest on Series B Notes (together, the "Series B Letter of Credit Amount") and (iii) \$_____ available to be paid in respect of principal of Series C Notes and \$_____ available to be paid in respect of interest on the Series C Notes (together, the "Series C Letter of Credit Amount"). The amounts available to be paid in respect of interest on each Series of Notes is in excess of _____ days interest on such Notes at an assumed interest rate of 10% per annum. Amounts available to be paid in respect of Notes of any one Series shall not be available to be paid in respect of Notes of any other Series. Amounts available to be paid in respect of principal of Notes shall not be available to be paid in respect of interest on Notes and amounts available to be paid in respect of interest on Notes shall not be available to be paid in respect of principal on Notes.

We hereby irrevocably authorize you to draw on us, in an aggregate amount not to exceed the amount of this Letter of Credit set forth above and in accordance with the terms and conditions and subject to the reductions in amount as herein set forth, (1) in a single drawing (subject to the first sentence in the next following paragraph) by your draft, drawn on us, payable at sight on a Business Day, accompanied by a completed certificate in substantially the form of Annex B attached hereto, which draft and certificate shall be in writing and signed by you (such draft accompanied by such certificate being your "Interest Draft"), an amount not exceeding \$_____; (2) in one or more drawings by one or more of your drafts, drawn on us, payable at sight on a Business Day, accompanied by a completed certificate in substantially the form of Annex C attached hereto, which draft and certificate shall be in writing and signed by you and may be telecopied by you to us (any such draft accompanied by such certificate being your "Tender Draft"), an aggregate amount not exceeding \$_____ minus any amount up to \$_____ drawn by an Interest

Draft and remaining unreimbursed; and (3) in one or more drawings by your drafts, drawn on us, payable at sight on a Business Day, accompanied by a completed certificate in substantially the form of Annex D attached hereto, which draft and certificate shall be in writing and signed by you (any such draft accompanied by such certificate being your "Maturity Draft"), an amount not exceeding \$_____ minus any amount up to \$_____ drawn by an Interest Draft and remaining unreimbursed. As used herein "Business Day" shall have the meaning set forth in the Reimbursement Agreement referred to below.

If you shall draw on us by your Interest Draft under clause (1) above and shall not have received, not earlier than 5 calendar days and not later than 10 calendar days from the date of such drawing, a notice from us to the effect that the Advance, as defined in the Reimbursement Agreement dated as of January 1, 1986 (the "Reimbursement Agreement") between the City and us, arising from such drawing has not been prepaid in full, your right to draw on us in a single drawing by your Interest Draft under clause (1) above shall be automatically and irrevocably reinstated and, effective on the 11th calendar day from the date of such drawing, you shall again be irrevocably authorized to draw on us by your Interest Draft in accordance with clause (1) above and the other terms and conditions referred to or set forth in the first sentence of the foregoing paragraph; and this automatic reinstatement of your right to draw on us by your Interest Draft shall be applicable to successive drawings by your Interest Drafts under clause (1) at any time prior to the Termination Date.

The Letter of Credit Amount (and, as stated in the notice referred to below, the Series A Letter of Credit Amount, Series B Letter of Credit Amount and Series C Letter of Credit Amount) shall be decreased upon our receipt of notice from you, which notice shall be provided upon instructions from the City or upon our request, in the form of Annex A hereto, of a redemption or purchase and cancellation of less than all the Notes outstanding or of the payment in full of any Notes at maturity, by an amount equal to the amount stated in said notice and the amounts available to be drawn by you by any subsequent Interest Draft, Tender Draft or Maturity Draft shall be automatically decreased by the amounts stated in such notice.

Upon presentation by you of any Tender Draft, the Series A Letter of Credit Amount, Series B Letter of Credit Amount and Series C Letter of Credit Amount, as the case may be, available to be drawn by you by any subsequent Interest Draft, Tender Draft or Maturity Draft shall be automatically decreased by an amount equal to the amount of such Tender Draft applicable to Series A, Series B and Series C Notes, as the case may be. Thereafter, the amount from time to time available to be drawn by you by Interest Drafts, Tender Drafts and Maturity Drafts in respect of each Series of Notes shall be increased to the extent, but only to the extent, (i) that you receive immediately available funds for our benefit against your delivery of such Notes upon remarketing or (ii) of the principal amount of and accrued interest up to the date of such drawing on Notes of such Series that you and we are advised have been placed in the Custody Account (as defined in the Reimbursement Agreement) following payment of such Tender Draft.

Funds under this Letter of Credit are available to you against (1) your Interest Draft referring thereon to the number of this Letter of Credit, (2) your Tender Draft referring thereon to the number of this Letter of Credit, and (3) your Maturity Draft referring

thereon to the number of this Letter of Credit. Each such draft and certificate (constituting an Interest Draft, a Tender Draft or a Maturity Draft, as the case may be) shall be dated the date of its presentation, and shall be presented (or, in the case of a Tender Draft, telecopied) to our office located at _____ (or at any other office or telecopy number in the City and State of New York which may theretofore have been designated by us by written notice delivered to you). If we receive any of your drafts and certificates at such office, all in strict conformity with the terms and conditions of this Letter of Credit, on or prior to the Termination Date, we will honor the same after presentation thereof in accordance with the provisions hereof and your payment instructions. If we receive any of your drafts and certificates at such office on or before 11:00 A.M. (12:00 Noon, in the case of a Tender Draft), New York City time, on a Business Day we will honor the same after presentation thereof by 1:00 P.M., New York City time, in the case of a Tender Draft and by 4:00 P.M., New York City time, in the case of an Interest Draft or Maturity Draft, on the same day, provided that such drafts and certificates conform with the terms and conditions of this Letter of Credit. If we receive any of your drafts and certificates at such office between 11:00 A.M. (12:00 Noon, in the case of Tender Draft) and 2:00 P.M. (New York City time) on a Business Day, we will honor the same after presentation thereof by 12:00 Noon (New York City time) on the next succeeding Business Day provided that such drafts and certificates conform with the terms and conditions of this Letter of Credit. If we receive any of your drafts and certificates at such office after 2:00 P.M. (New York City time) on a Business Day, we will honor the same after presentation thereof on the next succeeding Business Day provided that such drafts and certificates conform with the terms and conditions of this Letter of Credit. If requested by you, payment under this Letter of Credit may be made by wire transfer of Federal Reserve Bank of New York funds to your account in a bank on the Federal Reserve wire system or by deposit of same day funds into a designated account that you maintain with us.

If a demand for payment delivered to us pursuant to the foregoing paragraph does not conform to the terms and conditions of this Letter of Credit, we will notify you thereof, within 1-1/2 hours (1 hour, in the case of a Tender Draft), including only hours or portions thereof occurring between 9:00 A.M. and 5:00 P.M. (New York City time) on a Business Day, after such delivery, such notice to be promptly confirmed by written notice in the form of Annex E hereto. Upon being notified that the purported negotiation was not effected in conformity with this Letter of Credit, you may attempt to correct any such non-conforming demand for payment if, and to the extent that, you are entitled (without regard to the provisions of this sentence) and able to do so.

This Letter of Credit sets forth in full the terms of our undertaking and shall not in any way be amended, amplified or limited by reference to any document, instrument or agreement referred to herein or in which this Letter of Credit is referred to or to which this Letter of Credit relates, except for the certificates referred to herein; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificates.

Our obligations hereunder are primary obligations and shall not be affected by the performance or non-performance by the City of any obligations under the Notes or under any agreement between the City and you or between the City and us.

This Letter of Credit is transferable in its entirety (but not in part) to any transferee who has succeeded you as Paying Agent under the Ordinance and may be successively transferred and, upon the occurrence of an Event of Default, to the Trustee (as such terms are defined in the Ordinance). Transfer of this Letter of Credit to such transferee shall be effected by the presentation to such successor paying agent or Trustee of this Letter of Credit and delivery to us of a certificate substantially in the form of Annex F attached hereto.

Only you or a transferee who has succeeded you pursuant to the provisions of the previous paragraph may make a drawing under this Letter of Credit. Upon the termination of this Letter of Credit we shall be fully discharged of our obligation hereunder. This Letter of Credit shall be promptly surrendered to us by you upon such termination.

This Letter of Credit shall be governed by the Uniform Customs and Practice for Documentary Credits (1983 revision) International Chamber of Commerce Publication 400, and, as to matters not covered therein, be governed by the laws of the State of New York, including without limitation the Uniform Commercial Code as in effect in such State.

Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at the address set forth above (Attention: International Finance Department), specifically referring to the number of this Letter of Credit.

By _____
Title:

Exhibit C-1.

Form of Opinion of the
Corporation Counsel for the
City of Chicago

[Date of Issuance]

To:

Gentlemen:

In my capacity as Corporation Counsel of the City of Chicago, I submit to the addressee this opinion pursuant to the Reimbursement Agreement dated as of January 1, 1986 (the "Agreement") between the City of Chicago (the "City") and _____ (the "Bank"). Terms used herein which are defined in the Agreement shall have the meanings set forth therein unless otherwise defined herein.

I have caused a certified transcript of proceedings pertaining to the Notes and the Letter of Credit Note to be examined, including executed copies of the Purchase Contract and Official Statement, dated _____, 1986, as well as a certified copy of the ordinance (the "Ordinance") adopted on January ____, 1986 authorizing the issuance of the Notes and

the Letter of Credit Note and on the basis of such examination and a review of such other information, records and documents as was deemed necessary or advisable, and on the basis of the constitutional authority referred to in Paragraph 13 of this opinion authorizing the City Council to borrow money and issue notes which may be sold at public or private sale as shall be determined by the City Council, I am of the opinion that:

1. The City has full legal right, power and authority (i) to enter into the Agreement, and (ii) to execute and deliver the Letter of Credit Note as provided therein and in the Ordinance; and the City has duly authorized and approved the execution and delivery of the Agreement and the Letter of Credit Note and the performance by the City of its obligations thereunder.

2. No further authorization or approval is required for the execution and delivery of the Agreement or the Letter of Credit Note by the City or for the performance by the City of its obligations thereunder and the Agreement and the Letter of Credit Note constitute legal, valid and binding obligations of the City, enforceable in accordance with their respective terms.

3. The City, acting through the Mayor and the Comptroller, has duly authorized and approved the Preliminary Official Statement and has duly authorized, approved and executed the Official Statement.

4. The Ordinance has been duly adopted for the City by the City Council, is in full force and effect and is a contract with the Bank and a legal, valid and binding obligation of the City, enforceable by the Bank in accordance with its terms.

5. The Letter of Credit Note has been duly issued and delivered by the City to the Bank pursuant to the Agreement and, to the extent of any advances evidenced thereby, will constitute a general obligation of the City to which the full faith and credit of the City is pledged and for the payment of principal of and interest on which taxes will be levied and proceeds of taxes levied will be applied as provided in the Ordinance.

6. No consent or approval of, or registration or declaration with, any Federal, State or other governmental commission, board, regulatory body or instrumentality, other than the approval of the City Council (which approval has been obtained), and other than under state blue sky or securities laws, is or was required in connection with any of the actions of the City described in paragraphs one through five above, nor is any election or referendum of voters required in connection therewith.

7. All legislation (except for the tax levy ordinance provided for in Section 21 of the Ordinance) necessary to fulfill the terms and conditions of, and to carry out the transactions contemplated by the Ordinance, the Agreement, the Letter of Credit Note and the Purchase Contract are in full force and effect.

8. The execution and delivery of the Agreement and the Letter of Credit Note by the City, and the carrying out of the transactions contemplated by the Ordinance, the Agreement, the Purchase Contract and the Letter of Credit Note do not conflict with or constitute on the part of the City a breach of, or a default under, any existing law (including, without limitation, the Constitution of the State), any court or administrative

regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the City is subject or by which it is bound.

9. Except as disclosed, prior to the execution of the Reimbursement Agreement, in the Preliminary Official Statement, the Official Statement or in writing to the Bank, no litigation is pending (or to the knowledge of the City threatened) against the City in any court (i) to restrain or enjoin the delivery by the City of the Notes or the Letter of Credit Note, or (ii) in any manner questioning the authority of the City to issue, or the issuance or validity of, the Letter of Credit Note, the Notes or any other Debt of the City or (iii) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the issuance of the Notes or the Letter of Credit Note, or (iv) questioning any of the legislation referred to in Section 7.01(h) of the Reimbursement Agreement, or (v) questioning the validity or enforceability of the Ordinance or (vi) questioning in any manner the levy, collection or deposit or proposed levy, collection or deposit of any material portion of the revenues of the City pledged to the repayment of the Letter of Credit Note, or (vii) contesting in any way the completeness, accuracy or fairness of the Preliminary Official Statement or the Official Statement or (viii) which might in any material respect adversely affect the transactions contemplated herein and in the Official Statement. The entitlement of any members of the City Council and of any officers of the City executing the Reimbursement Agreement, the Letter of Credit Note or any document delivered thereunder to their respective positions is not being contested.

10. There is no amendment, or proposed amendment certified for placement on a statewide ballot, to the Constitution of the State, the effect of which is to materially adversely affect the Notes, the Letter of Credit Note or the Reimbursement Agreement, or any holder or beneficiary thereof in his capacity as such.

11. Any debt evidenced by the Letter of Credit Note will rank at least equally in right of payment by the City with all other full faith and credit general obligations of the City not secured by a pledge of specific revenues of the City.

12. The proceeds of taxes pledged pursuant to Section 22 of the Ordinance, the taxes levied pursuant to Section 23 of the Ordinance and the taxes to be levied pursuant to Section 21 of the Ordinance for payment of the Notes and the Letter of Credit Note are not pledged by the City to the payment of any other obligation, and upon payment to the Trustee for deposit in the Note Fund, will not be subject to any prior claim or prior lien.

13. The City is a "home rule unit" as that term is defined in Section 6 of Article VII of the 1970 Constitution of the State, the City having a population in excess of 25,000 and having not elected by referendum not to be such a home rule unit. Pursuant to the provisions of Section 6(a) of Article VII and subject to the limitations of that Article, the City may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt.

14. Any suit, action or proceeding relating to the obligations of the City under the Reimbursement Agreement or Letter of Credit Note may be instituted against the City in state and federal courts of competent jurisdiction sitting in Cook County, Illinois.

You may rely on my opinion of today's date delivered to the Underwriters as though it were addressed to you.

Very truly yours,

Exhibit C-2.

Form of Opinion
of Bond Counsel
for the City of Chicago

[Date of Issuance]

To:

Gentlemen:

This opinion is furnished pursuant to the Reimbursement Agreement dated as of January 1, 1986 (the "Agreement") between the City of Chicago (the "City") and _____ (the "Bank"). Terms used herein which are defined in the Agreement shall have the meanings set forth therein unless otherwise defined therein.

We have examined a certificate transcript of proceedings pertaining to the Notes and the Letter of Credit Note, including executed copies of the Purchase Contract and Official Statement, dated _____, 1986, as well as a certified copy of the City Council ordinance (the "Ordinance") adopted on January ____, 1986 authorizing the issuance of the Notes and the Letter of Credit Note and on the basis of such examination and a review of such other information, records and documents as was deemed necessary or advisable, and on the basis of the statutory authority authorizing the City Council to borrow money and issue notes which may be sold at public or private sale as shall be determined by the City Council, we are of the opinion that:

1. The City has full legal right, power and authority (i) to enter into the Agreement, and (ii) to execute and deliver the Letter of Credit Note as provided therein and in the Ordinance; and the City has duly authorized and approved the execution and delivery of the Agreement and the Letter of Credit Note and the performance by the City of its obligations thereunder.

2. No further authorization or approval is required for the execution and delivery of the Agreement or the Letter of Credit Note by the City or for the performance by the City of its obligations thereunder and the Agreement and the Letter of Credit Note constitute legal, valid and binding obligations of the City, enforceable in accordance with their respective terms.

3. The City, acting through the Mayor and the Comptroller, has duly authorized and approved the Preliminary Official Statement and has duly authorized, approved and executed the Official Statement.

4. The Ordinance has been duly adopted for the City by the City Council, is in full force and effect and is a contract with the Bank and a legal, valid and binding obligation of the City, enforceable by the Bank in accordance with its terms.

5. The Letter of Credit Note has been duly issued and delivered by the City to the Bank pursuant to the Agreement and, to the extent of any advances evidenced thereby, will constitute a general obligation of the City to which the full faith and credit of the City is pledged and for the payment of principal of and interest on which taxes will be levied and proceeds of taxes levied will be applied as provided in the Ordinance.

6. Under existing statutes, regulations and court decisions payments of interest on the Letter of Credit Note are exempt from federal income taxation.

7. No consent or approval of, or registration or declaration with, any Federal, City or other governmental commission, board, regulatory body or instrumentality, other than the approval of the City Council (which approval has been obtained), and other than under state blue sky or securities laws, is or was required in connection with any of the actions of the City described in paragraphs one through five above, nor is any election or referendum of voters required in connection therewith.

8. All legislation (except for the tax levy ordinance provided for in Section 21 of the Ordinance) necessary to fulfill in all material respects the terms and conditions of, and to carry out the transactions contemplated by the Ordinance, the Agreement, the Letter of Credit Note and the Purchase Contract is in full force and effect.

9. The execution and delivery of the Agreement and the Letter of Credit Note by the City, and the carrying out of the transactions contemplated by the Ordinance, the Agreement, the Purchase Contract and the Letter of Credit Note do not conflict with or constitute on the part of the City a breach of, or a default under, any existing law (including, without limitation, the Constitution of the State), any court or Administration regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument to which the City is subject or by which it is bound.

10. There is no amendment, or proposed amendment certified for placement on a statewide ballot, to the Constitution of the State, the effect of which is to materially adversely affect the Notes, the Letter of Credit Note or the Reimbursement Agreement, or any holder or beneficiary thereof in his capacity as such.

11. Any debt evidenced by the Letter of Credit Note will rank at least equally in right of payment by the City with all other full faith and credit general obligations of the City not secured by a pledged of specific revenues of the City.

12. The proceeds of taxes pledged pursuant to Section 22 of the Ordinance, the taxes levied pursuant to Section 23 of the Ordinance and the taxes to be levied pursuant to Section 21 of the Ordinance for payment of the Notes and the Letter of Credit Note are not

pledged by the City to the payment of any other obligation, and upon payment to the Trustee for deposit in the Note Fund, will not be subject to any prior claim or prior lien.

13. The City is a "home rule unit" as that term is defined in Section 6 of Article VII of the 1970 Constitution of the State, and City having a population in excess of 25,000 and having not elected by referendum not to be such a home rule unit. Pursuant to the provisions of Section 6(a) of Article VII and subject to the limitations of that Article, the City may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to tax and to incur debt.

14. Any suit, action or proceeding relating to the obligations of the City under the Reimbursement Agreement or Letter of Credit Note may be instituted against the City in state and federal courts sitting in Cook County, Illinois.

You may rely on our opinion of today's date delivered to the Underwriters as though it were addressed to you.

Very truly yours,

Exhibit D-1.

[Date of Issuance]

The Bank, the City, the
Paying Agent, the Trustee and
the Underwriters as such terms
are defined in the Reimbursement
Agreement referred to below.

Dear Sirs:

We have acted as United States counsel to _____ (the "Bank") in connection with the Reimbursement Agreement dated as of January 1, 1986 (the "Agreement"), between the City of Chicago ("Chicago") and the Bank, acting through its _____, pursuant to which the Bank has issued a letter of credit (the "Letter of Credit"), substantially in the form of Exhibit A thereto in support of payment of the principal of, and interest on, full faith and credit general obligation daily adjustable tax exempt securities issued by Chicago in an aggregate principal amount equal to \$ _____.

We have examined such instruments, corporate records, certificates of public officials and other matters as we have deemed necessary or advisable for the purposes of the opinion expressed below. We are members of the bar of the State of New York and our opinion is limited to the laws of the State of New York and the Federal laws of the United States of America. Insofar as Japanese law may be relevant to our opinion, we have assumed the

correctness of the opinion to you dated the date hereof of Braun Moriya Hoashi and Kubota, Japanese counsel for the Bank.

Based on the foregoing, it is our opinion that:

1. The New York Branch of the Bank is duly licensed by the Superintendent of Banks of the State of New York and qualified to do business as a New York branch and has the power to execute and deliver the Letter of Credit and the Agreement; and

2. The execution, delivery and performance by the New York Branch of the Bank of the Letter of Credit and Agreement have been duly authorized by all necessary corporate action and the Letter of Credit constitutes the valid and legally binding agreement of the Bank, and the Agreement constitutes the valid and legally binding obligation of the Bank, in each case enforceable against the Bank in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws affecting the enforcement of creditors' rights in general as such laws would apply in the event of the insolvency, reorganization or liquidation of, or other similar occurrence with respect to the Bank or in the event of any moratorium or similar occurrence affecting the Bank.

The opinion set forth in paragraph 2 above as to the validity, binding effect and enforceability of the Agreement, the governing law of which is expressly stated to be the law of the State of Illinois, is subject to the Agreement being valid, binding and enforceable in accordance with its terms under the laws of the State of Illinois, as to which, with your approval, we express no opinion.

You are authorized to furnish copies of this opinion to Standard & Poor's Corporation and to Moody's Investors Service Inc., which shall be entitled to rely on it as though it were addressed to them. No one other than the addressees and the foregoing persons shall be entitled to rely on this opinion.

Very truly yours,

Exhibit D-2.

[Date of Issuance]

[Addressed to the Bank,
the City, the Paying
Agent, the Trustee,
the Underwriters,
Davis Polk & Wardwell,
Moody's Investors Service
Inc. and Standard and
Poor's Corporation]

Dear Sirs:

We are members of the Tokyo Attorneys Association, and have acted as Japanese counsel for _____ Limited (the "Bank") in connection with the Reimbursement Agreement dated as of January 1, 1986 (the "Agreement"), between the City of Chicago ("Chicago") and the Bank, acting through its _____, and the issuance by the Bank of a letter of credit (the "Letter of Credit"), to support payment of principal of and interest on full faith and credit general obligation daily adjustable tax exempt securities to be issued by Chicago (the "Notes").

We have examined a copy of the Agreement in execution form, the form of Letter of Credit set forth as Exhibit A to the Agreement and the certified copies of commercial recordation of the Bank and have made such factual investigations in respect of the Bank as we have deemed necessary for the purpose of giving this opinion.

Based on the foregoing and in connection with the obligations of the Bank under the Letter of Credit and the Agreement, we are of the opinion that insofar as the laws of Japan are concerned:

1. The Bank is a banking corporation duly organized and validly existing under the laws of Japan.

2. The Bank has the corporate power and authority to issue the Letter of Credit and to enter into the Agreement.

3. No authorizations, approvals, consents or notifications from any governmental authorities in Japan are required in connection with the issuance of the Letter of Credit or the execution and delivery of the Agreement.

4. A final and conclusive judgment obtained in the United States, which is not subject to appeal and is enforceable in the United States, with respect to payment obligations of the Bank under the Letter of Credit may be enforced upon request by the competent courts of Japan without a review of the merits, provided that applicable requirements of the Japanese Code of Civil Procedure are satisfied, in particular, that service of complaint filed with the courts of the United States of America was properly effected on the Bank and that reciprocity exists with respect to the recognition of final judgments of the courts of Japan by the court of the applicable State or any Federal court in the United States of America and that such final and conclusive judgment in the United States is not contrary to the public order or good morals in Japan. We see no reason at present why a money judgment based on and within the amount of, the obligations of the Bank specifically provided for in the Letter of Credit would be contrary to the public order or good morals in Japan.

5. The execution, delivery and performance by _____ the Bank of the Letter of Credit and the Agreement have been duly authorized by all necessary corporate action, and each of the Letter of Credit and the Agreement, when executed and delivered by its attorney-in-fact, assuming it to constitute a legal, valid and binding obligation of the Bank in accordance with its terms under the laws of, in the case of the Agreement, the State of Illinois and, in the case of the Letter of Credit, the State of New York, in accordance with which it is expressed to be governed by and construed, will constitute a legal, valid and binding obligation of the Bank and ranking, as far as the

laws of Japan are concerned, pari passu with all other unsecured unsubordinated indebtedness (including deposit liabilities) of the Bank and superior to rights of shareholders, provided that for this purpose "indebtedness" does not include items entitled to special priorities by operation of law including, without limitation, certain taxes and salaries.

6. The Bank may be sued in Japan by holders of the Notes, if they have the right to sue the Bank under the laws of the State of New York, or the Trustee therefor to obtain amounts due and payable but unpaid by the Bank with respect to the Letter of Credit to the extent of its liabilities set forth therein. Under Japanese law there is no restriction on the Bank submitting to the jurisdiction of any federal court sitting in the City of Chicago or New York City.

7. The choice of New York Law as the Law governing the Letter of Credit is valid and would be given effect by the competent courts of Japan.

Very truly yours,

Exhibit E.

United States Of America
City Of Chicago

LC No. _____

City Of Chicago
Full Faith And Credit General Obligation Letter Of Credit Note

Chicago, Illinois
[Date of Issuance]

The City of Chicago (the "Borrower") hereby promises to pay to the order of _____ (the "Bank") at the account specified below, the sum of the aggregate unpaid principal amount of all advances made by the Bank to the Borrower pursuant to the Reimbursement Agreement referred to below on the dates set forth in the Reimbursement Agreement. Each advance shall bear interest on the unpaid principal amount thereof at the rate or rates provided for in the Reimbursement Agreement. All such payments of principal and interest shall be made in lawful currency of the United States and in immediately available funds at the account of.

This note is the Letter of Credit Note referred to in the Reimbursement Agreement dated as of January 1, 1986 between the Borrower and the Bank, as the same may be amended from time to time (the "Reimbursement Agreement"). Terms defined in the Reimbursement Agreement are used herein with the same meanings. Reference is made to the Reimbursement Agreement for provisions for the prepayment hereof.

This Letter of Credit Note is issued pursuant to and in accordance with the Constitution and statutes of the State of Illinois, and pursuant to and in accordance with an Ordinance (the "Ordinance") duly adopted by the City Council of the Borrower, to evidence advances, if any, made for the purpose of providing funds to pay the principal of and interest on the Notes of the Borrower.

All advances made by the Bank to the Borrower and all repayments of the principal thereof shall be recorded at the time of the making of such advance or repayment by the Bank on the Schedule attached hereto, or on a continuation of such Schedule.

Reference is hereby made to the Ordinance and the Reimbursement Agreement for the provisions, among other things, with respect to the nature and extent of the security for this Letter of Credit Note, the manner and enforcement of such security, the custody and application of the proceeds of this Letter of Credit Note, the rights, duties and obligations of the Borrower and the Bank.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and to be performed, precedent to and in the issuance of this Letter of Credit Note, do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of Illinois, and that the total indebtedness of the Borrower, including indebtedness evidenced by this Letter of Credit Note, does not exceed any Constitutional or statutory limitation.

This Letter of Credit Note shall be governed by and construed in accordance with the laws of the State of Illinois.

In Witness Whereof, the Borrower, by authority of its City Council, has caused this note to be signed for and on its behalf and in its name by the Comptroller, and the official seal of the City of Chicago to be affixed hereto, all as of the _____ day of January, 1986.

City of Chicago, Illinois

By _____
Title: Comptroller

[Seal]

Schedule Of
Advances And Payments Of Principal

Series of Underlying Notes	Date of Advance	Amount of Advance	Maturity of Advance	Amount of Principal Repaid	Unpaid Principal Balance	Notation Made By
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

Action Deferred -- ISSUANCE OF \$120,000,000 IN CITY
OF CHICAGO WATER REVENUE BONDS,
SERIES 1986.

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

CHICAGO, November 13, 1986.

To the President and Members of the City Council:

Your Committee on Finance to which was referred an ordinance authorizing the issuance of City of Chicago Water Revenue Bonds Series 1986 in the total estimated amount of \$120,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the proposed ordinance transmitted herewith as amended.

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 proposed ordinance transmitted with the foregoing committee report:

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

Article I.

Definitions and Findings.

SECTION 101. Definitions. As used in this Ordinance, the following terms shall have the following meanings, unless the context clearly indicates a different meaning:

(1) "Authenticating Agent" means American National Bank and Trust Company of Chicago, Chicago, Illinois, which is appointed Authenticating Agent for the Series 1986 Bonds, and any successor to it in that capacity and any co- Authenticating Agent separately appointed by the City.

(2) "Bond Purchase Agreement" means the Bond Purchase Agreement between the City and the Initial Purchasers described in Section 212(b) of this Ordinance.

(3) "Bond Registrar" means American National Bank and Trust Company of Chicago, Chicago, Illinois, which is appointed Bond Registrar for the Series 1986 Bonds, and any successor to it in that capacity and any co-Bond Registrar separately appointed by the City.

(4) "Bonds" means the Series 1986 Bonds, the Series 1985 Bonds, the Series 1983 Bonds, the Certificates, and all Parity Bonds.

(5) "Certificates" means waterworks system certificates of indebtedness previously issued by the City for the purpose of paying the cost of constructing improvements and extensions to the Water System, which remain unpaid and provision for the payment of which was made through the irrevocable deposit of a portion of the proceeds of sale of the Series 1985 Bonds in trust with American National Bank and Trust Company of Chicago, Chicago, Illinois, as provided in the Series 1985 Bond Ordinance.

(6) "City" means the City of Chicago, Illinois.

(7) "City Council" means the City Council of the City.

(8) "Clerk" means the City Clerk of the City.

(9) "Comptroller" means the City Comptroller of the City.

(10) "Construction Account: Series 1986 Bonds" means the separate account of that name in the Water Fund described in Section 304 of this Ordinance.

(11) "Consulting Engineer" means any engineer or firm of engineers of national reputation selected by the City and generally recognized to be well qualified in engineering matters relating to municipal water utility systems.

(12) "Cost of Issuance" means all fees and costs incurred by the City relating to the issuance of the Series 1986 Bonds, including, without limitation, printing costs, Escrow Trustee's initial fees and charges, Authenticating Agent's initial fees and charges, Bond Registrar's fees and charges, Paying Agent's fees and charges, financial advisory fees, engineering fees, legal fees, accounting fees, the cost of giving notice of redemption of the Refunded Bonds, the cost of any premiums for municipal bond insurance to insure any Series 1986 Bonds, the cost of providing any Reserve Account Credit Instrument or other credit facilities with respect to the Series 1986 Bonds, and the cost of any related services with respect to any Series 1986 Bonds.

(13) "Debt Service Reserve Account" means the separate account of that name in the Water Fund described in Section 403 of this Ordinance.

(14) "Debt Service Reserve Requirement" means, as of any date of computation, an amount equal to the sum of (i) the highest future principal and interest requirements of all Outstanding Series 1983 Bonds (other than Refunded Bonds), Series 1985 Bonds and Series 1986 Bonds in any Fiscal Year including the Fiscal Year in which date of computation falls, and (ii) such other amounts as shall be established as the Debt Service Reserve Requirement in respect of a series of Parity Bonds. Any Bonds required to be redeemed pursuant to mandatory sinking fund redemption shall be treated for purposes of this definition as being due on the dates they are required to be redeemed and not on their stated maturity dates.

(15) "Escrow Account" means the account established with the Escrow Trustee pursuant to Section 301 of this Ordinance and the Escrow Agreement.

(16) "Escrow Agreement" means the agreement between the City and the Escrow Trustee provided for in Section 301 of this Ordinance.

(17) "Escrow Trustee" means American National Bank and Trust Company of Chicago, Chicago, Illinois, which is appointed Escrow Trustee under this Ordinance and the Escrow Agreement, and any successor to it in that capacity appointed by the City as provided in the Escrow Agreement.

(18) "Fiscal Year" means the period commencing January 1 and ending December 31 of any calendar year.

(19) "Governmental Obligations" means securities which are obligations described in clauses (a) and (b) of the definition of Permitted Investments in Paragraph (34) of this Section 101.

(20) "Gross Revenues" means all income and receipts from any source which under generally accepted accounting principles are properly recognized as being derived from the operation of the Water System, including without limitation (a) charges imposed for water service and usage, (b) charges imposed for sales of water to municipalities (other than the City) and other users of water service, (c) charges imposed for inspections and permits for connection to the Water System, (d) grants (excluding grants received for capital projects), and (e) Investment Earnings.

(21) "Independent" means with respect to a consulting engineer a person who or a firm which (i) is in fact independent and not under the denomination of the City; (ii) does not have any substantial interest, direct or indirect, with the City; and (iii) is not connected with the City as an officer or employee of the City but may be regularly retained to make annual or other periodic reports to the City.

(22) "Initial Purchasers" means the following firms as underwriters or representatives of an underwriting syndicate to whom the City will sell the Series 1986 Bonds and with whom the City will enter into the Bond Purchase Agreement: Paine Webber Incorporated, Merrill Lynch Capital Markets, Cranston Securities Company, Dean Witter Reynolds Inc., Pryor, Govan, Counts & Co., Inc., Shearson Lehman Brothers Inc., Smith Barney, Harris Upham & Co. Incorporated, and Southwestern Capital Markets, Inc.

(23) "Investment Earnings" means interest plus net profits and less net losses derived from investments made with any portion of the Gross Revenues or any money in the Water Fund and in the accounts other than the Rebate Accounts specified in Section 403 of this Ordinance.

(24) "Matured Water Bond and Interest Account" means the separate account of that name in the Water Fund described in Section 403 of this Ordinance,

(25) "Mayor" means the Mayor of the City.

(26) "Moody's" means Moody's Investors Service, Inc., its successors and assigns, and, if dissolved or liquidated or no longer performing the functions of a securities rating agency for municipal bonds, "Moody's" shall mean any nationally recognized securities rating organization other than S. & P. designated by the City by notice to the Trustee.

(27) "Municipal Code" means the Municipal Code of the City.

(28) "Net Revenues" means that portion of the Gross Revenues remaining after providing sufficient funds for Operation and Maintenance Costs.

(29) "Operation and Maintenance Costs" means all expenses reasonably incurred by the City in connection with the operation, maintenance, renewal, replacement and repair of the Water System, which under generally accepted accounting principles are properly chargeable to the Water System and not capitalized, including, without limitation, salaries, wages, taxes, costs of materials and supplies, purchase of power, fuel, insurance, reasonable repairs and extensions necessary to render efficient service, and all incidental expenses, but excluding any provision for depreciation or for interest on Outstanding Bonds or other obligations for borrowed money payable from the Net Revenues.

(30) "Ordinance" means this Ordinance as it may be modified or amended from time to time pursuant to Article VIII.

(31) "Outstanding" means, with reference to any series of Bonds, all of such obligations that are outstanding and unpaid, provided that such term shall not include obligations:

(i) which have been paid or redeemed in full both as to principal, redemption premium, if any, and interest, or

(ii) which have matured or which have been duly called for redemption and for the payment of which moneys are on deposit with designated paying agents for such Bonds, or are otherwise properly available, sufficient to pay the principal of, redemption premium, if any, and interest on such Bonds, or

(iii) for which the City has provided for payment by depositing in an irrevocable trust or escrow (a) with respect to the Certificates and the series 1983 Bonds, cash or direct, full faith and credit obligations of the United States of America, or (b) with respect to Bonds other than the Certificates and the Series 1983 Bonds, cash or Governmental Obligations, in each case the maturing principal of and interest on which will be sufficient to pay at

maturity, or if called for redemption on the applicable redemption date, the principal of, redemption premium, if any, and interest on such Bonds, or

(iv) which are owned by the City.

(32) "Parity Bonds" means obligations which may be issued after the issuance and delivery of the Series 1986 Bonds in accordance with Article VI of this Ordinance and which are payable from Net Revenues on an equal and ratable basis with all other Outstanding Bonds.

(33) "Paying Agent" means American National Bank and Trust Company of Chicago, Chicago, Illinois, which is appointed Paying Agent for the Series 1986 Bonds, and any successor to it in that capacity and any Co-Paying Agent separately appointed by the City.

(34) "Permitted Investments" means any of the following (which, however, must be consistent with the definitions of "Permitted Investments" in the Series 1983 Bond Ordinance and the Series 1985 Bond Ordinance to the extent in force and applicable:

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

(b) Trust receipts or other certificates of ownership evidencing an ownership interest in the principal of or interest on, or both, obligations described in clause (a) of this definition, which obligations are held in trust by a bank described in clause (d) of this definition, provided that such bank holds such obligations separate and segregated from all other funds and accounts of the City and of such bank and that a perfected first security interest under the Uniform Commercial Code, or under book entry procedures prescribed at 31 C.F.R. 306.1 *et seq.* or 31 C.F.R. 350.0 *et seq.* (or other similar book entry procedures similarly prescribed by Federal law or regulations adopted after the date of adoption of this Ordinance), has been created in such obligations for the benefit of the applicable account in the Water Fund or, to the extent permitted, in any irrevocable trust or escrow established to make provision for the payment and discharge of the indebtedness on all Series 1986 Bonds or other obligations which are payable from Net Revenues;

(c) Obligations of the Federal National Mortgage Association or of any agency or instrumentality of the United States of America now existing or created after the issuance and delivery of the Series 1986 Bonds, including but not limited to Federal Home Loan Banks, the United States Postal Service, the Government National Mortgage Association, and the Federal Financing Bank;

(d) Negotiable or non-negotiable time deposits evidenced (i) by certificates of deposit issued by any bank, trust company, national banking association or savings and loan association which has capital of not less than \$100,000,000 or (ii) by certificates of deposit which are continuously and fully insured by any federal agency; and

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

(f) Obligations of any state of the United States of America or any political subdivision of a state or any agency or instrumentality of a state or political subdivision which shall be rated by Moody's and S. & P.'s in one of their two highest respective long term rating categories;

(g) Bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by any corporation which are, at the time of purchase, rated by Moody's and S. & P., respectively, in their highest rating category (if not rated by both such rating agencies then a rating by either shall be satisfactory), for comparable types of debt obligations;

(h) Repurchase agreements and investment agreements with any bank, trust company, national banking association (which may include any Paying Agent, Bond Registrar or Escrow Agent), insurance company or any other financial institution which at the date of the agreement has an outstanding, unsecured, uninsured and unguaranteed debt issue rated AAA by Moody's and AAA by S. & P., or if such institution is not so rated that the agreement is secured by such securities as are described in clauses (a) through (d), inclusive, above, having a market value at all times (exclusive of accrued interest, other than accrued interest paid in connection with the purchase of such securities) at least equal to the principal amount invested pursuant to the agreement, provided that (i) a custodian for the City (which custodian is not the entity with which the City has the repurchase or investment agreement) has a perfected first security interest in the collateral and the City has received an opinion of counsel to that effect, (ii) the custodian or an agent of the custodian (which agent is not the entity with which the City has the repurchase or investment agreement) has possession of the collateral, and (iii) such obligations are in the opinion of such counsel free and clear of claims by third parties; and

(i) Prime commercial paper of a corporation incorporated under the laws of any state of the United States of America, rated MIG-1 by Moody's or "P-1" by S. & P.

(35) "Project Costs" means the costs of acquiring, constructing and equipping the Projects, including without limitation acquisition of necessary interests in property, engineering fees or costs of the City, restoration costs, legal fees or costs of the City, and Costs of Issuance.

(36) "Projects" means the program of improvements and extension to the Water System consisting of converting the Water System's steam pumping stations to electric power and providing for their remote operation from a central control center, replacing aged and obsolete metering facilities and installing new metering facilities to serve new and

presently non-metered customers, replacing aged and deteriorating water mains and valves, increasing the size of existing water mains and valves in order to provide adequate service to existing customers, and installing additional water mains to serve new customers, and modernizing the South Water Filtration Plant and the Jardine Water Purification Plant by providing new equipment and technology necessary to continue to provide existing customers with the quality and quantity of water required and to meet future customer demand.

(37) "Provider" means a company, banking institution or other financial institution which is the issuer of a Reserve Account Credit Instrument.

(38) "Rebate Account" or "Rebate Accounts" means the separate account or accounts in the Water Fund described in Section 403 of this Ordinance and established for the respective series of Bonds issued after the issuance of the Series 1985 Bonds.

(39) "Refunded Bonds" means the Series 1983 Bonds maturing on November 1, 2003 and, unless excluded as provided in Section 211 of this Ordinance, the Series 1983 Bonds maturing on November 1, 1994.

(40) "Rehabilitation and Improvement Reserve Account" means the separate account of that name in the Water Fund described in Section 403 of this Ordinance.

(41) "Reimbursement Agreement" means an agreement between the City and a Provider entered into with respect to a Reserve Account Credit Instrument which pertains to the repayment of the Provider, with interest, if any, of amounts pursuant to that Reserve Account Credit Instrument.

(42) "Reserve Account Credit Instrument" means a non-cancellable insurance policy, a non-cancellable surety bond or an irrevocable letter of credit which may be delivered to the City in lieu of or in partial substitution for cash or securities required to be on deposit in the Debt Service Reserve Account. In the case of an insurance policy or surety bond, the company providing the insurance policy or surety bond shall be an insurer which, at the time of issuance of the insurance policy or surety bond, has been assigned a credit rating which is within one of the two highest ratings accorded insurers by both Moody's and S & P. Letters of credit shall be issued by a banking institution which has, or the parent of which has, or the holding corporation of which it is the principal bank has, at the time of issuance of the letter of credit, a credit rating on its long-term unsecured debt within one of the two highest rating categories from both Moody's and S & P. The insurance policy, surety bond or letter of credit shall grant to the City the right to receive payment for the purposes for which the Debt Service Reserve Account may be used and shall be irrevocable during its term.

(43) "Reserve Account Credit Instrument Coverage" means, with respect to any Reserve Account Credit Instrument on any date of determination, the amount available to pay principal of and interest on the Bonds under that Reserve Account Credit Instrument.

(44) "Series 1986 Bonds" means the Water Revenue Bonds, Refunding and Improvement Series 1986, of the City authorized by and issued pursuant to this Ordinance.

(45) "Series 1985 Bonds" means the Water Revenue Bonds, Refunding and Improvement Series 1985, of the City authorized by and issued pursuant to the Series 1985 Bond Ordinance.

(46) "Series 1985 Bond Ordinance" means the ordinance passed by the City Council on December 4, 1985, authorizing the issuance of the Series 1985 Bonds.

(47) "Series 1983 Bonds" means the Water Revenue Bonds, Series 1983, of the City authorized by and issued pursuant to the Series 1983 Bond Ordinance.

(48) "Series 1983 Bond Ordinance" means the ordinance passed by the City Council on November 9, 1983, authorizing the issuance of the Series 1983 Bonds.

(49) "S. & P." means Standard & Poor's Corporation, its successors and assigns, and, if dissolved or liquidated or no longer performing the functions of a securities rating agency for municipal bonds, "S. & P." shall mean any nationally recognized securities rating organization other than Moody's designated by the City by notice to the Trustee.

(50) "Treasurer" means the City Treasurer of the City.

(51) "Water Fund" means the separate fund designated the "Water Fund of the Municipality of Chicago" previously established by the City pursuant to the Municipal Code and described in Sections 402 and 403 of this Ordinance.

(52) "Water System" means all property, real, personal or otherwise, owned or to be owned by the City or under the control of the City and used for water supply, distribution or collection purposes, including the Projects and any and all further extensions, improvements and additions to the Projects or the Water System.

SECTION 102. Findings. It is found and declared as follows:

(a) The City is a duly constituted and existing municipality within the meaning of Section 1 of Article VII of the 1970 Constitution of the State of Illinois, and is a "home rule unit" under Section 6(a) of Article VII of the Constitution.

(b) The City has constructed and is presently maintaining and operating the Water System to meet the needs of the City's inhabitants and other users of the Water System and for fire protection. The Water System is operated under the supervision and control of the Department of Water of the City.

(c) The City issued the Series 1983 Bonds to finance necessary capital improvements and extensions to the Water System and to pay certain interim notes which had been issued to provide temporary construction financing for capital improvements and extensions to the Water System. The Series 1983 Bonds (a) are payable solely and only from the revenues derived from the operation of the Water System and (b) currently (as of November 2, 1986) are outstanding and unpaid in the aggregate principal amount of \$88,910,000.

(d) The City issued the Series 1985 Bonds to pay and discharge all then-outstanding water revenue bonds and Certificates of the City other than the Series 1983 Bonds and to

finance necessary capital improvements and extensions to the Water System. The Series 1985 Bonds (a) are payable solely and only from the revenues derived from the operation of the Water System on an equal and ratable basis with the Series 1983 Bonds and (b) currently (as of November 2, 1986) are outstanding and unpaid in the aggregate principal amount of \$60,840,000.

(e) It is advisable and in the best interests of the City, in order to obtain substantial net present value debt service savings resulting from the lower interest rates now prevailing in the municipal bond market than comparable rates now borne by the Refunded Bonds, that the City (i) refund the Refunded Bonds by making provision for the payment of the principal of, redemption premium, if any, and interest on the Refunded Bonds, and (ii) effect the discharge of the Refunded Bonds by borrowing the estimated principal sum of not to exceed \$90,000,000.

(f) The estimated amount of the Project Costs is in excess of \$35,000,000. The estimated useful life of the Water System and the Projects is longer than the final maturity of the Series 1986 Bonds. It is advisable and in the best interests of the City that the City undertake and complete the Projects.

(g) The City does not have available funds sufficient either to refund the Refunded Bonds or to pay Project Costs.

(h) The Certificates, the 1983 Bonds and the 1985 Bonds are the only outstanding obligations payable from or to the payment of which have been pledged, the revenues of the Water System.

(i) In accordance with the covenants of the City in the Series 1985 Bond Ordinance and in the Series 1983 Bond Ordinance, concurrent with the issuance, sale and delivery of the Series 1986 Bonds, all the conditions and requirements specified in Article V of the Series 1985 Bond Ordinance and in Section (2) of Article V of the Series 1983 Ordinance shall have been fully satisfied and complied with, and based upon such satisfaction and compliance, the Series 1986 Bonds will be payable from Net Revenues on an equal and ratable basis with all other Outstanding Bonds. Among the conditions and requirements which shall have been fully satisfied and complied with is the requirement that Net Revenues for the last completed Fiscal Year prior to the issuance of the Series 1986 Bonds (as shown by the audit of the Water System by Coopers & Lybrand, independent certified public accountants, dated June 30, 1986, for the Fiscal Year ended December 31, 1985), equal at least 125% of the maximum annual debt service for the Bonds which will continue to be Outstanding following the issuance of the proposed Series 1986 Bonds computed on a pro forma basis assuming the issuance of the Series 1986 Bonds and the application of a portion of the proceeds of sale of the Series 1986 Bonds to refund the Refunded Bonds.

(j) It is advisable and necessary and in the best interests of the City and its inhabitants (1) to borrow the sum of \$125,000,000 (or such lesser amount as is provided by Sections 211 and 212(a) of this Ordinance) to provide the funds needed (A) to provide for the payment and discharge of the Refunded Bonds, (B) to provide the funds needed to pay Project Costs, (C) to provide funds necessary for deposit into the Debt Service Reserve Account to meet the Debt Service Reserve Requirement and (D) to provide for discount on the Series 1986

Bonds and (2) in evidence of its obligation to repay that borrowing, to issue the Series 1986 Bonds.

(k) The borrowing authorized by this Ordinance and the issuance of the Series 1986 Bonds are for a proper public purpose and are in the public interest. The City has the power to borrow for the purposes set forth in this Ordinance and to issue the Series 1986 Bonds.

Article II.

The Series 1986 Bonds.

SECTION 201. Principal Amount, Designation, Source of Payment. The City shall borrow money for the purposes specified in Section 202 of this Ordinance and in evidence of its obligation to repay the borrowing shall issue the Series 1986 Bonds in the aggregate principal amount of \$125,000,000 (or shall borrow and issue such lesser amount as is provided by Sections 211 and 212(a) of this Ordinance). The Series 1986 Bonds shall be designated "Water Revenue Bonds, Refunding and Improvement Series 1986." The Series 1986 Bonds shall be limited obligations of the City having a claim for payment of principal, redemption premium and interest solely from the Net Revenues on an equal and ratable basis with the other Outstanding Bonds. The Series 1986 Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation as to indebtedness. Each Series 1986 Bond shall contain a statement to that effect.

SECTION 202. Purposes. The borrowing and issuance of the Series 1986 Bonds authorized in Section 201 shall be for the purposes of (a) providing funds to make provision for the payment and discharge of the Refunded Bonds by the deposit of such funds, simultaneously with the issuance of the Series 1986 Bonds, in the Escrow Account, (b) providing funds to pay Project Costs, including Costs of Issuance, (c) providing funds to deposit in the Debt Service Reserve Account as provided in Section 302 of this Ordinance and (d) providing for the discount on the Series 1986 Bonds.

SECTION 203. Date, Denominations, Numbers. The Series 1986 Bonds shall be initially dated as of the first day of the month in which they are initially issued and delivered to the Initial Purchasers, shall be issued as fully registered bonds without coupons in denominations of \$5,000 or any integral multiple of that amount, and shall be numbered consecutively from R-1 upwards. Series 1986 Bonds authenticated and delivered on or after May 1, 1987, shall be dated as of the May 1 or November 1 next preceding the date of their authentication and delivery to which interest has been paid, except Bonds authenticated and delivered on a May 1 or November 1 to which interest has been paid, which Bonds shall be dated as of that May 1 or November 1.

SECTION 204. Maturity. The principal of the Series 1986 Bonds shall be payable (either at maturity or pursuant to mandatory sinking fund redemption, or in the case of capital appreciation bonds through the compounding of accreted value) on November 1 of each year beginning with the first principal payment date, which shall be not later than November 1, 1990, and ending with the final maturity, which shall be not later than November 1, 2006. The Series 1986 Bonds shall be issued as serial bonds or as term bonds subject to mandatory sinking fund redemption, or a combination of serial bonds and term

bonds. The maturity terms for the Series 1986 Bonds shall be provided in the Determination Certificate described in Section 212(e), which shall be consistent with the terms of sale of the Series 1986 Bonds in the Bond Purchase Agreement.

SECTION 205. Redemption, Notice of Redemption, Terms.

(a) **Redemption Terms.** The Series 1986 Bonds shall be subject to redemption, in whole or in part, at the option of the City, at a price equal to their principal amount, plus accrued interest to the date of redemption if not an interest payment date, and such redemption premiums, if any, and, subject to the remaining provisions of this Section, upon such other terms, as the Comptroller shall provide in the Determination Certificate described in Section 212(e), each and all of which the Comptroller is authorized and directed to determine and approve on behalf of and in the name of the City. The Series 1986 Bonds shall be subject to optional redemption not later than 1997 as to those Series 1986 Bonds Outstanding with a maturity equal to or later than the first year in which an optional redemption is authorized, at an initial redemption premium not greater than 3% of the principal amount of the Series 1986 Bonds to be so redeemed.

(b) **Mandatory Sinking Fund Redemption.** Any term Series 1986 Bonds subject to mandatory sinking fund redemption shall be selected for redemption by lot by the Bond Registrar, as provided below, and shall be so redeemed at a price of 100% of the principal amount of the Series 1986 Bonds to be redeemed plus accrued interest to the date fixed for redemption if not an interest payment date. To the extent that term Series 1986 Bonds subject to mandatory sinking fund redemption have been previously called for redemption in part other than from a sinking fund payment, each annual sinking fund payment for term Series 1986 Bonds of each maturity shall be reduced by the amount obtained by multiplying the principal amount of term Series 1986 Bonds of such maturity so called for redemption, by the ratio which each such annual sinking fund payment for term Series 1986 Bonds of such maturity bears to the total sinking fund payments then remaining unpaid for term Series 1986 Bonds of such maturity, and by rounding each such payment to the nearest integral multiple of \$5,000 consistent with the total principal amount of Series 1986 Bonds Outstanding of that maturity.

In lieu of making all or any part of any sinking fund payment in cash, the City may, at its option, redeem the Series 1986 Bonds through the purchase of Series 1986 Bonds in the open market. Series 1986 Bonds shall not be purchased in the open market from moneys in the Water Fund at a price in excess of the par value of the Series 1986 Bonds plus the redemption premium applicable to the redemption of such Series 1986 Bonds on the next date on which they may be optionally redeemed and accrued and unpaid interest on the principal of the purchased Series 1986 Bonds to the date of purchase. Series 1986 Bonds of any maturity which are purchased by the City on the open market and deposited by the City with the Bond Registrar, if purchased from moneys in the Matured Water Bond and Interest Account, shall be credited against and shall reduce the next sinking fund installment or installments up to the principal amount so purchased for the Series 1986 Bonds of that maturity or, if purchased from other moneys, shall be credited against and shall reduce the sinking fund installments for the Series 1986 Bonds of that maturity in a manner consistent with that provided in the preceding paragraph with respect to optional redemption of the Series 1986 Bonds.

(c) Partial Redemption of Bonds. In the event of a redemption of less than all the Series 1986 Bonds of a maturity, the Bond Registrar shall assign to each Outstanding Series 1986 Bond of a denomination greater than \$5,000 a distinctive number for each \$5,000 portion of such Bond so as to distinguish each such \$5,000 portion from each other portion of such Series 1986 Bond. The Bond Registrar shall select by lot, using such method of selection as it shall deem proper in its sole discretion, from the numbers assigned to the Series 1986 Bonds as many numbers as, at \$5,000 for each number, shall equal the principal amount of Series 1986 Bonds to be redeemed. The Series 1986 Bonds to be redeemed shall be the Series 1986 Bonds to which were assigned the numbers so selected, but only so much of the principal amount of each such Series 1986 Bond of a denomination greater than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

(d) Notice of Redemption. Notice of redemption shall be given by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption to each registered owner of Series 1986 Bonds to be redeemed at such owner's address as shown in the bond register kept by the Bond Registrar and by such other additional method, if any, as the City shall deem appropriate. Notice of redemption shall specify the maturities of the Series 1986 Bonds to be redeemed, the date fixed for redemption and, if less than all of the Series 1986 Bonds of any maturity are to be redeemed, the numbers of such Series 1986 Bonds to be redeemed and, in the case of Series 1986 Bonds to be redeemed in part only, the respective portions of the principal amounts of such Series 1986 Bonds to be redeemed. Failure to give such notice by mail or a defect in the notice or the mailing as to any Series 1986 Bond will not affect the validity of any proceedings for redemption as to any other Series 1986 Bond as to which notice was given properly and the failure of any owner of a Series 1986 Bond to receive the notice shall not affect the validity of the redemption.

If less than the entire principal amount of a Series 1986 Bond shall be called for redemption, the City shall execute and the Authenticating Agent shall authenticate and deliver, upon surrender of such Series 1986 Bond, without charge to the registered owner, one or more new Series 1986 Bonds of any authorized denomination, or like maturity and aggregate principal amount as the unredeemed balance of the principal amount of the Series 1986 Bond so surrendered. If, on the date fixed for redemption, (a) moneys in an amount equal to the aggregate principal amount of all of the Series 1986 Bonds or portions of the Series 1986 Bonds to be redeemed, together with any redemption premium and interest accrued to the redemption date, shall be held by the Paying Agent and are available for such redemption and (b) notice of redemption shall have been given as described above, interest on the Series 1986 Bonds so redeemed shall cease from and after the date fixed for redemption.

SECTION 206. Interest. The Series 1986 Bonds shall bear interest from their date until principal is paid at a rate or rates per annum determined by the Comptroller and provided in the Determination Certificate described in Section 213, which shall be in the judgment of the Comptroller the best interest rates for which the Series 1986 Bonds can be sold in the market and which, in the aggregate, result in a true interest cost (expressed as a percentage) not in excess of 9.5% computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Series 1986 Bonds shall be payable semi-annually on the first days of May and November in each year, with the first interest payment date being May 1, 1987.

SECTION 207. Places and Medium of Payment. (a) Interest on each Series Bond shall be paid on each interest payment date to the person in whose name the Series 1986 Bond is registered in the bond register kept by the Bond Registrar at the close of business on the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Interest shall be paid by check or draft mailed to such registered owner at such owner's address as it appears in the bond register.

(b) Principal of and redemption premium, if any, on any Series 1986 Bond shall be paid only upon presentation and surrender of that Series 1986 Bond for cancellation at the principal corporate trust office of the Paying Agent. The Paying Agent is authorized to pay the principal of and the premium, if any, on the Series 1986 Bonds as provided in this paragraph.

(c) Payment shall be made in lawful money of the United States of America.

SECTION 208. Transfers and Exchanges of Bonds. The City shall cause a bond register for the registration and transfer of Series 1986 Bonds to be maintained at the principal corporate trust office of the Bond Registrar.

Any Series 1986 Bond may be transferred only upon surrender of such Series 1986 Bond to the Bond Registrar, upon which the City shall execute and the Authenticating Agent shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Series 1986 Bonds of any authorized denomination, of like maturity and aggregate principal amount as the Series 1986 Bond surrendered.

At the option of the registered owner, any Series 1986 Bond may be exchanged for another Series 1986 Bond or Bonds of any authorized denomination, of like maturity and aggregate principal amount, upon surrender of the Series 1986 Bond to be exchanged to the Bond Registrar. Upon such surrender for exchange, the City shall execute and the Authenticating Agent shall authenticate and deliver the Series 1986 Bonds which the registered owner making the exchange is entitled to receive.

Every Series 1986 Bond presented or surrendered for transfer or exchange shall (if so required by the Bond Registrar) be duly endorsed, or shall be accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar duly executed, by the registered owner of the Bond or such owner's duly authorized representative.

In all cases in which Series 1986 Bonds are to be transferred or exchanged, the Bond Registrar may require payment of sum sufficient to cover any tax, fee or other governmental charge that may be imposed (other than taxes, fees or charges imposed by the City) and to reimburse it for any expenses incurred in connection with such transfer or exchange. The Bond Registrar shall not be required to transfer or exchange any Series 1986 Bond during a period beginning at the opening of business on the 15th day next preceding any date of selection of Series 1986 Bonds to be redeemed and ending at the close of business on the day on which notice of redemption is given or after notice selecting such Bond for redemption has been given.

The Series of 1986 Bonds may be deposited with a fiscal agent in New York, New York, or such other agent as the Bond Registrar may designate, for transmission to the Bond Registrar for purposes of exchange or transfer.

The City and any agent of the City may deem and treat the person in whose name any Series 1986 Bond is registered as the absolute owner of such Series 1986 Bond for the purpose of receiving payment of or on account of the principal of, redemption premium, if any, and interest on such Series 1986 Bond, and for all other purposes. Neither the City nor any agent of the City shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 1986 Bond to the extent of the sum or sums paid.

SECTION 209. Lost, Stolen, Mutilated or Destroyed Bonds.

If any Series 1986 Bond becomes mutilated or is lost, stolen or destroyed, the City may execute and the Bond Registrar shall authenticate and deliver a new Series 1986 Bond of the same date of issue, maturity date, principal amount and interest rate per annum as the Series 1986 Bond mutilated, lost, stolen or destroyed, provided that (i) in the case of a mutilated Series 1986 Bond, the Series 1986 Bond is first surrendered to the City, (ii) in the case of any lost, stolen or destroyed Series 1986 Bond, there is first furnished both evidence of loss, theft or destruction and an indemnity satisfactory to the City and the Bond Registrar, (iii) all other reasonable requirements of the City are complied with, and (iv) expenses in connection with the transaction are paid by the registered owner of such Series 1986 Bonds. Any new Series 1986 Bonds issued pursuant to this Section in substitution for Series 1986 Bonds alleged to have been destroyed, stolen or lost shall constitute original additional contractual obligations on the part of the City whether or not the Series 1986 Bonds alleged to be destroyed, stolen or lost are at any time enforceable by anyone, and shall be equally secured by and entitled to equal and proportionate benefits with all other Series 1986 Bonds in any moneys or securities held by the City or any Paying Agent for the benefit of such registered owners.

SECTION 210. Form, Execution of Bonds.

(a) Each Series 1986 Bond and the Authenticating Agent's Certificate of Authentication to be endorsed on such Series 1986 Bond shall be in substantially the form attached as Exhibit A to this Ordinance, with necessary and appropriate variations, omissions and insertions as permitted or required by this Ordinance, including those necessary if any Series 1986 Bonds are issued as capital appreciation bonds.

(b) Each Series 1986 Bond shall be executed by the manual or facsimile signatures of the Mayor and the Comptroller, shall be attested by the manual or facsimile signature of the Clerk, shall have the corporate seal of the City affixed, impressed or printed on such Series 1986 Bond and shall be authenticated by the manual signature of the Authenticating Agent. If any officer of the City whose manual or facsimile signature appears on any Series 1986 Bond shall cease to be such officer before the delivery of such Series 1986 Bond, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes, as if such officer had remained in office until delivery.

(c) The Mayor, Comptroller and Clerk (if they have not already done so) are authorized to file with the Illinois Secretary of State their manual signatures certified by them pursuant to the Uniform Facsimile Signature of Public Officials Act (Ill. Rev. Stat. 1985, ch. 102, par. 61). The use of their facsimile signatures to execute the Series 1986 Bonds is authorized by this Ordinance. Each Series 1986 Bond so executed shall be as effective as if manually executed.

(d) No Series 1986 Bond shall be valid for any purpose unless and until a certificate of authentication of the Series 1986 Bond substantially in the form set forth in the form of Series 1986 Bonds attached as Exhibit A to this Ordinance shall have been duly executed by the Authenticating Agent with respect to that Series 1986 Bond. The executed certificate upon any such Series 1986 Bond shall be conclusive evidence that such Series 1986 Bond has been authenticated and delivered under this Ordinance. The Authenticating Agent's certificate of authentication on any Series 1986 Bond shall be deemed to have been executed by it if signed by an authorized officer or signatory of the Authenticating Agent. It shall not be necessary that the same officer or signatory sign the certificate of authentication on each of the Series 1986 Bond. The Authenticating Agent is authorized and directed to cause Series 1986 Bonds executed by the City to be authenticated at the request of the City in accordance with the provisions of this Ordinance.

SECTION 211. Determination by Comptroller as to Projects and as to Refunded Bonds.

(a) Upon a determination by the Comptroller made at the time of sale of the Series 1986 Bonds and set forth in the Determination Certificate described in Section 212(e), the amount of money which the City shall borrow and in respect of which the City shall issue the Series 1986 Bonds may be reduced to an amount so that the amounts so borrowed and available to pay Project Costs do not exceed the amount which the Comptroller determines will be encumbered or used to pay Project Costs during the three year period following the issuance and delivery of the Series 1986 Bonds because moneys will be available from other sources to pay such Project Costs.

(b) If the Comptroller makes a determination at the time of the sale of the Series 1986 Bonds that the City will not obtain net present value savings as result of a refunding of the Series 1983 Bonds maturing on November 1, 1994, the Refunded Bonds shall not include the Series 1983 Bonds of that maturity, and the amount of money which the City shall borrow and in respect of which the City shall issue the Series 1986 Bonds shall be accordingly reduced as set forth in the Determination Certificate described in Section 212(e) of this Ordinance.

SECTION 212. Sale of Series 1986 Bonds.

(a) The Comptroller is authorized to execute on behalf of the City a contract for the sale by the City of the Series 1986 Bonds pursuant to a negotiated sale. The purchase price shall not be less than 97.0% of the par amount of the Series 1986 Bonds, exclusive of original issue discount, if any, plus accrued interest on the Series 1986 Bonds from their date to the date of their delivery, and on such terms as he may deem to be in the best interests of the City as provided in this Ordinance. Such terms include, without limitation, the aggregate principal amount of the Series 1986 Bonds, the maturities of the Series 1986 Bonds, the

issuance of the Series 1986 Bonds as serial bonds or as term bonds subject to mandatory sinking fund redemption, or a combination of serial bonds and term bonds, the interest rate or rates for the Series 1986 Bonds, and the prices and other terms upon which the Series 1986 Bonds are subject to redemption, all as provided in and subject to the limitations expressed in this Article II, including the limitation specified in Section 206 of this Article. The Comptroller is further authorized to take the actions and execute and deliver the documents and instruments specified in this ordinance. The Series 1986 Bonds shall be then duly prepared and executed in the form and manner provided in this Ordinance and delivered to the Treasurer for delivery to the purchasers in accordance with the terms of sale.

(b) The City shall enter into the Bond Purchase Agreement in substantially the form attached to this Ordinance as Exhibit B, with such changes, including without limitation the specification of all amounts or sums in such agreement, as shall be approved by the Comptroller. The Comptroller is authorized and directed to execute the Bond Purchase Agreement on behalf of and in the name of the City, with concurrence of the Chairman or Vice Chairman of the Committee on Finance of the City Council or the Chairman of the Committee on the Budget of the City Council (to be reported to the City Council as provided in this Ordinance).

(c) The City shall cause there to be prepared and delivered to prospective purchasers of the Series 1986 Bonds a Preliminary Official Statement substantially in the form attached to this Ordinance as Exhibit C, with the most recent audited financial statements of the Water System as an appendix and with such other appendices and with such changes, including without limitation the specification of all amounts or sums in the Preliminary Official Statement, as shall be approved by the Comptroller. Upon sale of the Series 1986 Bond, the Comptroller is authorized and directed to cause a final Official Statement to be prepared, executed and (i) delivered to the Initial Purchasers and (ii) filed with the Office of the City Clerk directed to the City Council.

(d) Upon a finding by the Comptroller that the purchase of municipal bond insurance of the Series 1986 Bonds is likely to facilitate the marketing and sale of the Series 1986 Bonds and permit completion of such sale in a timely fashion, and that such insurance is available at an acceptable premium, the Comptroller is authorized to purchase a policy of municipal bond insurance for the Series 1986 Bonds. Such policy shall be provided by a bond insurance company or association approved by the Comptroller.

(e) Subsequent to such sale, the Comptroller shall file in the Office of the City Clerk directed to the City Council (i) a determination certificate (the "Determination Certificate") setting forth the terms of sale of the Series 1986 Bonds, the interest rate or rates on the Series 1986 Bonds, and the determination made pursuant to Section 211 of this Ordinance with respect to the amount to be borrowed for project cost and with respect to the inclusion of the Series 1983 Bonds maturing on November 1, 1994 as Refunded Bonds, (ii) and executed copy of the Bond Purchase Agreement, reflecting concurrence of the Chairman or the Vice Chairman of the Committee on Finance of the City Council or the Chairman of the Committee on the Budget of the City Council in the determinations made by the Comptroller as to the terms of sale of the Series 1986 Bonds, and (iii) the final Official Statement of the City as provided in Section 212(c) of this Ordinance.

Article III.

Disposition of Series 1986 Bond Proceeds.

SECTION 301. Escrow Account: Establishment, Deposit of Funds, Uses.

(a) The City shall establish the Escrow Account with the Escrow Trustee and shall enter into the Escrow Agreement with the Escrow Trustee in substantially the form attached to this Ordinance as Exhibit D, with such changes, including, without limitation, the specification of all amounts or sums in the Escrow Agreement, as shall be approved by the Comptroller. The Comptroller is authorized and directed to execute the Escrow Agreement on behalf of and in the name of the City upon the sale of the Series 1986 Bonds.

(b) There shall be deposited into the Escrow Account an amount from the proceeds of the Series 1986 Bonds sufficient to purchase Permitted Investments as provided in paragraph (c) of this Section and to provide for an initial cash balance, so that the principal and interest payable on those Permitted Investments when due, together with the initial cash balance on hand in the Escrow Account, will be fully sufficient, without consideration of any reinvestment of such amounts, to pay and discharge the principal of and redemption premium, if any, and interest on the Refunded Bonds until their redemption on November 1, 1993. The amounts so deposited shall be irrevocably set aside and held in trust in the Escrow Account to be used solely for those purposes. The Refunded Bonds shall be redeemed on November 1, 1993.

(c) Except for the initial cash balance, the amounts deposited in the Escrow Account shall be used to purchase direct full faith and credit obligations of the United States of America, which may include United States Treasury Obligations, State and Local Government Series ("S.L.G.S."), and which are not subject to redemption in advance of their maturity. Permitted Investments shall be limited in yield so as not to exceed the yield on the Bonds by an amount greater than that allowed by applicable United States Treasury Regulations. The Comptroller is authorized and directed to instruct the Escrow Trustee as to the Permitted Investments to be acquired consistent with this paragraph, which Permitted Investments shall be designated in a Schedule to the Escrow Agreement.

(d) Notwithstanding the provisions of paragraphs (b) and (c) of this Section, if the City has determined to apply amounts deposited into the Escrow Account to purchase S.L.G.S. and is unable for any reason to obtain S.L.G.S. for such purpose on or prior to the date of delivery of the Series 1986 Bonds, the City may deposit temporarily into the Escrow Fund cash in the Water Fund (other than moneys on deposit in any of the accounts in Section 404 of this Ordinance) and amounts received by the City upon the sale of the Series 1986 Bonds sufficient to defease the Refunded Bonds until S.L.G.S. can be obtained for that purpose, and those amounts are appropriate for that purpose. When the S.L.G.S. have been purchased and deposited in the Escrow Account, the cash or amounts deposited temporarily into the Escrow Account as described above shall be transferred from the Escrow Account and redeposited in the Water Fund or deposited in the Construction Account: Series 1986 Bonds, as appropriate and as shall be provided in the Escrow Agreement.

(e) All amounts deposited in the Escrow Account are appropriated for the purposes specified in this Ordinance. The Treasurer of the City (and any paying agents for the

Series 1983 Bonds) shall receive, hold and disburse all moneys paid over by the Escrow Trustee from the Escrow Account pursuant to the provisions of the Escrow Agreement only in accordance with the terms, conditions and provisions of the Escrow Agreement.

(f) Notwithstanding anything to the contrary in this Ordinance, the Escrow Trustee shall pay over to the City for deposit in the Water Fund any amounts remaining in the Escrow Account after the Redeemed Bonds have been paid or redeemed in accordance with the provisions of the Escrow Agreement.

SECTION 302. Deposit into Debt Service Reserve Account.

A sufficient amount of the proceeds of the Series 1986 Bonds shall be transferred to and deposited to the credit of the Debt Service Reserve Account to establish a balance in the Debt Service Reserve Account at least equal to the Debt Service Reserve Requirement.

SECTION 303. Accrued Interest.

Accrued interest shall be deposited to the credit of the Matured Water Bond and Interest Account and applied to the payment of interest coming due on the Series 1986 Bonds on May 1, 1987.

SECTION 304. Construction Account: Establishment, Deposit of Funds, Uses.

(a) The City shall establish a separate account in the Water Fund designated the "Construction Account: Series 1986 Bonds."

(b) The proceeds of sale of the Series 1986 Bonds remaining after the deposits required by Sections 301, 302 and 303 have been made shall be deposited to the credit of the Construction Account: Series 1986 Bonds. This account shall be deposited in a separate account in a bank or banks designated by the Treasurer pursuant to a depository agreement. Funds in the Construction Account: Series 1986 Bonds shall be invested by the depository at the direction of the Treasurer in Permitted Investments, provided that such investments shall be scheduled to mature before needed to pay Project Costs, including Costs of Issuance. All interest received on or profits derived from such investments shall remain in the Construction Account: Series 1986 Bonds.

(c) Disbursements shall be made from the Construction Account: Series 1986 Bonds from time to time for the purpose of paying Project Costs, including Costs of Issuance. The money received from the sale of the Series 1986 Bonds and set aside in the Construction Account: Series 1986 Bonds shall be used to provide funds for all or any part of the Projects.

Within 60 days after completion of the Projects and the payment of all Project Costs, any funds remaining in the Construction Account: Series 1986 Bonds shall be transmitted by said depository to the Treasurer for transfer to the Debt Service Reserve Account, or, if such account is fully funded, to the Water Fund.

Article IV.

Water Fund And Accounts.

SECTION 401. Revenue Obligation.

The Series 1986 Bonds shall have a claim for payment solely and only from the Net Revenues derived from the operation of the Water System. The Series 1986 Bonds shall not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation as to indebtedness and each Series 1986 Bond shall contain a statement to that effect.

SECTION 402. Water Fund.

There has been created and there exists a separate fund of the City with the Treasurer designated the Water Fund into which the Gross Revenues of the Water System are deposited as collected. The Water Fund shall continue as a separate fund of the City. The Water Fund has been and is irrevocably pledged for the sole purpose of carrying out the covenants, terms and conditions of this Ordinance and the bond ordinances authorizing the issuance of Outstanding Bonds and shall be used only in (a) paying Operation and Maintenance Costs, (b) paying the principal of, redemption premium, if any, and interest on all Outstanding Bonds, and (c) establishing and maintaining (for the purposes specified in this Ordinance) the accounts in the Water Fund described below and all other reserve funds or accounts which are required to be established and maintained in the bond ordinances authorizing the issuance of Outstanding Bonds; provided that any funds available after these requirements have been satisfied or which are not necessary to satisfy these requirements may be used for any lawful purpose of the Water System. A lien on and security interest in the Net Revenues is granted to the owners of the Bonds Outstanding from time to time subject to amounts in the various Accounts being deposited and expended as provided in this Ordinance. This pledge and grant of a lien and security interest is effective immediately upon the issuance of the Series 1986 Bonds without the requirement of any further act or filing and is superior to the claims of any person whether or not they have notice of this pledge or grant.

SECTION 403. Water Fund Accounts.

There have been created and there exist separate accounts in the Water Fund designated the "Matured Water Bond and Interest Account," the "Debt Service Reserve Account" and the "Rehabilitation and Improvement Reserve Account." There is established in the Water Fund a separate Rebate Account for the Series 1986 Bonds and for each series of Parity Bonds. The Comptroller may in his discretion determine that moneys on deposit in the Matured Bond and Interest Account and the Rehabilitation and Improvement Reserve Account be deposited and maintained in a separate account in a bank or banks designated by the Treasurer pursuant to one or more depository agreements, and the Comptroller may in his discretion enter into agreements which include covenants to establish and maintain such separate accounts. The Water Fund may also have within it certain accounts designated as a cost of issuance account, construction account or Rebate Account as provided for in Ordinances authorizing the issuance of Outstanding Bonds.

SECTION 404. Application of Net Revenues. The Net Revenues shall be transferred, without any further official action or direction, to the Matured Water Bond and Interest Account, the Debt Service Reserve Account, the Rehabilitation and Improvement Account

and the Rebate Accounts in the order in which those accounts are listed below, for use in accordance with the provisions of paragraphs (a), (b), (c) and (d) of this Section.

(a) Matured Water Bond and Interest Account:

Not later than ten days prior to each principal or interest payment date for the Bonds, there shall be transferred to the Matured Water Bond and Interest Account sufficient funds, together with accrued interest received upon delivery of the Series 1986 Bonds, if any, to pay the amount of the principal, redemption premium, if any, and interest becoming due, whether upon maturity, redemption or otherwise, on such payment date on all Outstanding Bonds.

Funds in the Matured Water Bond and Interest Account shall be used only for the purpose of paying principal of, redemption premium, if any, and interest on Outstanding Bonds as the same become due.

(b) Debt Service Reserve Account:

(i) At the time of the delivery of the Series 1986 Bonds, sufficient funds from the proceeds of sale of the Series 1986 Bonds shall be transferred to the Debt Service Reserve Account to maintain a balance in such Account, together with the funds deposited in that account pursuant to the Series 1985 Bond Ordinance and the Series 1983 Bond Ordinance, at least equal to the Debt Service Reserve Requirement. Such funds shall be maintained in a separate segregated subaccount in the Debt Service Reserve Account. The Debt Service Reserve Account shall be deposited in a separate account in a bank or banks designated by the Treasurer pursuant to a depository agreement. Whenever the balance in the Debt Service Reserve Account is less than the Debt Service Reserve Requirement, there shall be transferred to the Debt Service Reserve Account within the next 12 months sufficient funds to maintain a balance in the Debt Service Reserve Account at least equal to the Debt Service Reserve Requirement.

Funds in the Debt Service Account shall be used to pay principal of, redemption premium, if any, and interest on the outstanding Bonds as the same become due at any time when there are insufficient funds available for such purpose in the Matured Water Bond and Interest Account.

(ii) When all Bonds issued prior to the Series 1986 Bonds are no longer outstanding, all or any part of the Debt Service Reserve Requirement may be met by deposit with the City of a Reserve Account Credit Instrument. A Reserve Account Credit Instrument shall, for purposes of determining the value of the amounts on deposit in the Debt Service Reserve Account, be valued at the Reserve Account Credit Instrument Coverage for the Reserve Account Credit Instrument except as provided in the next sentence. If a Reserve Account Credit Instrument is to terminate (or is subject to termination) prior to the last principal payment date on any Outstanding Bond, then the Reserve Account Credit Instrument Coverage of that Reserve Account Credit Instrument shall be reduced each year, beginning on the date which is four years prior to the first date on which the Reserve Account Credit Instrument is to terminate (or is subject to termination), by twenty-five percent (25%) of the Coverage in each of the years remaining prior to such date, provided that if by the terms of the Reserve Fund Credit Instrument and the terms of the related

ordinance, the City has the right and duty to draw upon the Instrument prior to its termination for deposit in the Debt Service Reserve Account all or part of its Coverage, then the reduction shall be in an amount equal to the difference between (a) the Debt Service Reserve Requirement and (b) the sum of the amounts on deposit in the Debt Service Reserve Account and the amount which the City may draw under the Instrument prior to its termination for deposit in the Debt Service Reserve Account. Any amounts in the Debt Service Reserve Account which are not required to be transferred to the Matured Bond and Interest Account may, from time to time, be used to pay costs of acquiring a Reserve Account Credit Instrument or to make payments due under a Reimbursement Agreement, but only if after such payment, the value of the Debt Service Reserve Account shall not be less than the Debt Service Reserve Requirement. The City may provide by resolution for the pledge of and grant of a lien on and security interest in the amounts on deposit in the Debt Service Reserve Account to any Provider to secure the City's obligation to make payments under a related Reimbursement Agreement, provided that any such lien or security interest shall be junior in priority to any claim for the benefit of the owners of the Outstanding Bonds.

After the deposit of a Reserve Account Credit Instrument into the Debt Service Reserve Account and after the City has received notice of the value of the Debt Service Reserve Account after such deposit, the Comptroller may then direct the transfer from the Debt Service Reserve Account to the Water Fund of any amounts in the Debt Service Reserve Account in excess of the Debt Service Reserve Requirement.

(c) Rebate Accounts:

There shall be transferred from the Water Fund and deposited to the credit of the Rebate Accounts the amounts as shall be required to be held available for rebate to the United States of America with respect to each Series of Bonds. Each Rebate Account shall be deposited in a separate bank account in a bank or banks designated by the Treasurer pursuant to a depository agreement. The amount so to be held available shall be determined from time to time by the City pursuant to the ordinances authorizing the various series of Bonds.

Amounts in Rebate Accounts shall be used at the direction of the City to make rebate payments to the United States of America. Amounts in Rebate Accounts may be used to pay principal, redemption premium and interest on the outstanding obligations of the City that are payable by their terms from the revenues of the Water system, as the same become due, at any time when there are insufficient funds available for such purpose in the Matured Water Bond and Interest Account, the Debt Service Reserve Account and the Rehabilitation and Improvement Reserve Account.

(d) Rehabilitation and Improvement Reserve Account:

Whenever the balance in the Rehabilitation and Improvement Reserve Account is less than \$10,000,000, an amount equal to \$2,500,000, or such lesser amount as may be necessary, shall be transferred to that Account in each Fiscal Year after the Fiscal Year in which such deficiency first exists until the balance in that Account equals \$10,000,000.

Funds in the Rehabilitation and Improvement Reserve Account shall be used (i) to pay principal, redemption premium and interest on the outstanding obligations of the City that are payable by their terms from the revenues of the Water System, as the same become due, at any time when there are insufficient funds available for such purpose in the Matured Water Bond and Interest Account and the Debt Service Reserve Account, (ii) to pay the cost of constructing any emergency replacement to any part of the Water System deemed necessary in order to render efficient service when there are no other funds available for such purpose, provided that prior to such payment, there shall be filed with the Comptroller and the Treasurer a certificate of the Commissioner of the City Department of Water to evidence that in the Commissioner's opinion the making of such improvement is an emergency replacement of part of the Water System, such replacement is essential for the continued efficient operation of the Water System and no other funds are available for such purpose, and (iii) to pay the cost of constructing new facilities for or making necessary improvements to the Water System in each case constituting capital improvements, provided that such capital improvements are set forth in plans and a report of the improvements prepared by the Commissioner of the City Department of Water submitted to and approved by the City Council.

SECTION 405. Deficiencies, Excess.

In the event of a deficiency in any Fiscal Year in the Debt Service Reserve Account, the Rehabilitation and Improvement Reserve Account or any Rebate Account, the amount of such deficiency shall, as the case may be, be included in the amount to be transferred from the Water Fund and deposited into such account during the next 12-month period or succeeding Fiscal Year, as required by this Ordinance.

Whenever the balance in the Debt Service Reserve Account or the Rehabilitation and Improvement Reserve Account or any Rebate Account exceeds the amount required to be on deposit in that Account, such excess may be transferred to the Water Fund, provided that no such transfers shall be made when any debt service payments on outstanding obligations of the City that are payable by their terms from the revenues of the Water System are past due. Any funds which remain in the Water Fund at the end of any Fiscal Year shall be retained in the Water Fund and shall be available for appropriation for any proper purpose of the Water System.

SECTION 406. Investments.

Funds in the accounts described in Section 403 shall be invested in Permitted Investments. All amounts in the Debt Service Reserve Account and each Rebate Account shall be invested in Permitted Investments which are held separate and distinct from those of any other Funds or Account. Investments shall be scheduled to mature before needed for the respective purposes of each of such accounts. All Investment Earnings on any funds so invested shall be credited to the Water Fund and shall be considered Gross Revenues. Earnings on the investment of amounts on deposit in the Rebate Accounts shall not be Investment Earnings, shall not be considered Gross Revenues, and shall be retained in the respective Rebate Accounts.

For purposes of determining whether sufficient cash and investments are on deposit in such accounts under the terms and requirements of this Ordinance, investments shall be valued at cost or market price, whichever is lower, on or about December 31 in each year.

Article V.

General Covenants.

The City covenants and agrees with the owners of the Series 1986 Bonds as follows:

SECTION 501. Maintenance and Continued Operation of Water System.

The City will maintain the Water System in good repair and working order, will continuously operate the same on a Fiscal Year basis, will promptly construct the Projects, and will punctually perform all duties with respect to the Water System required by the Constitution and laws of the State of Illinois.

So long as the Series 1986 Bonds are Outstanding, the City will continue to operate the Water System as a revenue-producing system so as to produce Net Revenues sufficient to satisfy the covenants of Section 502 of this ordinance.

SECTION 502. Water Rates.

The City will establish, maintain and collect at all times fees, charges and rates for the use and service of the Water System sufficient at all times to (a) pay Operation and Maintenance Costs and (b) produce an amount to pay the principal of and applicable redemption premium and interest on all Outstanding Bonds and to establish and maintain all reserve funds or accounts as may be covenanted for in bond ordinances authorizing the issuance of Outstanding Bonds at least equal to 125% of the sum required to pay promptly when due the principal of and applicable redemption premium and interest on all Outstanding Bonds. These fees, charges and rates shall not be reduced while any Outstanding Bonds are unpaid below the level necessary to ensure compliance with the covenants of this Section.

The City will, prior to the end of each Fiscal Year, conduct a review to determine compliance with the rate covenant set forth above. Whenever the annual review indicates that projected Net Revenues will not be sufficient to comply with the rate covenant, the Department of Water of the City shall, after consultation with the Office of Budget and Management of the City and the Comptroller and, where appropriate, a Consulting Engineer, recommend appropriate action to the City Council to comply with this rate covenant.

SECTION 503. Repairs, Replacements, Additions, Betterments.

The City from time to time will make all necessary and proper repairs, replacements, additions and betterments to the Water System so that the Water System may at all times be operated efficiently, economically and properly. When any necessary equipment or facility shall have been worn out, destroyed, or otherwise is insufficient for proper use, it

shall be promptly replaced so that the value and efficiency of the Water System shall be at all times fully maintained.

SECTION 504. Control and Operation of Water System.

The City will establish such rules and regulations for the control and operation of the Water System as are necessary for the safe, lawful, efficient and economical operation of the Water System.

SECTION 505. Books and Records.

The City will make and keep proper books, records and accounts (separate and apart from all other books, records and accounts of the City) in which correct and complete entries shall be made of all transactions relating to the Water System. Within 180 days following the close of each Fiscal Year, the City will cause the financial statements of the Water System to be audited by independent certified public accountants. Such audited financial statements will be available for inspection by the registered owners of any of the Bonds. The financial statements shall, without limiting the generality of the foregoing, include the following:

- (a) A statement of revenue and expenses of the Water System for each Fiscal Year.
- (b) A balance sheet as of the end of such Fiscal Year, including the amounts in each of the funds and accounts of the Water Fund.
- (c) A system of changes in the financial position of the Water System for such Fiscal Year.
- (d) The amounts, maturities, interest rates and redemption provisions of all Outstanding Bonds.

All expenses of the audit required by this provision shall be regarded and paid as an Operation and maintenance Cost.

The accountants who audit such financial statements shall also prepare a separate compliance letter regarding the manner in which the City has complied with the financial covenants of this Ordinance, which compliance letter may be prepared on a different basis than that of the financial statements.

SECTION 506. Customer Report.

The City shall prepare annually a report of the number of customers served by the Water System at the end of the Fiscal Year, the number of metered and nonmetered customers at the end of the Fiscal Year, and the quality of water provided.

SECTION 507. Water System Dispositions or Encumbrances.

The City will not sell, lease, loan or mortgage or in any manner dispose of or encumber the Water System (subject to the right of the City to issue Parity Bonds as provided in this

Ordinance, to issue bonds payable from the Net Revenues of the Water System on a basis subordinate to the Bonds, and to dispose of real or personal property which is no longer useful or necessary to the operation of the Water System).

SECTION 508. No Arbitrage.

The City will not direct or permit any action which would cause any Bond to be an "arbitrage bond" within the meaning of Section 147(a) of the Internal Revenue Code of 1986, as amended, or direct or permit any action inconsistent with the regulations under that Code as promulgated and as amended from time to time and as applicable to the Bonds.

SECTION 509. Special Tax Covenant.

The covenants and agreements of the City set forth in this Section 509 shall apply as long as any of the Series 1986 Bonds continue to bear interest (whether or not they are Outstanding Bonds within the meaning of this Ordinance) and shall also apply after the Series 1986 Bonds cease to bear interest but within such subsequent period as shall be required for the City to comply with the covenants of this Section. At the discretion of the Comptroller, the Comptroller may execute an agreement in the name of and on behalf of the City to ensure compliance with the requirements of this Section.

(a) The City (i) will take all actions which are necessary to be taken (and avoid taking any action which it is necessary to avoid being taken) so that interest on the Series 1986 Bonds will not be or become subject to federal income taxation under present law, and (ii) will take all actions reasonably within its power to take which are necessary to be taken (and avoid taking any actions which are reasonably within its power to avoid taking and which it is necessary to avoid) so that interest on the Series 1986 Bonds will not be or become includible in gross income for federal income tax purposes under the federal income tax laws as in effect from time to time.

(b) The City will, without limitation: (i) restrict the yield on investments of amounts received upon the sale of the Series 1986 Bonds and other amounts, and (ii) timely rebate to the United States of America certain amounts which may be received as interest or other investment earnings on the Water Fund and its Accounts and those accounts established by this Ordinance, all as shall be necessary to comply with this paragraph. The City shall also make or cause to be made identifiable investments of amounts allocable to the Series 1986 Bonds as shall be necessary or appropriate in order to be able to ascertain the amounts which may be required so to be rebated to the United States of America. The City shall from time to time determine the amounts in the Water Fund and its accounts and accounts established by this Ordinance which shall be subject so to be rebated and those amounts from time to time shall be held by the City in the Rebate Account for the Series 1986 Bonds and shall be rebated to the United States of America in the amounts and at the times as required. Such amounts so subject from time to time so to be rebated shall not be available for the other purposes for which the Water Fund and its accounts and accounts established by this Ordinance may be applied, and, for purposes of computing the balance in such Fund and such various accounts shall be disregarded. No rebate shall, however, be made from amounts in the Escrow Account. At the time of delivery of the Series 1986 Bonds, and from time to time after their delivery, the City shall provide instructions to

appropriate officials and the Escrow Trustee as to the restrictions to be made on the yield and segregation of investments and as to the calculations and rebate of amounts to the United States of America, as are required in order for the City to comply with this Section.

(c) The City will not take any of the following actions without in each such event obtaining the opinion of nationally recognized bond counsel (which may represent the City from time to time in other matters) that such action will not contravene any covenant of this Ordinance and will not make compliance with those covenants impossible: (i) optionally redeem any bonds; (ii) defease any bonds; (iii) sell, lease or otherwise dispose of any material portion of the Water System; (iv) enter into or amend any short-term or long-term contract for the supply of water by the City other than pursuant to general rates charged to the general public; or (v) enter into or amend any contract or arrangement for persons other than its employees to manage the Water System.

(d) The provisions of this paragraph shall not be interpreted to impose upon the City any obligation to redeem or to purchase any Series 1986 Bonds, other than with proceeds or other amounts available under this Ordinance.

Article VI.

Issuance Of Additional Bonds.

SECTION 601. Parity Bonds.

As long as there are any Outstanding Series 1986 Bonds, no bonds, notes or other obligations of any kind which are payable from Net Revenues on an equal and ratable basis with the Series 1986 Bonds shall be issued, except Parity Bonds which may be issued for the purpose of paying the cost of repairs, replacements, renewals, improvements, equipment or extensions to the Water System, funding capitalized interest and reserve funds for particular series of Bonds, funding working capital for the Water System, or for refunding Outstanding Bonds and then only upon compliance with the following conditions:

(1) The funds required to be transferred to the Matured Water Bond and Interest Account, the Rehabilitation and Improvement Reserve Account and the Debt Service Reserve Account shall have been transferred in full up to the date of the delivery of such Parity Bonds; and

(2) The Ordinance authorizing the issuance of Parity Bonds shall require either (a) the transfer at the time of the delivery of such Parity Bonds of sufficient proceeds of such Parity Bonds or Net Revenues, or the deposit of a Reserve Account Credit Instrument to the extent permitted under the ordinances authorizing the Outstanding Bonds, or any combination of bond proceeds, Net Revenues and Reserve Account Credit Instruments permitted under the Ordinances authorizing the Outstanding Bonds; to the Debt Service Reserve Account so that the balance in such account is at least equal to the Debt Service Reserve Requirement, or (b) equal monthly transfers to such Account during a period not exceeding 60 months following the delivery of such Parity Bonds sufficient to restore such account to an amount at least equal to the Debt Service Reserve Requirements; and

(3) Net Revenues for the last completed Fiscal Year prior to the issuance of the Parity Bonds (as shown by the audit of an independent certified public accountant), or Net Revenues for such last completed Fiscal Year, adjusted as described below, shall equal at least 125% of the maximum annual debt service for Outstanding Bonds which will continue to be Outstanding Bonds following the issuance of the proposed Parity Bonds, computed on a *pro forma* basis assuming the issuance of the proposed Parity Bonds and the application of the proceeds of any Refunding Bonds as provided in the Ordinance authorizing their issuance, sale and delivery. Net Revenues may be adjusted as follows for purposes of this paragraph (3):

(a) If there shall have been an increase in the rates of the Water System from the rates in effect for such last completed Fiscal Year, which increase is in affect at the time of the issuance of any such Parity Bonds, Net Revenues may be adjusted to reflect the Net Revenues for such last completed Fiscal Year as they would have been had said then existing rates been in effect during all of such last competed Fiscal Year; and

(b) Any such adjustment shall be evidenced by the certificate of an Independent Consulting Engineer or an independent certified public accountant employed for that purpose, which certificate shall be filed with and approved by the City Council prior to the sale of the proposed Parity Bonds.

If during the first six months of a Fiscal Year, an audit of the Water System for the preceding Fiscal year by an independent certified public account is not available, the conditions of paragraph (3) shall be deemed to have been satisfied if both (a) Net Revenues for the second preceding Fiscal Year (as shown by the audit of an independent certified public accountant), adjusted as described in paragraph (3) above, and (b) Net Revenues for the preceding Fiscal Year (as estimated by the Comptroller and either estimated by an Independent Consulting Engineer or certified by an independent certified public accountant based on a review the scope of which, as specified by such accountant, may be less complete than an audit), adjusted as described in paragraph (3) above, shall equal at least 125% of the maximum annual debt service for Outstanding Bonds which will continue to be Outstanding Bonds following the issuance of the proposed Parity Bonds, computed on a *pro forma* basis assuming the issuance of the proposed Parity Bonds and the application of the proceeds of any Refunding Bonds as provided in the ordinance authorizing their issuance, sale and delivery. The provisions of this paragraph shall not be in effect until the Series 1983 Bonds and the Series 1985 Bonds are no longer Outstanding Bonds.

The City may issue Parity Bonds without complying with either of the tests in paragraph (3) of this Section:

(a) to pay, redeem or refund Bonds if in the judgment of the City there will be no money available to make payments of interest or principal of those Bonds (at maturity or on sinking fund installment dates) as such amounts become due; and

(b) to pay, redeem or refund any Bonds if the total amount of interest and principal (at maturity or on sinking fund installment dates) on all Outstanding Bonds after the issuance of the Parity Bonds and the payment, redemption or refunding of such Bonds will not be in excess of the total amount of interest and such principal on all Bonds outstanding prior to

the issuance of the Parity Bonds ("Prior Bonds") in each Fiscal Year in which there was to be any principal of (at maturity or on sinking fund installment dates) or interest due on those Prior Bonds.

SECTION 602. Subordinate Obligations.

Other obligations, including bonds, may be issued payable from Net Revenues on a basis subordinate to the Outstanding Bonds.

Article VII.

Defeasance.

SECTION 701. Defeasance.

(a) If the City shall pay or cause to be paid, or there shall otherwise be paid, to the owners of the Series 1986 Bonds then outstanding, the principal, redemption premium, if any, and interest to become due on the Series 1986 Bonds, at the times and in the manner stipulated in this Ordinance and in the Series 1986 Bonds, then the covenants, agreements and other obligations of the City to the owners of the Series 1986 Bonds shall be discharged and satisfied. In such event, the Paying Agents shall pay over or deliver to the City all moneys or securities held by them pursuant to this Ordinance which are no longer required for the payment or redemption of Series 1986 Bonds not theretofore surrendered for such payment or redemption.

(b) Series 1986 Bonds for the payment or redemption of which moneys shall have been set aside and shall be held in trust by any Paying Agents (through deposit by the City of funds for such payment or redemption or otherwise), whether at or prior to the maturity or the redemption date of such Series 1986 Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section. All Series 1986 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 (a) of this Section if

(i) there shall have been deposited with such Paying Agents either moneys in an amount which shall be sufficient, or Government Obligations the principal of and interest on which when due will provide moneys which, when added to the moneys, if any, deposited with such Paying Agents at the same time, shall be sufficient to pay the principal of those Series 1986 Bonds at maturity, or on sinking fund installment dates for term Series 1986 Bonds, or the principal, redemption premium, if any, and interest due and to become due on those Series 1986 Bonds on and prior to the redemption date or maturity date (or sinking fund installment dates for term Series 1986 Bonds) of the Series 1986 Bonds, as the case may be;

(ii) in case any of the Series 1986 Bonds are to be redeemed on any date prior to their maturity, the City shall have given to the Paying Agent irrevocable instruction which the Paying Agent has accepted in writing to give or cause the Bond Registrar to give as provided in Article II of this Ordinance any required notice of redemption on that date of such Paying Agent irrevocable instruction which the Paying Agent has accepted in writing; and

(iii) the City shall receive an opinion of nationally recognized bond counsel to the effect that the defeasance of the Series 1986 Bonds shall not cause interest on the Series 1986 Bonds to be included in "gross income" of the owner for Federal income tax purposes.

(c) Neither Government Obligations nor moneys deposited with any Paying Agent pursuant to this Section nor principal or interest payments of any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, redemption premium, if any, and interest on those Series 1986 Bonds, provided that any cash received from such principal or interest payments on such Government Obligations, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in principal amounts sufficient to pay when due the principal, redemption premium, if any, and interest to become due on those Series 1986 Bonds on and prior to such redemption date or maturity date of the Series 1986 Bonds, as the case may be.

SECTION 702. Unclaimed Moneys.

Anything in this Ordinance to the contrary notwithstanding, any moneys held by the Paying Agents in trust for the payment and discharge of any of the Series 1986 Bonds which remain unclaimed for six years after the date of deposit of such moneys if deposited with the Paying Agents after the date when the Series 1986 Bonds became due and payable shall, at the written request of the City, be repaid by the Paying Agents to the City, as its absolute property and free from trust, and the Paying Agents shall thereupon be released and discharged with respect to such amounts and the owners of the Series 1986 Bonds shall look only to the City for the payment of such Series 1986 Bonds, provided that before being required to make any such payment to the City, the Paying Agents shall, at the expense of the City, cause to be published at least twice, at an interval of not less than seven days between publications, in a daily newspaper of general circulation in the City of Chicago and in *The Bond Buyer*, published in the City of New York, State of New York, or in the event that journal ceases publication, then 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 City.

Article VIII.

Amendment of the Ordinance.

SECTION 801. Amendment of the Ordinance.

Subject to Sections 802 and 803, the City may amend or modify this Ordinance from time to time and may modify the rights and obligations of the City and of the registered owners of the Series 1986 Bonds by adopting a supplemental ordinance to this Ordinance. No such modification or amendment shall extend the maturity of or reduce the interest rate on, or otherwise alter or impair the obligation of the City to pay the principal of, redemption premium, if any, or interest on any Series 1986 Bond without the express consent of the registered owner of such Series 1986 Bond, nor permit the creation by the City of any

mortgage, pledge, lien or security interest on the Water System, or upon the Net Revenues or other moneys pledged or held pursuant to this Ordinance, other than those contemplated by this Ordinance, including Section 802, nor permit the preference or priority of any Series 1986 Bond or Series 1986 Bonds over any other Series 1986 Bond or Series 1986 Bonds, nor reduce the percentages of Series 1986 Bonds required for the written consent to an amendment or modification of this Ordinance, nor modify any of the rights or obligations of any Paying Agent at the time acting pursuant to this without the written assent of such Paying Agent.

SECTION 802. Amendments Without Written Consent.

The City may amend or modify this Ordinance from time to time for any one or more of the following purposes without obtaining the prior written consent of any of the registered owners of the Series 1986 Bonds:

(1) To add additional covenants and agreements of the City for the purpose of further securing the payment of the Series 1986 Bonds, provided such additional covenants and agreements are not contrary to or inconsistent with the covenants and agreements of the City contained in this Ordinance;

(2) To prescribe further limitations and restrictions upon the issuance of Parity Bonds and the incurring of obligations by the City which are not contrary to or inconsistent with the limitations and restrictions on such issuance or incurring of obligations in effect prior to the adoption of such supplement ordinance;

(3) To surrender any right, power or privilege reserved to or conferred upon the Series 1986 Bonds by the terms of this Ordinance;

(4) To confirm as further assurance any covenant, lien pledge or security interest created or recognized by the provisions of this Ordinance;

(5) To take any further action necessary or desirable for the collection and application of Net Revenues sufficient to pay the Series 1986 Bonds as to principal at maturity or on mandatory sinking fund installment dates and to pay interest on the Series 1986 Bonds as it falls due;

(6) To correct any ambiguity or defect or inconsistent provisions in this Ordinance or to insert such provisions clarifying matters or questions arising under this Ordinance as are necessary or desirable, provided that any such amendments or modifications are not contrary to or inconsistent with this Ordinance as in effect prior to the adoption of any such supplemental ordinance, and provided further that any such amendments or modifications are not adverse to the interests of the registered owners of the Series 1986 Bonds.

SECTION 803. Amendments by Two-Thirds Consent of Owners.

The City may amend or modify this Ordinance from time to time for any purpose other than one or more of the purposes not prohibited in Section 801 and not authorized by Section 802 only pursuant to the consent of registered owners of sixty-six and two-thirds

percent (66-2/3%) in principal amount of all Outstanding Series 1986 Bonds by written instrument.

SECTION 804. Method of Obtaining Written Consent of Owners.

The City may at any time adopt a supplemental ordinance amending the provisions of the Series 1986 Bonds or of this Ordinance, to the extent that such an amendment is permitted by the provisions of Section 803, to take effect when and as provided in this Section. A copy of such supplemental ordinance, together with a written consent form, shall be mailed by the City to registered owners of the Series 1986 Bonds, first class postage prepaid, at the address appearing for such owner upon the bond register maintained by the Bond Registrar. Failure to mail copies of such supplemental ordinance and written consent form as to any owner shall not affect the validity of the supplemental ordinance when assented to as provided in this Article.

A supplemental ordinance adopted in accordance with this Section shall not be effective unless and until there shall have been filed with the City the written consents of the owners of percentages in principal amount of Outstanding Series 1986 Bonds specified in Section 803 of this Ordinance as provided in this paragraph. Each such consent shall be effective only if accompanied by proof of ownership of the Series 1986 Bonds for which such consent is given, which proof shall be such as the City may prescribe from time to time. Any such consent shall be binding upon the owner of the Series 1986 Bonds giving such consent and on any subsequent owner (whether or not such subsequent owner has notice of the consent) unless such consent is revoked in writing by the owner giving such consent or a subsequent owner by filing a notice of revocation with the City prior to the first date when the notice provided for in the next sentence of this paragraph has been given. After the owners of the required percentages of Series 1986 Bonds shall have filed their consents to the supplemental ordinance, the City shall mail a notice to the owners of the Series 1986 Bonds, in the manner provided in the first paragraph of this Section for the mailing of the supplemental ordinance and request for consent, stating in substance that the supplemental ordinance has been consented to by the owners of the required percentages of Series 1986 Bonds and will be effective as provided in this Section. A certificate of the City reciting compliance with the provisions of this Section shall be filed with the Paying Agent and shall be proof of the matters stated until the contrary is proved, and the supplemental ordinance shall be deemed conclusively binding upon the City and the owners of all Series 1986 Bonds at the expiration of sixty (60) days after the filing with the City of the certificate, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding commenced within such sixty (60) day period.

SECTION 805. Endorsement of Series 1986 Bonds.

Series 1986 Bonds authenticated and delivered after the effective date of any action taken by the owners of Series 1986 Bonds as provided in this Article may bear a notation by endorsement or otherwise in form approved by the City as to such action, and in that case upon demand of the owner of any Series 1986 Bond outstanding at such effective date and presentation of his Series 1986 Bond for that purpose at the office of the City or at such additional offices as the City may select and designate for that purpose, a suitable notation shall be made on such Series 1986 Bond. If the City shall so determine, new Series 1986

Bond so modified as to conform to such owners action shall be prepared, authenticated and delivered, and upon demand of the owner of any Series-1986 Bond then outstanding shall be exchanged in the City of Chicago, without cost to any owner, for Series 1986 Bond the outstanding, upon surrender of such Series 1986 Bond.

Article IX.

General Provisions.

SECTION 901. Authority.

This Ordinance is adopted pursuant to the powers of the City as a home rule unit under Article VII, Section 6(a) of the 1970 Illinois Constitution. The appropriate officers of the City are authorized to take such actions and do such things as shall be necessary to perform, carry out, give effect to and consummate the transactions contemplated by this Ordinance and the Series 1986 Bonds.

SECTION 902. Authorized Signatures.

The Mayor and the Comptroller may each designate another to act as their respective proxies and to affix their respective signatures to the Series 1986 Bonds, whether in temporary or definitive form, and any other instrument, certificate or document required to be signed by the Mayor or the Comptroller pursuant to this Ordinance. In each 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 Comptroller, respectively. A written signature of the Mayor or of the 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 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 Comptroller is so affixed to an instrument, certificate or document at the direction of the Comptroller, the same, in all respects, shall be binding on the City as if signed by the Comptroller in person.

SECTION 903. Conflict.

To the extent that any ordinance, resolution, provision of the Municipal Code, rule or order, or part thereof, is in conflict with or is inconsistent with the provisions of this Ordinance, the provisions of this Ordinance shall be controlling.

SECTION 904. Severability.

If any section, paragraph, clause or provision of this Ordinance, the Bond Purchase Agreement, the Escrow Agreement, or the Official Statement described in Section 212(c) of this Ordinance, including without limitation any provision of this Ordinance relating to the entering into of any one or more of such documents, shall be held invalid, the invalidity

of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

SECTION 905. Bondholder Remedy.

Any owner of a Series 1986 Bond may proceed by civil action to compel performance of all duties required by this Ordinance, including the establishment and collection of sufficient fees, charges and rates for services supplied by the Water System, and the application of the income and revenue therefrom.

SECTION 906. Contract.

The provisions of this Ordinance shall constitute a contract between the City and the owners of the Series 1986 Bonds, and no changes, additions or alterations of any kind shall be made to that contract except as provided in this Ordinance, including Article VIII, so long as the Series 1986 Bonds are outstanding.

SECTION 907. Appropriation.

The provisions of this Ordinance constitute an appropriation of the amounts received upon the sale of the Series 1986 Bonds for the purposes specified in Section 202 of this Ordinance and an appropriation of the Net Revenues for deposit in the various accounts in Article IV of this Ordinance and for payment of principal of, redemption premium, if any, and interest on the Series 1986 Bonds as provided in this Ordinance.

SECTION 908. Headings.

Any headings preceding the texts of the several Articles and Sections of this Ordinance and the table of contents shall be solely for convenience or reference and shall not constitute a part of this Ordinance nor shall they affect its meaning, construction or effect.

SECTION 909. Publication, Effectiveness.

This Ordinance shall be published in pamphlet form by the Clerk, by causing to be printed at least 100 copies of this Ordinance, which copies are to be made available in his office 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 ten (10) days after its adoption, approval by the Mayor, and publication as provided above

Exhibit A attached to this ordinance reads as follows:

Exhibit A.

[FORM OF SERIES 1986 BOND]

[Form of Face of Series 1986 Bond]

UNITED STATES OF AMERICA
STATE OF ILLINOIS
CITY OF CHICAGO

WATER REVENUE BOND,
REFUNDING AND IMPROVEMENT SERIES 1986

BOND NO.: R-_____ PRINCIPAL SUM: \$_____
DATE OF BOND:_____ INTEREST RATE PER YEAR:_____%
DATE OF MATURITY:_____
REGISTERED OWNER:_____

The City of Chicago, Illinois (the "City"), for value received, promises (a) to pay to the Registered Owner specified above or registered assigns the Principal Sum of this Bond specified above on the Date of Maturity specified above and (b) to pay to the Registered Owner of this Bond interest on that sum at the Interest Rate Per Year specified above from the Date of Bond specified above to the date of payment of this Bond, payable semiannually on May 1 and November 1, with the first interest payment date being May 1, 198____. Interest on this Bond shall be computed on the basis of a 360-day year of twelve 30-day months.

Interest on this Bond is payable on each interest payment date by check or draft mailed to the person in whose name this Bond is registered on the bond register kept by _____ (the "Bond Registrar") at the close of business on the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date at such person's address as it appears in the bond register. Principal of and premium, if any, on this Bond are payable only upon presentation and surrender of this Bond for cancellation at the principal corporate trust office of _____, Chicago, Illinois (the "Paying Agent"). Payments shall be made in lawful money of the United States of America.

This Bond is one of a duly authorized issue of bonds of the City designated "Water Revenue Bonds, Refunding and Improvement Series 1986," issued in the aggregate principal amount of \$_____ (the "Bonds") under and pursuant to the provisions of an ordinance duly adopted by the City Council of the City on November ____, 1986 (the "Bond Ordinance"). The Bonds are authorized for the purpose of providing funds (1) to make provision for the payment and discharge of the City's obligations under certain bonds which had been issued to pay the cost of constructing extensions and improvements to the waterworks system of the City (the "Water System") and to pay certain interim notes of the City which had been issued to provide temporary construction financing for capital improvements and extensions to the Water System, which bonds are payable from the revenues of the Water System, (2) for the payment of the costs of constructing extensions and improvements to the Water System, including costs of issuance of the Bonds, (3) for deposit into a debt service reserve account pursuant to the Bond Ordinance and (4) to provide for discount on the Series 1986 Bonds.

The Bonds are limited obligations of the City payable solely and only from the net revenues derived from the operation of the Water System on a parity with other outstanding obligations of the City that are payable from the revenues of the Water System. The Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation as to indebtedness. Under the provisions of the Municipal Code of Chicago and the Bond Ordinance, the entire revenues received from the operation of the Water System are required to be deposited in a separate fund designated the "Water Fund of the Municipality of Chicago" (the "Water Fund"). The Water Fund is required to be used only and is irrevocably pledged for (1) paying the costs of operating and maintaining the Water System, (2) paying outstanding obligations of the City, including the Bonds, that are payable by their terms from the net revenues of the Water System, and (3) establishing and maintaining all reserve funds or accounts which are required to be established and maintained by the bond ordinances authorizing water revenue bonds of the City, provided that any funds available after these requirements have been satisfied or which are not necessary to satisfy these requirements may be used for any lawful purpose of the Water System.

Reference Is Hereby Made To The Further Provisions Of This Bond Set Forth On The Reverse Of This Bond, Which Shall Have The Same Effect As If Set Forth Here.

No official, officer, member of the City Council, agent or employee of the City shall be liable personally on this Bond by reason of the issuance of this Bond.

It is certified and recited that all acts, conditions and things required to exist, to have happened and to have been performed precedent to and in connection with the issuance of this Bond exist, have happened and have been performed in regular and due time, form and manner as required by law. Provision has been made to deposit in the Water Fund the entire revenues received from the operation of the Water System to be applied in the manner set forth above. It is covenanted and agreed that rates will be charged for the use and service of the Water System sufficient at all times to pay the costs of operation and maintenance of the Water System, to pay promptly the principal of, premium, if any, and interest on all outstanding obligations of the City, including the Bonds, that are payable by their terms from the revenues of the Water System, and to comply with all the covenants of and to maintain the several special accounts of the Water Fund of the City, as such several special accounts are referred to, described and provided for by the provisions of the Bond Ordinance.

Unless the certificate of authentication on this Bond has been executed by the Authenticating Agent by manual signature, this Bond shall not be entitled to any benefit under the Bond Ordinance, or be valid or obligatory for any purpose.

In Witness Whereof, the City of Chicago, by its City Council, has caused this Bond to be signed by the manual or facsimile signatures of the Mayor and the City Comptroller, attested by the manual or facsimile signature of the City Clerk, and its Corporate seal to be hereunto affixed, impressed or printed hereon, all as of _____ 1, _____.

CITY OF CHICAGO, ILLINOIS

Mayor,
City of Chicago

Attest:

City Clerk,
City of Chicago

City Comptroller,
City of Chicago

[Seal]

[FORM OF AUTHENTICATING AGENT'S
CERTIFICATE OF AUTHENTICATION.]

This Bond is one of the Bonds referred to in the Bond Ordinance.

[NAME OF AUTHENTICATING AGENT]

By _____
Authorized Officer

[FORM OF BACK OF SERIES 1986 BOND]

[The following seven paragraphs, including the tables, are applicable if any of the Series 1986 Bonds are subject to redemption, in whole or in part, prior to maturity at the option of the City, or are sold as term bonds subject to mandatory sinking fund redemption.]

The Bonds due on or after November 1, _____ are subject to redemption prior to maturity at the option of the City, in whole on any date on or after November 1, _____ or in part on November 1, _____ or on any interest payment date after that date, at the redemption prices set forth in the table below, expressed as a percentage of the principal amount to be redeemed, plus accrued interest to the date fixed for redemption.

<u>Date of Redemption</u>	<u>Redemption Price</u>
_____ to and including _____	_____ %
_____ to and including _____	_____
_____ and thereafter	_____

The Bonds maturing on November 1, _____ and November 1, _____ are subject to mandatory sinking fund redemption prior to maturity on November 1 of each of the years and in the principal amounts set forth in the table below, as selected by lot by the Bond Registrar as provided below, at a price of 100% of the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

Bonds Maturing November 1, _____:

Year	Amount	Year	Amount
	\$		\$

Bonds Maturing November 1, _____:

Year	Amount	Year	Amount
	\$		\$

To the extent that the Bonds maturing on November 1, _____ or November 1, _____ have been previously called for redemption in part other than from sinking fund payments, each annual sinking fund payment for the Bonds maturing on November 1, _____ or on November 1, _____, as the case may be, shall be reduced by the amount obtained by multiplying the principal amount of the Bonds of such maturity so called for redemption, by the ratio which each such annual sinking fund payment for the Bonds of such maturity bears to the total sinking fund payments then remaining unpaid for the Bonds of such maturity, and by rounding each such payment to the nearest integral multiple of \$5,000 consistent with the total principal amount of Series 1986 Bonds of that maturity outstanding.

In lieu of making all or any part of any sinking fund payment in cash, the City may, at its option, redeem the Bonds through the purchase of Bonds in the open market. Bond shall not be purchased in the open market from moneys in the Water Fund at a price in excess of the par value of the Bonds plus the redemption premium applicable to the redemption of such Series 1986 Bonds on the next date on which they may be optionally redeemed and accrued and unpaid interest on the principal of the purchased Bonds to the date of purchase. Bonds of any maturity which are purchased by the City on the open market and deposited by the City with the Bond Registrar, if purchased from moneys in the Matured Water Bond and Interest Account described in the Bond Ordinance, shall be credited against and shall reduce the next sinking fund installment or installments up to the principal amount so purchased for the Bonds of that maturity or, if purchased from other moneys, shall be credited against and shall reduce the sinking fund installments for the Series 1986 Bonds of that maturity in a manner consistent with that provided in the preceding paragraph with respect to optional redemptions of the Series 1986 Bonds.

In the event of a redemption of less than all the Bonds of a maturity, the Bond Registrar shall assign to each outstanding Bond of a denomination greater than \$5,000 a distinctive number for each \$5,000 portion of such Bond so as to distinguish each such \$5,000 portion from each other portion of such Bond. The Bond Registrar shall select by lot, using such method of selection as it shall deem proper in its sole discretion, from the numbers assigned to the Bonds, as many numbers as, at \$5,000 for each number, shall equal the principal amount of Bonds to be redeemed. The Bonds to be redeemed shall be the Bonds to which were assigned the numbers so selected, but only so much of the principal amount of each such Bond of a denomination of greater than \$5,000 shall be redeemed as shall equal \$5,000 for each number assigned to it and so selected.

Notice of redemption shall be given by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption to each registered owner of Bonds to be redeemed at such owner's address as shown in the bond register kept by the Bond Registrar and by such other additional method, if any, as the City shall deem appropriate. Notice of redemption shall specify the maturities of the Bonds to be redeemed, the date fixed for redemption and, if less than all of the Bonds of any maturity are to be redeemed and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amounts of such Bonds to be redeemed. Failure to give such notice by mail or a defect in the notice or the mailing as to any Series 1986 Bond will not affect the validity of any proceedings for redemption as to any other Series 1986 Bond as to which notice was given properly and the failure of any owner of a Series 1986 Bond to receive the notice shall not affect the validity of the redemption.

If less than the entire principal amount of a Bond shall be called for redemption, the City shall execute and the Authenticating Agent shall authenticate and deliver, upon surrender of such Bond, without charge to the registered owner thereof, one or more new Bonds of any authorized denomination, of the same maturity and aggregate principal amount as the unredeemed balance of the principal amount of the Bond so surrendered. If, on the date fixed for redemption, (a) moneys in an amount equal to the aggregate principal amount of all of the Bonds or portions of Bonds to be redeemed, together with any redemption premium and interest accrued on the Bonds to the redemption date, shall be held by the Paying Agent and are available for such redemption and (b) notice of redemption shall have been given as described above, interest on the Bonds so redeemed shall cease from and after the date fixed for redemption.

[The following seven paragraphs and the Assignment for Transfer shall appear on all Series 1986 Bonds.]

This Bond is negotiable, subject to the following provisions for registration, registration of transfer and exchange. The City shall maintain books for the registration of this Bond at the principal corporate trust office of the Bond Registrar. This bond shall be registered on those books.

This Bond is transferable on the bond register upon surrender of this Bond for transfer at the principal corporate trust office of the Bond Registrar, upon which one or more new Bonds of any authorized denomination of like maturity and aggregate principal amount, will be issued to the designated transferee or transferees.

At the option of the registered owner, any Bond may be exchanged for another Bond or Bonds of any authorized denomination, of the same maturity and aggregate principal amount, upon surrender of the Bond to be exchanged to the Bond Registrar. Upon such surrender for exchange, the City shall execute and the Authenticating Agent shall authenticate and deliver the Bonds which the registered owner making the exchange is entitled to receive.

Every Bond presented or surrendered for transfer or exchange shall (if so required by the Bond Registrar) be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Bond Registrar duly executed, by the registered owner of such Bond or such owner's duly authorized representative.

In all cases in which Bonds are to be transferred or exchanged, the Bond Registrar may require payment of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed (other than taxes, fees or charges imposed by the City) and to reimburse it for any expenses incurred in connection with such transfer or exchange. The Bond Registrar shall not be required to transfer or exchange any Bond during a period beginning at the opening of business on the 15th day next preceding any date of selection of Bonds to be redeemed and ending at the close of business on the day on which notice of redemption is given or after notice selecting such Bond for redemption has been given.

The Bonds may be deposited with a fiscal agent in New York, New York, or such other agent as the Bond Registrar may designate, for transmission to the Bond Registrar for purposes of exchange or transfer.

The City and any agent of the City may deem and treat the person in whose name this Bond is registered as the absolute owner of this Bond for the purpose of receiving payment of or on account of principal, redemption premium, if any, and interest due on this Bond and for all other purposes. Neither the City nor any agent of the City shall be affected by any notice to the contrary.

[FORM OF ASSIGNMENT FOR TRANSFER]

For Value Received, the undersigned, _____, sells, assigns and transfers to _____ (Tax Identification or Social Security No. _____) this Bond and all rights under this Bond, and irrevocably constitutes and appoints _____ attorney to transfer this Bond on the books kept for the registration of this Bond, with full power of substitution in the premises.

Dated: _____

Signature

Notice: The signature must correspond with the name of the Registered Owner as it appears upon the face of the Bond in every particular, without alteration or enlargement or any change.

Exhibit B

[FORM OF BOND PURCHASE AGREEMENT]

CITY OF CHICAGO

WATER REVENUE BONDS
REFUNDING AND IMPROVEMENT
SERIES 1986

BOND PURCHASE AGREEMENT

_____, 1986

City of Chicago
Office of the Comptroller
City Hall
Chicago, Illinois 60602

Gentlemen:

The undersigned, acting on behalf of themselves and the other underwriters listed in Schedule 1 hereto (we and such other underwriters as finally determined being herein called, collectively, the "Underwriters"), hereby offer to enter into this Bond Purchase Agreement (the "Agreement") with the City of Chicago, Illinois (the "City") which, upon execution by the City as hereinafter provided, will become a binding agreement between the City and the Underwriters. We may change the underwriters listed in Schedule 1 at any time without notice to the City so long as we remain in the list of underwriters. This offer is made subject to the City's acceptance of this Agreement on or before 5:00 P.M., Chicago time, on the date hereof, and if not so accepted will be subject to withdrawal by the Underwriters upon notice delivered to the City at any time prior to acceptance by the City.

The Underwriters have heretofore designated the undersigned as their representatives (the "Representatives"). _____ has been duly authorized to execute this Agreement and such firm has been duly authorized to act hereunder on behalf of the other Representatives and the Underwriters.

1. Purchase and Sale of the Bonds. In reliance upon the representations, warranties herein contained, but subject to the terms and conditions herein set forth, the Underwriters, jointly and severally, hereby agree to purchase from the City for offering to the public, and the City hereby agrees to sell and deliver to the Underwriters for such purpose, an aggregate of \$_____ principal amount of the City's Water Revenue Bonds, Refunding and Improvement Series 1986 (the "Bonds"). The Bonds shall be dated _____, 198__ and shall have the maturities and bear interest at the rate or rates per annum as set forth on the cover page of the Official Statement of the City dated

the date hereof relating to the Bonds (including any Exhibits and Appendices thereto, the "Official Statement"), such interest being payable semi-annually on May 1 and November 1 of each year, commencing _____ 1, 19 _____. The purchase price for the Bonds shall be \$ _____, plus accrued interest from _____ 1, 1986 to the Closing Date (as hereinafter defined Section 3). The Underwriters hereby agree to make a bona fide public offering of all of the Bonds at not in excess of the initial public offering yields or prices set forth on the cover page of the Official Statement, plus accrued interest.

The Bonds shall be issued pursuant to the constitutional home rule powers of the City and an ordinance adopted by the City Council on _____, 1986 (the "Ordinance"). The Bonds shall be as described in, and shall be issued and secured under the provisions of the Ordinance. The Bonds shall be fully registered and be payable as to principal and interest and be redeemable as provided in the Ordinance.

The Bonds shall not constitute debt or general obligations of the City within the meaning of any constitutional or statutory provision or limitation, and no exercise of the City's taxing power nor resort to any City fund other than the Water Fund of the Municipality of Chicago (as defined in the Ordinance) may be compelled on their behalf.

2. Representatives, Warranties and Covenants of the City.

The City represents, warrants and covenants that:

(a) The City is a Home Rule Unit of local government as that term is defined in and in accordance with the provisions of Article VII, Section 6(a) of the Illinois Constitution of 1970.

(b) The City has full power and authority pursuant to its home rule powers to: (i) adopt the Ordinance; (ii) enter into this Agreement and the Escrow Agreement (as defined in the Ordinance); (iii) issue and sell the Bonds as provided in this Agreement; and (iv) perform its obligations under and as contemplated in the Ordinance, this Agreement, the Escrow Agreement and the Bonds, including the punctual payment of principal of, premium, if any, and interest on the Bonds.

(c) Concurrently with the City's acceptance hereof, the City will deliver to the Representatives seven copies of the Official Statement executed by the City as indicated thereon. The City hereby authorizes the use of the Ordinance, the Official Statement and the information contained therein in connection with the offer and sale of the Bonds by the Underwriters and confirms that it authorized the use of the Preliminary Official Statement, dated _____, 1986 in connection with the public offering of the Bonds and in connection with the "blue sky" qualifications described in Section 2(o) below.

(d) At the time of its delivery to the Representatives, the Official Statement is, and at the Closing Date it will be, accurate in all material respects for the purposes for which its use has been authorized herein, and the Official Statement will not, as of such dates, include any untrue statement of material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they are or were made, not misleading; provided, however, that if the Official Statement is amended or supplemented pursuant to Section 5(b) hereof, at the time of each supplement

or amendment thereto, and at the Closing Date if such supplement or amendment is made prior to the Closing Date, the Official Statement as amended or supplemented will be accurate in all material respects for the purposes for which its use is or was authorized, and the Official Statement will not, as of such date or dates, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(e) The Ordinance was duly adopted by the City Council and approved by the Mayor of the City and is in full force and effect. Pursuant to the Ordinance, the City has duly authorized the execution, delivery and due performance of this Agreement, the Escrow Agreement, the Bonds and the taking of any action as may be required on the part of the City to consummate the transactions contemplated in the Ordinance and the Bonds and, except as may be required under the securities laws of any state, there is no consent, approval, authorization or other order of, filing with, registration with, or certification by, any regulatory authority having jurisdiction over the City and no election or referendum of or by any person, organization or public body whatsoever required in connection with any of the foregoing actions; there are no provisions of Illinois law which would allow, as of the date hereof or any date subsequent hereto, any public vote or referendum, the results of which could invalidate the Ordinance or invalidate, limit or condition the obligations of the City undertaken hereunder or in connection with the transactions contemplated hereby.

(f) Between the date hereof and the Closing, the City will not, without the prior written consent of the Underwriters, issue any bonds or notes for borrowed money on behalf of the Department of Water of the City ("Department") and, subsequent to the respective dates as of which information is given by the Official Statement and up to and including the date of the Closing, the City on behalf of the Department has not incurred and will not incur any liabilities, direct or contingent, outside the ordinary course of business nor, to the best knowledge of the City, will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Department except as described in the Official Statement.

(g) The Bonds will conform to the description thereof contained in the Official Statement, and when delivered and paid for by the Underwriters at the Closing and in accordance with provisions thereof, will have been duly authorized, approved, executed, issued and delivered and will constitute legal, valid and binding obligations of the City enforceable in accordance with their terms (except as may be limited by bankruptcy, insolvency, or other similar laws relating to enforceability of creditors' rights), the principal of, premium, if any, and interest on which are payable solely and only from the Net Revenues derived from the operation of the Water System (as such terms are defined in the Ordinance) on a parity with certain other obligations described in the Official Statement.

(h) Neither the adoption of the Ordinance nor the execution and delivery of the Official Statement, this Agreement, the Escrow Agreement and the Bonds, or compliance with the provisions hereof and thereof, will conflict with or result in a violation of the Constitution of the State of Illinois or the laws of the State of Illinois, including any debt limitations or other restrictions or conditions on the debt-issuing power of the City, or will conflict with or result in a violation of, or breach of, or constitute a default under, any law or administrative regulation of any of the terms, conditions or provisions of any judgment,

decree, loan agreement, note, resolution, indenture, mortgage, deed of trust or other agreement or instrument to which the City is a party or by which it is bound which would in any way affect the validity or enforceability of the Ordinance, this Agreement, the Escrow Agreement or the Bonds.

(i) No action, suit, inquiry, investigation or other proceeding at law or in equity is pending or, to the knowledge of the City, threatened in or before any court, governmental agency, authority, body or arbitrator in any way affecting the existence of the City or the title of any official of the City to such person's office, or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds, or, except as disclosed in the Official Statement, the collection of Gross Revenues derived from the operation of the Water System and use of Net Revenues to pay principal of, premium, if any, or interest on the Bonds or in any way contesting or affecting the validity or enforceability of this Agreement, the Ordinance, the Bonds or contesting in any way the completeness or accuracy of the Official Statement or the powers or authority of the City with respect to this Agreement, the Ordinance, or the Bonds, or the exemption of interest on the Bonds from Federal income taxation.

(j) To the knowledge of the City, there is no public vote or referendum pending, proposed or concluded, the results of which could in any way adversely affect the transactions contemplated by this Agreement or the Ordinance, or the validity or enforceability of the Bonds, or which would adversely affect the exemption of interest on the Bonds from Federal income taxation.

(k) Any certificate signed by or on behalf of the Mayor or Comptroller of the City and delivered to the Representatives shall be deemed a representation and warranty by the City to the Underwriters as to the truth of those statements made by the City therein.

(l) The City has not received any judicial or administrative notice which in any way questions the Federal tax-exempt status of interest on the Bonds and has not been notified of any listing or proposed listing of it by the Internal Revenue Service as a bond issuer whose arbitrage certifications may not be relied upon.

(m) The issuance of the Bonds to the Underwriters will not be subject to any transfer tax or other documentary stamp taxes of the State of Illinois or any political subdivision thereof.

(n) On or prior to the Closing Date, the City shall have taken all actions necessary to be taken by it for: (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Ordinance, and (ii) the execution and delivery by the City of all such other instruments and taking of all such other actions on the part of the City as may be necessary or appropriate for the effectuation and consummation of the transactions on the part of the City contemplated by this Agreement, the Escrow Agreement, the Official Statement and the Ordinance. Between the date of this Agreement and the Closing Date, the City will take no action which will cause any warranty or representation contained in this Agreement to be untrue as of the Closing Date.

(o) The City will furnish such information, execute such instruments and take such other action in cooperation with the Representatives as the Representatives may deem necessary in order to qualify the Bonds for offer and sale under the "blue sky" or securities

laws and regulations of such states and other jurisdictions of the United States as the Representatives may designate.

(p) The current operation of the Water System, the system of fees and charges therefor and the accounting and recordkeeping therefor is in material compliance with all applicable state and Federal laws, all applicable ordinances and rules of the City and, except as disclosed in the Official Statement, other political subdivisions of the State of Illinois, and all applicable rules and regulations of any governmental regulatory agency with jurisdiction over said System.

(q) The financial statements of the Water System included (i) as Appendix B to the Official Statement present fairly the financial position of the Water System at December 31, 1984 and 1985 and the results of its operations and the changes in its financial position for the years then ended and (ii) under "Financial Operations -- Recent Operations" in the Official Statement present fairly the results of operations of the Water System for the five years ended December 31, 1985 and for six months ended June 30, 1985 and 1986 in conformity with generally accepted accounting principles which have been applied on a consistent basis. For the period June 30, 1986 to the date hereof, there has been no material decrease in Net Revenues of the Water System as compared to the corresponding period in the fiscal year ended December 31, 1985.

(r) The City will not take or omit to take any action which will in any way result in the proceeds from the sale of the Bonds being applied in a manner other than as provided in the Ordinance.

3. Delivery of the Bonds. Payment of the purchase price for the Bonds as set forth in Section 1 hereof shall be made by certified or bank cashier's check or checks in Federal funds drawn to the order of the City at 10:00 A.M., Chicago time, _____, 198____, at the offices of Isham, Lincoln & Beale, Chicago, Illinois, or at such other time or place as the Representatives and the City determine, against delivery of the Bonds, in definitive form duly executed, at 11:00 A.M., New York City time, on such date at the offices of _____, _____, and the other instruments and documents required to be delivered hereunder to the Representatives, such payment and delivery being herein referred to as the "Closing" and the time and date thereof being herein referred to as the "Closing Date". The Bonds so to be delivered will be in fully registered form in such names as the Representatives may request not later than 10 business days prior to the Closing Date, in denominations of \$5,000, or any integral multiple thereof, and will be made available for inspection, checking and packaging by the Representatives at the place where delivery is to be made, or at such other place as the Representatives and the City may determine, by 12:00 Noon on the day preceding the Closing Date.

4. Good Faith Deposit. Delivered to the City herewith by the Representatives is a certified or bank cashier's check payable to the order of the City in _____ funds in the amount of \$_____ (the "Deposit"), which, in the event that the City does not accept this Agreement, shall immediately be returned to the Representatives. The parties hereto agree that the check representing the Deposit may be cashed by the City upon acceptance of this Agreement and that, at Closing, the Deposit, without any adjustment for interest, shall be applied against

the purchase price for the Bonds. Should the City fail to deliver the Bonds at the Closing or should the City be unable to satisfy any of the conditions of the obligations of the Underwriters to purchase, accept delivery of and pay for the Bonds as set forth in this Agreement (unless waived by the Underwriters) or should such obligations of the Underwriters be terminated for any reason permitted by this Agreement, the Deposit, without adjustment for interest, shall immediately be returned to the Representatives. In the event the Underwriters fail (other than for a reason permitted hereunder) to purchase, accept delivery of and pay for the Bonds at the Closing as herein provided, the Deposit shall be retained by the City as and for fully liquidated damages for such failure of the Underwriters and for any defaults hereunder on the part of the Underwriters, and such retention shall constitute a full release and discharge of all claims and damages for such failure and for any and all defaults hereunder.

5. Additional Covenants of the City.

(a) The parties hereto will advise each other promptly of the institution of any proceedings by any governmental agency or any other material occurrence affecting the use of the Official Statement in connection with the offer and the sale of the Bonds.

(b) If between the date of this Agreement and the Closing Date any event occurs as a result of which, in the opinion of the City and the Representatives, the Official Statement would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the City will supplement or amend the Official Statement in a form and in a manner approved by the Representatives and counsel for the Underwriters.

(c) The City will furnish or cause to be furnished to the Underwriters copies of the Official Statement, and all amendments and supplements thereto, in each such case as soon as possible and in quantities as the Representatives may reasonably request.

6. Conditions of the Obligations of the Underwriters. The obligations of Underwriters to purchase and pay for the Bonds will be subject to the completeness and correctness on the date hereof and at all times hereafter up to and including the Closing Date of the representations and warranties of the City herein, to the accuracy of the statements of the officials of the City made pursuant to the provisions hereof, to the performance by the City of its obligations and covenants hereunder and to the following additional conditions precedent:

(a) The Ordinance, this Agreement, the Escrow Agreement and the Official Statement shall be in full force and effect and shall not have been amended, modified or supplemented (except as permitted hereunder); and there shall have been taken in connection with the issuance of the Bonds all such actions as are necessary and appropriate.

(b) Subsequent to the date of this Agreement and on or prior to the Closing Date:

(i) The marketability of the Bonds or the contemplated offering price thereof shall not, in the reasonable opinion of the Representatives, have been materially adversely

affected by an amendment to the Constitution of either the United States of America or the State of Illinois or by any Federal or Illinois legislation, either introduced or effective between the date hereof and the Closing, or by any decision of any Federal or Illinois court or by any order, ruling or regulation (final, temporary or proposed) of the Treasury Department of the United States of America, the Internal Revenue Service or other Federal or Illinois authority or regulatory body, affecting the status of the City, its property or income, the City's securities (including the Bonds), or the tax exemption for interest thereon, granted or authorized by the Internal Revenue Code of 1954, as amended.

(ii) No ruling, regulation or official statement by, or on behalf of, any governmental agency having jurisdiction shall have been issued or made to the effect that the issuance, offering or sale of the Bonds, as contemplated hereby and by the Official Statement, is in violation or would be in violation of any provision of the Federal or Illinois securities laws.

(iii) No rating of any of the City's general obligation bonds or the Outstanding Bonds (as defined in the Ordinance) shall have been downgraded or withdrawn by a national rating service, the effect of which, in the opinion of the Representatives, is to materially adversely affect the market price of the Bonds or the Underwriters' ability to underwrite the Bonds.

(iv) None of the following events shall have occurred: (A) the engagement by the United States of America in hostilities which have resulted in a declaration of war or national emergency, or the occurrence of any other outbreak of hostilities or national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis on the financial markets of the United States of America being such as, in the opinion of the Representatives, would materially adversely affect the ability of the Underwriters to market the Bonds; (B) a general suspension of trading on the New York Stock Exchange or the American Stock Exchange or other national securities exchange; (C) the declaration of a banking moratorium either by Federal, New York State, or Illinois authorities; (D) an event described in Section 5(b) hereof shall have occurred which, in the opinion of the Representatives, requires an amendment or supplement to the Official Statement and the Official Statement is not then supplemented or amended in a manner approved by the Representatives and counsel for the Underwriters; or (E) there shall have occurred since the date hereof any material adverse change in the asset value, financial condition or results of operations of the Water System or the Water Fund.

(c) On the Closing Date, no litigation shall be threatened or pending in any court, nor any referendum or public vote shall be threatening or pending, nor any proceeding before or by any governmental authority, body or arbitrator shall be threatened or pending: (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Bonds or, except as disclosed in the Official Statement, the payment, collection or application of the proceeds thereof or payments or other moneys or property pledged or to be pledged under the Ordinance; (ii) in any way questioning or affecting the validity of the Bonds or any provisions of this Agreement, the Escrow Agreement, the Ordinance or any proceedings taken by the City or the Underwriters with respect to any of the foregoing; (iii) questioning the City's creation, organization or existence or the titles to the office of any of its officers or

its power to engage in any of the transactions contemplated by this Agreement, the Escrow Agreement, or the Ordinance; or (iv) questioning the exemption of interest on the Bonds from Federal income taxation.

(d) The Representatives shall have received, dated as of the Closing Date:

(i) An opinion of Corporation Counsel of the City, substantially in the form set forth on Exhibit I hereto.

(ii) Approving opinions of Isham, Lincoln & Beale and _____ addressed to the City and the Representatives, substantially in the form set forth in Exhibit A to the Official Statement.

(iii) Supplemental opinions of Isham, Lincoln & Beale and _____ addressed to the City and the Representatives, substantially in the form set forth on Exhibit II hereto.

(iv) Opinions of _____ and _____ co-counsel to the Underwriters, addressed to the Representatives, substantially in the form set forth on Exhibit III hereto.

(v) A certificate, signed by the Comptroller of the City, in which such official states the following:

(A) The representations and warranties of the City in this Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date and the City has complied with all covenants and agreements and satisfied all conditions and terms on its part to be performed or satisfied on or prior to the Closing Date.

(B) The conditions set forth in Section 6(a) and 6(c) of this Agreement have been satisfied.

(C) Certain facts, estimates and circumstances, which shall be set forth in such certificate with such particularity as will enable _____ Bond Counsel to render the opinions required under Section 6(d)(ii) of this Agreement, establishing that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" under Section 103(c) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder, and, to the best of his knowledge and belief, there are no facts or circumstances that would change the foregoing conclusion.

(D) To the best knowledge of such official, all information with respect to the City, including, without limitation, all financial information, furnished or made available by the City to the Representative, was, as of the dates of such information, accurate, and did not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

(vi) A certificate, signed by the City Clerk, in which such official states that attached thereto is a true and correct copy of the Ordinance, as duly adopted by the City and as then in full force and effect, with such, if any, amendments, modifications and supplements thereto as may have been agreed to by the Representatives.

(vii) A letter addressed to the Representatives from Coopers & Lybrand, independent public accountants, stating that they consent to the use in Appendix B to the Official Statement of their report covering the audited financial statements contained in such Appendix.

(viii) A letter addressed to the Representatives from Coopers & Lybrand, independent public accountants, to the effect that (1) with respect to the City, they are independent certified public accountants within the meaning of Rule 101 of the Code of Professional Ethics of the American Institute of Certified Public Accountants, (2) based on inquiries of and discussions with certain officials of the City responsible for accounting and financial matters, and such other procedures as they have considered appropriate, nothing has come to their attention which causes them to believe that with respect to the period from December 31, 1985 to a date not earlier than five business days prior to the Closing Date, there has been any material decrease in cash receipts or any material increase in cash disbursements of or from the Water Fund as compared with the corresponding period in the fiscal year ended December 31, 1985, except for decreases or increases set forth in such letter, in which case the letter shall be accompanied by an explanation by the City as to the significance thereof unless such explanation is deemed unnecessary by the Representatives, and (3) they have compared specified dollar amounts, numbers, percentages and other financial information pertaining to the Water System as set forth in the Official Statement, which have been specified by the Representatives prior to the date of this Agreement, to the extent that such amounts, numbers, percentages, and information may be derived from the general accounting records of the City, and excluding any questions regarding an interpretation of legal counsel, with the results obtained from the application of specified readings, inquiries and other appropriate procedures (which procedures do not constitute an examination in accordance with generally accepted auditing standards) set forth in the letter, and found them to be in agreement.

(ix) A certificate, dated the date of the Closing, signed by an authorized representative of Alvord, Burdick & Howson to the effect as the Water System's consulting engineer that (1) the Engineering Report, as of the date hereof and as of the date of the Closing, to the best of such firm's knowledge, was and is correct, and did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and (2) such firm consents to the references to the firm in the Official Statement.

(x) A written report of, based upon information furnished to it by the City and addressed to the Underwriters, the City and the Bond Counsel, with respect to the accuracy of (A) the mathematical computations of the adequacy of the maturing principal of and interest earned on the portfolio of Government Obligations (as defined in the Official Statement) to be held in the Escrow Account (as defined in the Ordinance) established for the payment, when due, of the principal of and interest on

the Refunded Bonds (as defined in the Official Statement), and (B) the mathematical computations of the actuarial yield on such Government Obligations and on the Bonds, in form and substance reasonably satisfactory to the Representatives, the City and Bond Counsel.

(xi) A fully executed original of the Escrow Agreement.

(xii) Such additional certificates, proceedings, opinions, instruments, legal opinions and other documents as the Representatives may reasonably request in connection with the transaction contemplated by this Agreement.

(e) If the Official Statement has been amended or supplemented, at the Closing the City shall deliver to the Representatives seven copies of the Official Statement, as amended or supplemented, executed by the City as indicated thereon.

Any opinions, letters or certificates required to be addressed to the Representatives hereunder shall be addressed to the Representatives "as Representatives of the Underwriters." Any references therein to the Official Statement shall, if the Official Statement has been amended or supplemental pursuant to the provisions of Section 5 hereof, be to the Official Statement as so amended or supplemented.

If any of the conditions specified in this Section shall not have been fulfilled when and as required by this Agreement, or if any of the opinions, instruments, documents, proceedings or certificates mentioned above or elsewhere in this Agreement shall not be in all material aspects reasonably satisfactory in form and substance to the Representatives, this Agreement and all obligations of the Underwriters hereunder may be cancelled by the Representatives at, or at any time prior to, Closing. Cancellation shall be given to the City in writing, or by telegraph confirmed in writing.

7. Certain Costs and Expenses.

(a) The Underwriters shall be under no obligation to pay, and the City shall pay, all expenses incident to the performance of the City's obligations hereunder, including but not limited to: (i) the cost of the preparation and printing of the Ordinance and, in accordance with Section 5(c) hereof, the Official Statement in preliminary and final form (including any amendments or supplements thereto); (ii) the cost of the preparation, printing and delivery to the Underwriters of the Bonds; (iii) the fees and disbursements of Isham, Lincoln & Beale and _____, Bond Counsel; (iv) the fees and disbursements of the City's accountants and advisors, and of any other experts or consultants (including, without limitation, Coopers & Lybrand, Lazard Freres & Co. and Alvord, Burdick & Howson) retained in connection with the issuance and sale of the Bonds; (v) disbursements of the City's Corporation Counsel; (vi) rating agency fees; (vii) bond insurance policy premium; and (viii) any other expenses not enumerated in the paragraph immediately below incurred in connection with the issuance of the Bonds.

(b) The Underwriters shall pay: (i) the cost of preparation and printing of this Agreement, the Agreement among Underwriters and all the other underwriting documents; (ii) all advertising expenses in connection with the public offering of the Bonds;

(iii) the fees and disbursements of _____ and _____, co-counsel to the Underwriters, including the costs of preparation of the Blue Sky Survey and Legal Investment Memorandum; (iv) all other expenses incurred by them in connection with their public offering and distribution of the Bonds; and (v) such other expenses relating to the issuance of the Bonds as may be agreed upon by the City and the Representatives.

8. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois, including, without limitation, those laws applicable to contracts made and to be performed in that State.

9. Survival of Certain Representations and Obligations. The respective agreements, representations, warranties and other statements of the City and its officers and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation or statement as to the results thereof made by or on behalf of the Underwriters, the City or any of their officers or controlling persons, and will survive delivery of and payment for the Bonds.

10. Successors. This Agreement is made and will inure to the benefit of and be binding upon the parties hereto and their respective successors, officers and controlling persons, and, unless expressly provided for herein, no other person will have any right or obligation hereunder by virtue hereof.

11. Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

12. Notice. All communications hereunder will be in writing and if sent to the Representatives will be mailed, delivered or telegraphed and confirmed to them, in care of _____, at _____, _____, Attention: _____, _____, or if sent to the City will be mailed, delivered or telegraphed and confirmed to the address set forth above.

13. Effective Date. This Agreement shall become effective upon the execution of the acceptance hereof by the City Comptroller and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

As Representatives

By: _____

11/13/86

REPORTS OF COMMITTEES

36875

By: _____
Authorized Officer

ACCEPTED:

_____, 1986

CITY OF CHICAGO, ILLINOIS

By: _____
Ronald D. Picur
Comptroller,
City of Chicago

CONCURRENCE BY:

_____, 1986

By: _____
_____ of the Finance
Committee

Schedule I

List of Underwriters.

Exhibit I.

Corporation Counsel Opinion.

Exhibit II.

Supplemental Opinion Of Bond Counsel.

Exhibit III.

Opinion Of Underwriters' Co-counsel.

Exhibit C.

[Form Of Preliminary Official Statement]

New Issue

In the opinion of Co-Bond Counsel, interest on the Bonds is exempt from Federal income taxes under existing laws, rules, regulations and interpretations. Interest on the Bonds is not exempt from present Illinois income taxes.

\$ _____
City of Chicago
Water Revenue Bonds
Refunding and Improvement
Series 1986

Dated: _____, 1986

Due: November 1, as set
forth below

The Bonds will be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds will be payable on May 1, 198____ and semiannually thereafter each November 1 and May 1 by check or draft mailed to the registered owners thereof by American National Bank and Trust Company of Chicago, Chicago, Illinois, (the "Bond Registrar and Paying Agent"). Principal of and premium, if any, on the Bonds will be payable at the principal corporate trust office of the Bond Registrar.

The Bonds are payable solely from and secured by a pledge of the Net Revenues derived by the City from its ownership and operation of the Water System of the City as described herein.

The Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation as to indebtedness, and no exercise of the City's taxing power nor resort to any City Fund other than the Water Fund may be compelled on behalf of the holders of the Bonds.

Amount	Maturity	Interest Rate	Price/Yield

(Accrued interest from _____, 1986 to be added)

The Bonds are offered when, as and if issued and accepted by the Underwriters, and subject to approval of legality by Isham, Lincoln & Beale, Chicago, Illinois and _____, Chicago, Illinois, Co-Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by _____, Chicago, Illinois and _____, Chicago, Illinois. It is expected that the Bonds in definitive form will be available for delivery to the Underwriters in New York, New York on or about December 31, 1986.

_____, 1986

CITY OF CHICAGO WATER SYSTEM

MAYOR
Harold Washington

CITY TREASURER
Cecil Partee

CITY COUNCIL
Committee on Finance
Edward M. Burke, Chairman
Timothy Evans, Vice Chairman

CITY COMPTROLLER
Ronald D. Picur

CITY BUDGET DIRECTOR
Sharon Gist Gilliam

CORPORATION COUNSEL
Judson H. Minor

DEPARTMENT OF WATER
Lester S. Dickinson, Commissioner

CO-BOND COUNSEL
Isham, Lincoln & Beale
Chicago, Illinois

CO-BOND COUNSEL

Chicago, Illinois

FINANCIAL ADVISOR
Lazard Freres & Co.
New York, New York

CONSULTING ENGINEER
Alvord, Burdick & Howson
Chicago, Illinois

CERTIFIED PUBLIC ACCOUNTANTS
Coopers & Lybrand
Chicago, Illinois

No dealer, broker, salesman or other person has been authorized by the City or the Underwriters to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to

buy, nor shall there be any sale of the Bonds referred to in this Official Statement by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information set forth in this Official Statement has been obtained from the City and other sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness. The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the operations of the Water System of the City since the date of this Official Statement. This Official Statement should be considered in its entirety, and no information or portion of information should be considered less important than any other by reason of its position in this Official Statement. This Official Statement is submitted solely in connection with the sale of the Bond referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose.

In Connection With The Offering Of The Bonds, The Underwriters May Overallot Or Effect Transactions Which Stabilize Or Maintain The Market Price Of The Bonds At A Level Above What Which Might Otherwise Prevail In The Open Market. Such Stabilizing, If Commenced, May Be Discontinued At Any Time.

TABLE OF CONTENTS

	Page
INTRODUCTION	
Water System, Water System Service Area and the Capital Improvements Program	
SECURITY FOR THE BONDS	
General	
Flow of Funds	
Investment of Funds	
Construction Account: Series 1986 Bonds	
Rate Covenant	
Additional Bonds	
Other Covenants	
Remedies	
THE WATER SYSTEM	
General -- Organization and Staffing	
Management Personnel	

Billing for Water and Sewer Services
Description of Facilities

THE WATER SYSTEM SERVICE AREA

Service Area
Population
Water Accounts
Suburban Customers
Water Pumpage
Lake Michigan Allocations

FINANCIAL OPERATIONS

Rates, Fees and Users
Recent Water Rate Increases
Distribution of Revenues by Type of Account
Consolidated Cash
Annual Budget Review and Implementation of Annual Budget
Recent Operations
Collections and Delinquencies
Projected Operations
Comparison of Water Charges

CAPITAL IMPROVEMENTS PROGRAM**THE REFUNDING PLAN****ESTIMATED USE OF PROCEEDS****DESCRIPTION OF THE BONDS**

General
Redemption
Transfer and Exchange

OUTSTANDING DEBT AND ANNUAL DEBT

SERVICE
Outstanding Debt
Annual Debt Service

LITIGATION**FINANCIAL STATEMENTS****ENGINEERING****BONDS AS LEGAL INVESTMENTS****TAX EXEMPTION****CERTAIN LEGAL MATTERS**

UNDERWRITING	
RATINGS	
OTHER MATTERS	
FINANCIAL STATEMENTS	Appendix A

\$ _____

CITY OF CHICAGO

Water Revenue Bonds Refunding and Improvement Series 1986

INTRODUCTION

The purpose of this Official Statement, which includes the Cover Page, the Exhibits and the Appendices hereto, is to set forth certain information in connection with the sale of \$ _____ aggregate principal amount of Water Revenue Bonds, Refunding and Improvement Series 1986 (the "Bonds") of the City of Chicago, Illinois (the "City").

The Bonds are being issued pursuant to the home rule powers of the City under Article VII, Section 6(a) of the Illinois Constitution of 1970 and an ordinance adopted by the City Council of the City on _____, 1986 (the "Ordinance"). [Definitions of certain words and terms having initial capitals used herein are contained in the excerpt from the text of the Ordinance set forth in Appendix ____ hereto.]

The Bonds will provide funds for the refunding of certain outstanding obligations of the City payable solely from the Net Revenues of the Chicago water system (the "Water System") and for capital improvements and extensions of the Water System which is operated by the Department of Water of the City (the "Department").

For a discussion of the Department's recent and projected financial operations and comparative results of operations for the six-month periods ended June 30, 1985 and June 30, 1986, see "Financial Operations."

Water System, Water System Service Area and the Capital Improvements Program

The Department provides water to the City and 94 suburbs. This is an increase of 7 suburbs over the number served in 1985. The 1980 population of the communities presently served was _____. In addition, the Department has entered into contracts to provide service to 24 additional suburbs, which had a 1980 population of _____. The Department does not anticipate providing water service to these additional suburbs prior to 1990. The projected population to be served by the Department in the year 2005, including the 24 suburbs not yet receiving water from the Water System, is 5,420,990. The Water System has excess capacity in place to supply the demands of the Water System, including the addition of new customers, through the year 2020.

The Department's current customer base cover a service area of 583.89 square miles. The additional 24 suburbs with contracts would add to the service area 139.3 square miles

and bring the total service area to 723.19 square miles. The Department's 87 suburban customers in 1986 accounted for _____% of the water pumpage. See "The Water System Service Area -- Suburban Customers."

The Department obtains its water from Lake Michigan. The raw water from the lake is of extremely high quality; after treatment, the drinking water meets and is well within all criteria established by the Illinois Pollution Control Board and the United States Environmental Protection Agency. As more fully described herein, the City, the 94 suburbs which the Water System presently serves and the 24 additional suburbs to which the Water System anticipates providing service all have received allocations of water from Lake Michigan through the year 2020. In the opinion of Alvord, Burdick & Howson (the "Consulting Engineer"), the allocations of Lake Michigan water are adequate for the projected demand of the City and its suburban customers.

Water is processed by the Department at the South Water Filtration Plant and the James W. Jardine Purification Plant, two of the world's largest water treatment facilities. Water is transported throughout the Water System via 65 miles of water supply tunnels and eleven pumping stations. Water is ultimately delivered to customers through over 4,200 miles of water mains ranging from four to sixty inches in diameter.

The Water System maintains a Class 1 rating, which is the highest rating that can be obtained from the American Insurance Association (formerly the National Board of Fire Underwriters). This rating indicates that the Water System meets the American Insurance Association requirements as to available quantity and dependability.

The Department's 1987 -- 1991 capital improvements program (the "Capital Improvements Program") is projected to cost \$_____ and will provide for additions to the system, replacement of facilities and rehabilitation of existing facilities. The Department projects that all of its 1987 and 1988 Capital Improvements Program requirements will be funded from a combination of unencumbered amounts presently on deposit in the Department's existing Construction Account, Water Fund surplus projected to be generated at current water rates in fiscal years 1987 and 1988 and a deposit of approximately \$_____ million to be made to the Construction Account: Series 1986 Bonds from Bond proceeds. Commencing in 1989, additional revenue will be required in order to fund the Capital Improvements Program. See "Financial Operations -- Projected Operations" and "Capital Improvements Program."

SECURITY FOR THE BONDS

General

The Bonds will be payable solely from the "Net Revenues," as defined in the Ordinance, of the Water System. The Bonds will be on a parity with \$_____ (as of _____, 1986) principal amount of outstanding Water Revenue Bonds, Series 1983 (the "Series 1983 Bonds") and \$_____ (as of _____, 1986) principal amount of outstanding Water Revenue

Bonds, Refunding and Improvement Series 1985 (the "1985 Bonds"). The Bonds, together with such outstanding Series 1983 Bonds not refunded with proceeds of the Bonds, the 1985 Bonds and any Parity Bonds hereafter issued, are collectively referred to herein as "Outstanding Bonds." Although payment of the principal of and interest on all Outstanding Water Works System Certificates of Indebtedness (the "Certificates") has been provided for by a deposit of a portion of the Series 1985 Bonds proceeds in trust in an escrow account, the Certificates will continue to have a lien on Net Revenues until paid in accordance with their terms. See "The Refunding Plan" and "Outstanding Debt and Annual Debt Service--Outstanding Debt."

Principal of, premium, if any, and interest on Outstanding Bonds are payable solely from the Net Revenues derived from the operation of the Water System. "Net Revenues," as defined in the Ordinance, means that portion of the Gross Revenues remaining after providing sufficient funds for Operation and Maintenance Costs. "Gross Revenues," as defined in the Ordinance, means all income and receipts from any source whatsoever, which under generally accepted accounting principals are properly recognized as being derived from the operation of the Water System, including without limiting the generality of the foregoing, moneys derived from charges imposed for water service and usage and billed on a regular periodic basis and from charges imposed for inspection and permits for connection to the Water System, grants and Investment Earnings. "Investment Earnings," as defined in the Ordinance, means all interest received on or profits from the investments made with any of the Gross Revenues or any money in the Matured Water Bond and Interest Account, the Debt Service Reserve Account and the Rehabilitation and Improvement Account, but not any construction accounts, maintained in the Water Fund. "Operation and Maintenance Costs," as defined in the Ordinance, means all expenses reasonably incurred in connection with the operation, maintenance, renewal, replacement and repair of the Water System, which under generally accepted accounting principles are properly chargeable to the Water System and not capitalized, including, without limiting the generality of the foregoing, salaries, wages, taxes, costs of materials and supplies, purchase of power, fuel, insurance, reasonable repairs and extensions necessary to render efficient service, and all incidental expenses, but excluding any provision for depreciation.

The Bonds do not constitute an indebtedness of the City within the meaning of any constitutional or statutory provision or limitation as to indebtedness, and no exercise of the City's taxing power nor resort to any City fund other than the Water Fund may be compelled on behalf of the holders of the Bonds.

Flow of Funds

The Gross Revenues are set aside as collected in a separate fund held by the Treasurer, designated as the Water Fund of the Municipality of Chicago (the "Water Fund"). The Water Fund and certain accounts therein are maintained as part of the "consolidated cash" of the City. See "Financial Operations-- Consolidated Cash." Under the Ordinance, the Water Fund is used, among other things, to pay operation and Maintenance Costs and debt service requirements on Outstanding Bonds. The following separate accounts are maintained within the Water Fund for the following purposes:

- (a) Matured Water Bond and Interest Account:

Not later than ten days prior to each principal or interest payment date, there shall be transferred to the Matured Water Bond and Interest Account sufficient funds, together with accrued interest received upon delivery of the Bonds, to pay the amount of principal, premium, if any, and interest becoming due, whether upon maturity, redemption or otherwise, on such payment date on all Outstanding Bonds.

Funds in the Matured Water Bond and Interest Account shall be used only for the purpose of paying principal of and applicable premium and interest on outstanding obligations of the City that are payable by their terms from the revenues of the Water System as the same shall become due. Funds in said account are maintained as part of the City's consolidated cash balances. See "Financial Operations--Consolidated Cash."

(b) Debt Service Reserve Account:

At the time of the delivery of the Bonds, sufficient funds from the proceeds of sale of the Bonds shall be transferred to the Debt Service Reserve Account to maintain a balance therein at least equal to the Debt Service Reserve Requirement, which account shall be deposited in a separate account in a bank or banks designated by the Treasurer pursuant to a depository agreement. After all bonds issued prior to 1986 are no longer outstanding, the Debt Service Reserve Account may have deposited in it cash or a Reserve Account Credit Instrument, as defined in the Ordinance, or a combination of them so long as the value meets the Debt Service Reserve Requirement. The "Debt Service Reserve Requirement," as defined in the Ordinance, means the amount of money equal to the sum of (i) the highest future principal and interest requirements of all Series 1983, Series 1985 and Series Bonds in any Fiscal Year including and subsequent to the Fiscal Year in which the computation is made and (ii) such other amounts as shall be required in connection with the issuance of Parity Bonds. Whenever the balance in said account is less than the Debt Service Reserve Requirement, within the next 12 months there shall be transferred to the Debt Service Reserve Account sufficient funds to maintain a balance therein at least equal to the Debt Service Reserve Requirement provided that, after all the bonds issued prior to 1986 are no longer outstanding, such Requirement may be met by a deposit of cash or a Reserve Account Credit Instrument or a combination of them. After giving effect to the application of Bond proceeds, said account will be fully funded in cash with a balance of \$_____.

Funds in the Debt Service Reserve Account shall be used to pay principal of any applicable premium and interest on outstanding obligations of the City that are payable by their terms from the revenues of the Water System as the same shall become due at any time when there are insufficient funds available therefor in the Matured Water Bond and Interest Account. Pursuant to the Ordinance, a separate bank account is established for the Debt Service Reserve Account, which is excluded from the City's consolidated cash balances and maintained separately. See "Financial Operations -- Consolidated Cash."

(c) Rebate Account:

From time to time, there shall be deposited in the Rebate Account amounts as shall be required to be held available for rebate to the United States of America with respect to

each series of bonds issued after August 1, 1986, including the Series 1986 Bonds. The amount so to be held available shall be determined from time to time by the City pursuant to the ordinances authorizing the various series of Outstanding Bonds. Amounts in the Rebate Account shall be used at the direction of the City to make rebate payments to the United States of America. Amounts in the Rebate Account may be used to pay debt service on the Bonds at any time when there are insufficient funds available for such purpose in the Matured Water Bond and Interest Account, the Debt Service Reserve Account and the Rehabilitation and Improvement Account. Pursuant to the Ordinance, a separate bank account is established for the Rebate Account, which is excluded from the City's consolidated cash balances and maintained separately.

(d) Rehabilitation and Improvement Reserve Account:

Whenever the balance in the Rehabilitation and Improvement Reserve Account is less than \$10,000,000 an amount equal to \$2,500,000, or such lesser amount as may be necessary, shall be transferred to said account in each Fiscal Year thereafter until the balance therein equals \$10,000.00. Currently, the balance in said account is \$_____. Funds in said account are maintained as part of the City's consolidated cash balances. See "Financial Operations -- Consolidated Cash."

Funds in said account shall be used (i) to pay principal of and applicable premium and interest on the outstanding obligations of the City that are payable by their terms from the revenues of the Water System as the same shall become due at any time when there are insufficient funds available therefor in the Matured Water Bond and Interest Account and the Debt Service Reserve Account, and the amount of such deficiency shall be transferred to the Matured Water Bond and Interest Account for such purpose, (ii) to pay the cost of constructing any emergency replacement to any part of the Water System deemed necessary in order to render efficient service when there are no other funds available therefor, provided, that prior to such payment, there shall be filed with the Comptroller and the Treasurer a certificate of the Commissioner of the Department to evidence that in said Commissioner's opinion the making of such improvement is an emergency replacement of part of the Water System, such replacement is essential for the continued efficient operation of the Water System and no other funds are available therefor, and (iii) to pay the cost of constructing new facilities of or making necessary improvements to the Water System constituting capital improvements, provided that such capital improvements are set forth in plans and a report thereof prepared by the Commissioner of the Department submitted to and approved by the City Council and, provided, further, that expenditures therefor shall only be made after certification thereof by said Commissioner directed to the Comptroller.

In the event of a deficiency in any Fiscal Year in the balance in the Debt Service Reserve Account or the Rehabilitation and Improvement Reserve Account, the amount of such deficiency shall, as the case may be, be included in the amount to be transferred to such account during the next 12-month period or succeeding Fiscal Year, as appropriate. Whenever the balance in the Debt Service Reserve Account or the Rehabilitation and Improvement Reserve Account exceeds the amount required, such excess may be transferred to the Water Fund; provided, however, that no such transfers shall be made when any debt service payments on outstanding obligations of the City that are payable by their terms from the revenues of the Water System are past due. Any funds which remain

in the Water Fund at the end of any Fiscal Year shall be retained in the Water Fund. Such funds shall, except for funds maintained in the separate accounts described above, be available for appropriation for any proper purpose of the Water System.

Investment of Funds

Funds in the four accounts described under "Flow of Funds" shall be invested in Permitted Investments (as defined in the Ordinance). All Investment Earnings on any funds so invested, except those in the Rebate Account, shall be credited to the Water Fund and be considered as Gross Revenues. Investment Earnings on any funds so invested in the Rebate Account shall be credited to that Account. See "Financial Operations--Consolidated Cash."

Construction Account: Series 1986 Bonds

A portion of the proceeds of the Bonds will be set aside in a separate account in the Water Fund (the "Construction Account: Series 1986 Bonds") for the purpose of financing a portion of the Capital Improvements Program and to pay the costs of issuance for the Bonds. The Construction Account: Series 1986 Bonds will be deposited in a bank or banks designated by the Treasurer pursuant to a depository agreement. Funds in the Construction Account: Series 1986 Bonds shall be invested by the depository at the direction of the Treasurer in Permitted Investments (as defined in the Ordinance) and the earnings thereon will be credited to the Construction Account. Pursuant to the Ordinance, a separate bank account is established for the Construction Account, which is excluded from the City's consolidated cash balances and maintained separately.

Rate Covenant

The Ordinance contains the covenant of the City to establish, maintain and collect at all times fees, charges and rates for the use and service of the Water System sufficient at all times to (a) pay Operation and Maintenance Costs, (b) produce an amount at least equal to 100% of the sum required to pay promptly when due the principal of, premium, if any, and interest on all Outstanding Bonds and (c) establish and maintain all reserve funds or accounts as may be covenanted for in bond ordinances authorizing the issuance of Outstanding Bonds. These fees, charges and rates shall not be reduced while any Outstanding Bonds are unpaid.

Additional Bonds

The City has reserved the right to issue additional bonds which are payable from Net Revenues on an equal and ratable basis with all Outstanding Bonds ("Parity Bonds").

Parity Bonds may be issued for the purpose of paying the costs of repairs, replacements, renewals, improvements or extensions to the Water System or for refunding Outstanding Bonds, upon compliance with the following conditions:

- (a) The funds required to be transferred to the Matured Water Bond and Interest Account, the Debt Service Reserve Account, the Rebate Account and the Rehabilitation

and Improvement Reserve Account shall have been transferred in full up to the date of the delivery of such Parity Bonds.

(b) The ordinance authorizing the issuance of Parity Bonds shall require either (i) the transfer at the time of the delivery of such Parity Bonds of sufficient proceeds of such Parity Bonds or Net Revenues or the obtaining of a Reserve Account Credit Instrument, or a combination thereof, to the Debt Service Reserve Account so that the balance in such account is at least equal to the Debt Service Reserve Requirement or (ii) equal monthly transfers to such account during a period not exceeding 60 months following the delivery of such Parity Bonds sufficient to restore such account to an amount at least equal to the Debt Service Reserve Requirement.

(c) Net Revenues for the last complete Fiscal Year prior to the issuance of the Parity Bonds (as shown by the audit of an independent certified public accountant), or Net Revenues for such last completed Fiscal Year, adjusted as described below, shall equal at least 125% of the maximum annual debt service for Outstanding Bonds which will continue to be Outstanding Bonds following the issuance of the proposed Parity Bonds, computed on a pro forma basis assuming the issuance of the proposed Parity Bonds. Net Revenues may be adjusted as follows for purposes of this paragraph (c):

(i) In the event there shall have been an increase in the rates of the Water System from the rates in effect for such last completed Fiscal Year, which increase is in effect at the time of the issuance of any such Parity Bonds, Net Revenues may be adjusted to reflect the Net Revenues for such last completed Fiscal Year as they would have been had said then existing rates been in effect during all of such last completed Fiscal Year.

(ii) Any such adjustment shall be evidenced by the certificate of an independent consulting engineer or an independent certified public accountant employed for that purpose, which certificate shall be filed with and approved by the City Council prior to the sale of the proposed Parity Bonds.

[More to come re Test to Issue in first six months of fiscal year prior to availability of audit.]

Other obligations, including bonds, may be issued payable from Net Revenues subordinate to the Outstanding Bonds.

Other Covenants

In addition to the covenants referred to above, the City has covenanted under the Ordinance, so long as any of the Bonds are outstanding, as follows:

(1) To maintain the Water System in good repair and working order, to operate the same on a Fiscal Year basis and to promptly construct the Projects (as defined in the Ordinance). See "Capital Improvements Program."

(2) Prior to the end of each Fiscal Year, to conduct a review to determine compliance with the requirement described above under "Rate Covenant" and whenever this annual

review indicates that the projected Net Revenues will not be sufficient to comply with said rate covenant, to have the Department, after consultation with the Office of Budget and Management of the City and the Comptroller and, where appropriate, a qualified consulting engineer, recommend appropriate action to comply with said rate covenant. See "Financial Operations -- Annual Budget Review and Implementation of Annual Budget."

(3) To make all necessary and proper repairs, replacements, additions and betterments to the Water System so that it may at all time be operated properly; and when any necessary equipment or facility shall have been worn out, destroyed or otherwise is insufficient for proper use, it shall be promptly replaced so that the value and efficiency of the Water System will be at all times fully maintained.

(4) To establish such rules and regulations for the control and operation of the Water System as are necessary for safe, lawful, efficient and economical operation thereof.

(5) To make and keep proper books, records and accounts (separate and apart from all other books, records, and accounts of the City), in which correct and complete entries shall be made of all transactions relating to the Water System, within 180 days following the close of each Fiscal Year, to cause the financial statements of the Water System to be audited by independent certified public accountants, which audited financial statements will be available for inspection by the registered owners of any of the Bonds. The financial statements will include but not be limited to: (a) a statement of revenue and expenses of the Water System for such Fiscal Year; (b) a balance sheet as of the end of such Fiscal Year including the amounts in each of the funds and accounts of the Water Fund for such Fiscal Year; (c) a statement of changes in the financial position of the Water System for such Fiscal Year; and (d) the amounts, maturities, interest rates and redemption provisions of all Outstanding Bonds. The independent certified public accountants who audit such financial statements shall also prepare a separate compliance letter regarding the City's compliance with the financial covenants of the Ordinance.

(6) To prepare annually a report of the number of customers served by the Water System at the end of the Fiscal Year, the number of metered and nonmetered customers at the end of the Fiscal Year and the quality of water provided.

(7) Not to sell, lease, loan or mortgage, or in any manner dispose of or encumber, the Water System (subject to the right of the City to issue Parity Bonds as provided in the Ordinance, to issue bonds subordinate to the Bonds and to dispose of real or personal property which is no longer useful or necessary to the operation of the Water System).

(8) To take and permit no action which would result in the interest payable on any of the Bonds being subject to federal income taxation by reason of the Bonds being classified as "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended.

(9) To take all actions required as a result of the provisions of the Internal Revenue Code of 1986, including so-called rebate requirements, so that interest on any of the

Bonds will not be or become subject to federal income taxation under present law, except as they may be subject to any alternate minimum tax applicable to corporations.

Remedies

Any owner of a Bond may proceed by civil action to compel performance of all duties required by the Ordinance, including the establishment and collection of sufficient fees, charges and rates for the service supplied by the Water System and the application of the income and revenue therefrom.

THE WATER SYSTEM

General -- Organization and Staffing

Pursuant to City Council ordinance, the Department was established in January, 1980 as an executive department of the City with responsibility for the operation, maintenance, repair and extension of the Water System. Before 1980 the Water System was maintained by the Department of Water and Sewers.

The Department, under the direction of the Commissioner, who is appointed by the Mayor and approved by the City Council, is organized into three bureaus: (1) Water Operations; (2) Water Distribution; and (3) Water Service. The Bureau of Water Operations has the responsibility for water pumping and water purification through its Pumping Station Operation Division and Water Purification Division, respectively. The Bureau of Water Distribution has responsibility for maintenance, design, construction and inspection of the distribution system including valves, fire hydrants and other appurtenances. The Bureau of Water Service has responsibility for water metering and revenue collection through its Water Meter Division and Water Collection Division, respectively. Included in the Commissioner's Office are staff assistants in the areas of finance, data processing and personnel, and the Chief Water Engineer's Office, all of which function in a staff capacity to the Commissioner.

The Department has _____ professionals with State of Illinois Water Plant Operator's Certificates. The employment level of the Department as of October 31, 1986 was _____. The average employment level of the Department for the past either years has been _____ employees. The Department does not anticipate increasing its staff within the next several years.

Management Personnel

Presented below is certain information concerning the senior management personnel of the Department:

Lester S. Dickinson, Commissioner

Mr. Dickinson possesses a Bachelor of Science degree in Civil Engineering. Mr. Dickinson is a Registered Professional Engineer. Prior to his appointment as Commissioner of Water in 1985, Mr. Dickinson served as Commissioner of Streets and

Sanitation and Chief Construction Engineer for the Department of Public Works. Mr. Dickinson has been an employee of the City since 1969. Mr. Dickinson is a member of the American Water Works Association, American Public Works Association and Illinois Society of Professional Engineers.

James W. Hedges, Chief Water Engineer

Mr. Hedges has been employed by the Department of Water, and its predecessor the Department of Water and Sewers, since 1966, holding his current position of Chief Water Engineer since 1978. He is a graduate of Northwestern University with a Bachelor of Science degree in Civil Engineering and is a Registered Professional Engineer. Technical and professional associations include the National Society of Professional Engineers, American Water Works Association, American Public Works Association, American Society of Civil Engineers and the Illinois Engineering Council.

Wanda T. Gladysz, Director of Finance

Prior to her appointment to her current position in 1983, Ms. Gladysz served as Assistant Budget Director for the City and was employed in the office of Budget and Management since 1981. She holds a Bachelor of Science degree from DePaul University's College of Commerce, specializing in management and accounting and is currently working toward a Masters of Business Administration at DePaul University. Ms. Gladysz is a member of the American Water Works Association, the Association of Metropolitan Water Agencies and the American Public Works Association.

Billing for Water and Sewer Services

The Water Department and the Sewer Department have been operated separately since 1980. The Sewer Department has separate management, separate accounting, and issues its own debt securities secured by Sewer Department revenues. The only current connection between the two departments is the combined billing described below.

The sewer service charge relating to the delivery of sewer services is billed together with the water usage charge on customer billings. The sewer service charge is currently 48% of the water usage charge within the City. Any delinquencies for sewer services charges are carried on the books of the Sewer Fund. All billings and collections are handled by the Department's Collections Division.

Description of Facilities

The South Water Filtration Plant and the James W. Jardine Water Purification Plant are two of the world's largest water treatment facilities, aggregating a continuous service capacity of 2,160 millions gallons per day ("M.G.D."). These plants are supplied from 6 water intakes, 4 of which are water intake cribs located in Lake Michigan 2 to 4 miles from shore (one of which is on standby service), and two of which are shore intakes (one at each plant). There are 11 pumping stations, 5 of which are steam and 6 electrically operated, with a total installed pumping capacity of 3,095 M.G.D. and safe pumping capacity (largest pump in each station out of service) of 2,385 M.G.D. The water is transported throughout the Water System by 65 miles of water supply tunnels. These tunnels are located 40 to 200

feet below the ground surface and range in size from 6 feet to 20 feet in diameter. The water is raised from tunnels by pumps in the 11 pumping stations and delivered to the customers through over 4200 miles of water mains ranging in size from 4" to 60" in diameter.

THE WATER SYSTEM SERVICE AREA

Service Area

The Water System supplies water to a service area of approximately 583.89 square miles. The City accounts for 228.1 square miles and the 94 suburban customers currently supplied account for 355.79 miles. With several of these suburban customers being new to the Water System in 1986, the 87 served in 1985 accounted for ____% of the net water sales for 1985.

The 7 additional suburbs newly served by the Water System in 1986 formed the Northwest Suburban Municipal Joint Action Water Agency ("J.A.W.A."). J.A.W.A. has constructed pipelines for transporting the City's water to the seven suburbs.

Twenty-four suburbs have negotiated a contract with the Department to become customers of the Water System. Service to these 24 suburbs will add another 139.3 square miles to the Water System's service area. The projected operations contained herein do not anticipate providing water services to these 24 suburbs prior to 1990. The 24 suburbs mentioned above are to be served by the DuPage Water Commission which negotiated the contract with the Department. The additional 24 suburban communities mentioned above will increase the Water System's service area by 24% to 723.19 square miles.

The Department will be able to supply water to the suburbs in J.A.W.A. and the DuPage Water Commission with existing facilities and does not expect to incur any substantial capital cost associated with providing such service. J.A.W.A. has financed, and the DuPage Water Commission will finance, the construction of pumping, water retention and related facilities at delivery points just within the City's limits. These additional facilities will be acquired by the Department over time through a credit for a portion of the charges for water purchased by such suburbs under their contracts.

WATER SYSTEM AREA SERVED (Square Miles)

(Current and Forecasted)

Area Description

City	228.10	
Current 94 Suburbs	<u>355.79¹</u>	
Subtotal		583.89

24 Suburbs ² under contract but not currently served (1)(2)	<u>139.30</u>	
Subtotal		<u>139.30</u>
Total		<u>723.19</u>

(1) The present water supply of these suburbs is groundwater.

(2) Suburbs in the DuPage Water Commission.

Population

In 1986, the Water System supplied water to the City and 94 suburbs. The City's population in 1980 was 3,005,072 and the 94 suburbs population was _____. Similarly, the 1980 population of the 24 suburbs to be served in the future was _____.

The following table shows the population of the City and suburbs supplied water for the past three decades:

WATER SYSTEM POPULATION OF SERVICE AREA (1)

Year	City	Suburbs	Total	No. of Suburbs Served
1950	3,620,962	517,000	4,137,962	48
1960	3,550,404	833,424	4,383,828	58
1970	3,369,357	1,127,446	4,496,803	72
1980	3,005,072	1,152,614	4,157,686	75

(1) Source of population figures: U.S. Department of Commerce.

The Northeastern Illinois Planning Commission ("N.I.P.C."), a regional planning agency, has forecasted that the population of the 118 suburbs expected to be served will increase by 21% to 2,414,890 in the year 2005. The City's population is projected to increase slightly during that same period. Based upon N.I.P.C.'s forecast, the Water System anticipates providing service to approximately an additional 1,000,000 people by the year 2005. See table below.

WATER SYSTEM POPULATION SERVED

	Current Customers (1980 Pop.)	Projected Customers (2005 Pop.)
City	3,005,072	3,006,100
75 Suburbs (served in 1980)	1,152,614	1,165,676
19 Suburbs (added since 1980)		
24 Suburbs (under contract but not presently served)	(1)	
Total		

(1)

Water Accounts

As of December 31, 1985, the Water System supplied _____ accounts. Of these, _____ were nonmetered and _____ were metered. The number of nonmetered accounts exceeds the number of metered accounts because all single and two-family dwellings within the City were nonmetered accounts prior to 1982. However, pursuant to a 1982 City ordinance all new accounts, regardless of character, and all new services to existing accounts are required to be metered. All suburban customers (primarily municipal corporations) are metered. The following table reflects the total accounts of the Water System, nonmetered and metered:

Year	Nonmetered	Metered	Total
1979	344,929	154,476	499,405
1980	345,160	153,219	498,379
1981	343,614	152,881	496,495
1982	343,729	152,325	496,054
1983	340,981	150,740	491,721
1984	340,305	151,972	492,277
1985	-----	-----	-----

In the opinion of the Department there has been no material change in the numbers of such accounts during 1986.

Suburban Customers

The Department's relationship with its suburban customers is based on the 1889 Sanitary District Act (the "Act"). This State law requires the City to supply water at the City limits to any municipal corporation within the Metropolitan Sanitary District of Greater Chicago (the "Sanitary District") at no greater price or charge than that applicable to similar large users in the City. See "Litigation." In 1909, The City began its suburban service by supplying water to the Village of Burnham, which is now part of the City. In 1910, Cicero became the second suburb to receive water from the City.

The Department now serves 94 suburbs, all of which are located in the Sanitary District. The Department prefers to have standard contracts with suburban customers. The Department's standard contract is for a term of 10 years, renewable at the option of the suburb, and includes certain water supply and planning provisions, such as requiring suburbs to maintain storage capacity for a two day supply of water and establishing the maximum rate at which suburbs may withdraw water from the Department's mains. The City has continued to supply water to those suburbs which have not yet renewed their contracts.

Since the City began serving suburbs in 1909, only one suburban customer, Skokie in 1957, has ever chosen to cease purchasing water from the City. The Department and the Consulting Engineer consider it unlikely that any current suburban customer will choose to withdraw from the Water System for the following reasons:

1. Their water systems are in place and it would require large capital investments for these customers to connect directly with Lake Michigan or to connect to another system capable of supplying them water from Lake Michigan.
2. The Department is obligated under the Act to supply water to the suburbs within the Sanitary District at a specified water rate.
3. The Department provides a reliable, high quality supply of water to its suburban customers.
4. The present demand on available groundwater exceeds its potential yield thereby reducing its reliability as a long term source of water supply.
5. The quality of Lake Michigan water is superior to local groundwater.

The contracts which the Department has executed with J.A.W.A. and the DuPage Water Commission are substantially similar to each other, but are different from the standard contracts discussed above. These new contracts are for forty year terms. J.A.W.A. has made, and the DuPage Water Commission will have to make substantial capital investments to connect with the Water System. The contracts provide that the portion of this investment attributable to the facilities within the City limits will be reimbursed to

them in the form of a credit for a portion of the charges for the water delivered from the Department.

Listed below are the Department's eleven largest suburban customers. Due to submetering, several of these suburbs supply one or more other suburbs. In total 37 of the Department's 94 suburban customers are served through the Department's eleven largest suburban customers.

<i>Customer</i>	<i>Amount of Sales</i>
J.A.W.A.	(1)
Oak Lawn	\$3,897,539
Cicero	3,065,852
Harvey	2,689,686
Bedford Park	2,366,630
Melrose Park	2,224,029
McCook	2,078,553
DesPlaines	1,903,593
Oak Park	1,576,587
Franklin Park	1,462,205
Alsip	<u>1,451,825</u>
	<u>\$22,716,499</u>

-
- (1) Serves 7 suburbs beginning in 1986 with estimated amount of sale for that year of \$ _____.

While the the total number of accounts and total number of gallons pumped within the City have reflected a decline since 1979, each has been partially offset by increases in suburban customers with the result that operations of the Water System have been stable and are projected to remain so during the period of five years ending December 31, 1991.

Water Pumpage

During 1985 the Water System pumped a total of _____ million gallon of water. Because the Department supplies water to nonmetered customers and certain exempt users, many of which are also not metered, it is impossible for the Department to account exactly for its total system pumpage. However, the Department estimates that approximately 32% of its total pumpage is presently consumed through non-revenue producing uses. Such non-revenue producing uses include water provided to municipal buildings and charitable users, water used through fire hydrants, water lost through under-registration of meters, water lost through system leakage and other unaccounted for areas. Of the water pumped in 1985 when the Water System was not yet serving the seven

J.A.W.A. suburbs, _____% was supplied to the suburbs. The Water System's revenues are derived from collections from its metered and nonmetered customer accounts. In 1985 when the Water System was not yet serving the seven J.A.W.A. suburbs, revenues were derived from general classifications of customers approximately as follows: City industrial and commercial (_____%); City residential (_____%); and suburban (_____%).

The forecast in the table set forth below is based on the assumption that the demand for water by City customers will remain static and the demand by suburban customers will increase in accordance with each suburb's Lake Michigan allocation. The table shows total water pumped or expected to be pumped.

WATER PUMPAGE TO CITY AND SUBURBS
(In Millions of Gallons)

Year	City	Suburbs	Total	No. of Suburbs
Historical (1)				
1979	299,709	67,348	367,057	74
1980	290,216	67,372	357,588	75
1981	277,101	65,775	342,876	75
1982	282,863	64,044	346,907	77
1983	285,100	63,948	349,048	79
1984	289,970	67,928	357,898	84
1985	-----	-----	-----	87
Forecast				
1986	278,051	77,734 (2)	355,785	94
1987	278,078	81,643	359,721	94
1988	278,104	82,652	360,756	94
1989	278,132	83,438	361,570	94
1990	278,159	84,220	362,379	94

(1) Source: Department's Records.

(2) Reflects seven suburbs in J.A.W.A. that began to receive water in December, 1985.

As the table below indicates, for the past five years the Water System's maximum daily pumpage ranged from 62% to 78% of the Water System's capacity. This indicates that the Water System has the capacity to serve the additional anticipated customers.

WATER SYSTEM PUMPAGE AND CAPACITY

Year	Total Pumpage (MG)	Average Daily Pumpage (MGD)	Maximum Days Pumpage (MGD)	System's Rated Pumpage Capacity (MGD)	Maximum Pumpage as % of Capacity
1979	367,057	1,006	1,375	2,160	64%
1980	357,588	977	1,639	2,160	78%
1981	342,876	939	1,456	2,160	67%
1982	346,907	950	1,346	2,160	62%
1983	349,048	956	1,507	2,160	70%
1984	357,898	978	1,595	2,160	74%
1985	-----	---	----	-----	---

Lake Michigan Allocations

Diversion of water from Lake Michigan began in 1900 when the flow of the Chicago River was reversed. In 1922 the State of Wisconsin filed the first law suit relating to the diversion of Lake Michigan water at Chicago. The United States Supreme Court referred the case to a Special Master and a decree was issued in 1930 which allowed the State of Illinois to divert 6,500 cubic feet per second ("cfs") until 1938 and 1,500 cfs thereafter. Water pumpage for potable water supply use was not chargeable to the amounts allowed for diversion under the decree. In 1957 the State of Wisconsin again filed suit in the United States Supreme Court. The suit led to the appointment of a Special Master and the resultant 1967 decree, based on the Special Master's findings, restricted the State of Illinois from diverting more than 3,200 cfs. This limitation on diversion included water pumpage for potable water supply.

In 1980 the State of Illinois Department of Transportation ("I.D.O.T."), which is the State Agency responsible for apportionment (Illinois Rev. Statute, Ch. 19, Section 119, *et seq.*), published LMO 80-4 which allocated Lake Michigan water to 186 entities, including Chicago and the 75 suburbs that the City was supplying at that time. Since 1980, 19

additional suburbs that had received an allocation have begun purchasing water from the City, with seven of those coming on line through J.A.W.A. in 1986. The 24 suburbs with contracts to purchase water from the City received an allocation.

The water allocations were granted for a 40-year period through the year 2020. The allocations are flexible in that, if a community requires additional water, it may apply to I.D.O.T. for an increase in allocation. Several communities have applied for and received increases in their allocations since 1980. The forecasts of future water requirements, upon which future revenues were calculated, do not exceed present allocations.

In the opinion of the Consulting Engineer, the 40-year allocations of Lake Michigan water are adequate to meet projected water demand of the customers of the Water System.

LAKE MICHIGAN ALLOCATIONS
TO CITY AND SUBURBS(1)
(M.G.D.)

Year	Customers Presently Covered Chicago	87 Suburbs	Total	31 Suburbs With Con- tracts Not Receiving Water	Total M.G.D. Suburbs	No. of
1986	777.3	192.3	969.6	100.8	1070.4	118
1987	777.4	193.9	971.3	103.0	1074.3	118
1988	777.5	195.4	972.9	105.3	1078.2	118
1989	777.6	196.9	974.5	107.6	1082.1	118
1990	777.6	198.4	976.0	110.7	1086.7	118
2000	777.8	207.4	985.2	133.9	1119.0	118
2010	777.9	211.2	989.1	136.1	1125.2	118
2020	777.9	223.2	1001.1	142.5	1143.6	118

(1) Allocations are rounded to tenths; actual allocations are specified to .001 M.G.D.

FINANCIAL OPERATIONS

Rates, Fees and Users

The Water Fund is self-supporting and receives no share of any state or local or property or income taxes. Revenues from the sale of water provide for the operation, maintenance and debt service of the Water System.

Payment on both metered and nonmetered accounts is due 21 days after the billing date. If payment is received within the 21-day period, a 2-1/2% discount is allowed on the water charge. See "Financial Operations--Collections and Delinquencies" for further discussion on the treatment of such accounts.

The present water rate for metered accounts, in effect since May 1, 1985, is \$5.91 per thousand cu. ft. and, if paid within 21 days, is \$5.77 per thousand cu. ft., or 77.1 cents per thousand gallons. The assessment of nonmetered users is based on a formula primarily involving the front width of the building and the number of stories therein plus a charge for an outside hose connection plus extra charges for large water-using devices such as water-cooled air conditioners.

The metered water rate is applicable to the 94 suburbs presently served by the Water System and the 24 other suburbs that will be served by the Water System. See "Litigation."

Whenever projected Net Revenues will not be sufficient to comply with the rate covenant in the Ordinance, the Department shall, after consultation with the Office of Budget and Management of the City and the Comptroller and, where appropriate, a qualified consulting engineer, recommend appropriate action to comply with the rate covenant.

A water rate increase would then be recommended by the Commissioner to the Budget Director. Upon review of each rate increase, the Budget Director in turn, recommends the rate increase to the Mayor. The Mayor, thereafter, proposes such rate increase to the City Council for its consideration and the City Council in turn must approve the rate increase for it to become effective.

Recent Water Rate Increases

Since January 1, 1977, the Water System has had three rate increases. The water rate increase which became effective in January 1977 represented a 21% increase. The water rate increase which became effective in May 1981 represented a 51% increase. The water rate increase which became effective in May 1985 represented an 11% increase. See "Financial Operations--Projected Operations."

RECENT WATER RATE HISTORY

Date Effective	Gross Water Rate		Net Water Rate(1)	
	1,000 Cubic Feet	1,000 Gallons	1,000 Cubic Feet	1,000 Gallons
January 1, 1977	\$3.52	47.1c	\$3.43	45.8c
May 1, 1981	\$5.32	71.1c	\$5.19	69.4c
May 1, 1985(2)	\$5.91	79.0c	\$5.77	77.1c

(1) Reflects 2-1/2% discount for paying within 21 days.

(2) Current metered water rate.

Distribution of Revenues by Type of Account

The following tables identifies the approximate distribution of revenues by type of account for the years 1979 to 1985:

Consolidated Cash

The City Treasurer maintains a cash record for each of the City's funds. The cash in all operating bank accounts and in short-term investments (cash equivalents) is referred to by the City Treasurer and the City Comptroller as the "consolidated cash" of the City. Cash is currently deposited in total in the City's operating bank accounts which, except as noted below, are treated as a single, aggregate bank account. Generally investments are processed for the aggregate funds. The City Comptroller issues warrants for authorized City expenditures which represent a claim for payment when present to the City Treasurer. Payment for all City warrant clearing is made by checks drawn on the City's various operating bank accounts. The City Treasurer reimburses the operating bank accounts for all warrants paid pertaining to funds which have individual bank accounts by checks drawn on those funds' bank accounts.

Deficit cash balances in a particular fund represent interfund borrowings from the aggregate of other funds within the City's consolidated cash accounts and cannot be identified with any particular lending fund. It is the understanding of the City that under Illinois law, municipal officials are required to use sound business judgment with respect to the use of idle funds, and that certain temporary interfund borrowings by the City are authorized for the benefit of a fund having a stated and sufficient income to repay the amount borrowed. Such interfund borrowing reduces external borrowing and thereby may reduce interest costs.

The Water Fund, and the Matured Water Bond and Interest Account and the Rehabilitation and Improvement Reserve Account therein, are included within the consolidated cash of the City. Pursuant to the Ordinance separate bank accounts are established under depository agreements for the Debt Service Reserve Account, the Rebate Accounts and the Construction Account: Series 1986 Bonds, which, together with certain other separate bank accounts, trust accounts and escrow accounts established by the City, are excluded from the City's consolidated cash balances and maintained separately.

Annual Budget Review and Implementation of Annual Budget

The Department's annual budget is developed and implemented along with the City's annual budget. The Department's proposed annual budget is based upon an analysis of its operation and maintenance expenses for the previous 18 months. The results of this analysis are used to project the Department's revenue requirement for the succeeding fiscal year. The Department's revenue requirements must satisfy its rate covenant. The Department reviews its water usage charges and determines whether they will be adequate to meet projected revenue requirements. If necessary, proposed rate increases will be included in the Department's proposed annual budget.

Once the Department has finalized its proposed annual budget, the Commissioner recommends it to the Budget Director. The Budget Director considers the Department's proposed budget along with the proposed annual budgets recommended and submitted by all of the other departments, agencies, etc. whose budgets become part of the City's proposed annual budget. The Budget Director reviews each recommended budget with the respective commissioner. In the case of the Department's budget, the Director and the Commissioner will review each item of the budget and the Commissioner will be called upon to explain and justify such items. When the Budget Director approves all of the proposed budgets, they are recommended to the Mayor.

The Mayor, along with the Budget Director, reviews each proposed budget and then confers with the respective commissioners. After conferring with the commissioners and the Budget Director, the Mayor recommends these separate budgets as the City's entire annual budget to the City Council.

Once the City Council receives the proposed City budget, the City Council refers it to its Committee on Budget. The Committee on Budget holds public hearings which include testimony by the commissioners, the Budget Director and the City Comptroller. The Comptroller's participation in these hearings is necessary since the Comptroller is responsible for implementing the City's budget once the City Council has approved it.

The City's proposed budget may be changed by the Committee on Budget or the members of the City Council. However, when the City Council has approved the proposed annual budget as the annual appropriation ordinance, it is forwarded to the Mayor for approval.

Should the Mayor veto the approved annual appropriation ordinance, the City Council with a two-thirds vote may override the veto. The City Council may also refuse to approve

the Mayor's proposed annual budget. In such a case, the appropriate process for passage of the City budget may have to be judicially determined.

During the fiscal year, the Comptroller uses the appropriations accounting system to allocate certain funds to meet debt service reserve requirements and central services and general fund reimbursements. The Budget Director uses the system to manage each department's expenditures against their respective annual appropriations. The Budget Director requires departments to submit quarterly allotment budgets which the Budget Director, in turn, monitors. Should any department's expenditures exceed its receipt of revenues, the Budget Director through the quarterly budget allotment procedure has the authority to institute economy saving measures against such department to insure that its expenditures do not exceed or out-pace its revenue collection. Under this procedure, during 1985 the Department was required to restrict its quarterly expenditures to 98% of its collected revenues, which limitation has had no significant adverse effect on the operations of the Department for the year. [1986 experience]

Recent Operations

Following are the Water Fund's statements of operations as reported in the audited financial statements of the Water Fund for the years ended December 31, 1980 through December 31, 1985.

HISTORICAL STATEMENTS OF OPERATIONS 1980 -- 1985

- (1) Effective May 1, 1981, the rate charged for water service was increased 51%.
- (2) The Water Fund's financial statements reflect a change in accounting principle to implement National Council in Governmental Accounting (N.C.G.A.) State No. 4. Under this pronouncement employee vacation leave is to be accounted for in accordance with Financial Accounting Standards Board Statement No. 43, which requires that employee vacation leave that vests or accumulates be recorded when earned instead of as paid. This change was reflected as a reduction on December 31, 1981 fund balance of \$4,895,000 and resulted in a reduction of net income of \$97,000 and \$387,000 in 1983 and 1982, respectively.
- (3) Includes Water Fund reimbursements to the City for services provided by other City Departments (e.g., police and fire protection), employee benefits and self-insured risks. No payment in lieu of property tax is made.

(4) Coverage is equal to operating income before depreciation divided by debt service requirements. For purposes of these calculations, investment income from the Debt Service Reserve Account and the Rehabilitation and Improvement Reserve Account is included in operating income for 1983 and 1984 and, for 1984, investment income from the Construction Account is also included in operating income.

(5) Working capital was used in 1980 to meet the debt service requirements. This situation occurred due to the following factors: 1) there was an unexpected 1% decline in operating revenues due to factors influencing water consumption; and 2) operation and maintenance expenses increased by 11%, which was higher than was anticipated, primarily due to unexpected large increases in power and pumping and purification expenses. In order to provide additional revenues the City raised water rates by 51% effective May 1, 1981. At no time has the City failed to make debt service payments on obligations of the Water Fund when due. Under the Ordinance, the City has covenanted 1) to establish, maintain and collect at all times fees, charges, and rates sufficient at all times to pay all operation and maintenance costs, debt service requirements and amounts necessary to establish and maintain all reserve funds or accounts called for under the Ordinance; and 2) prior to the end of each fiscal year, to conduct a review to determine the compliance with the rate covenant, and, whenever the annual review indicates that the projected revenues will not be sufficient to comply with the rate covenant, to recommend appropriate action to comply with the rate covenant. See "Security for the Bonds-Rate Covenant," "Security for the Bonds- Other Covenants" and "Financial Operations-Annual Budget Review and Implementation of Annual Budget."

(6) Exclusion of investment income from the Construction Account from the coverage calculation would result in 1984 coverage of 1.05x (see note (4) above).

The increases in operating revenues during 1981 and 1982 were due primarily to a water rate increase of 51% which was approved by the City Council on December 12, 1980 and became effective on May 1, 1981. The first full year of water sales with the 51% increase in effect was 1982. Operating revenues were also affected by other factors such as the number of customers served and their respective water usage habits, water conservation programs and weather conditions during the period. Operating revenue from other than water sales increased in 1980 and thereafter principally due to reimbursements from the sewer fund for additional expenses incurred by the Department as a result of the billing of the sewer charge effective January, 1980.

Operating expenses increased 9.5%, 9.8%, 6.4%, 4.0% and _____% during 1981, 1982, 1983, 1984 and 1985 exclusive of the provision for doubtful accounts, respectively. A substantial portion of these increases was related to employee compensation including such fringe benefits as pensions, earned vacation pay, workmen's compensation, life insurance and dental insurance (introduced in 1980). Transmission and distribution costs, which increased \$8,011,944 in 1982 due to extremely cold weather resulting in frozen mains, have decreased recently. A reduction in central services and general fund reimbursements between 1981 and 1982 was due to a reduction in payment for other municipal services determined to be reimbursable from the Water Fund. The increase in central services and general fund reimbursements between 1983 and 1984 was due to an increase in overall City expenses. The provision for doubtful accounts is dependent largely on factors which impact collections, such as customer response to water rate increases and

general economic conditions. Other notable causes of increased operating expenses included significant increases in the cost of energy and chemicals to pump and treat water, respectively, which costs stabilized in 1984 and 1985.

The following are the Water Fund's unaudited statements of operations for the six-month periods ended June 30, 1984, June 30, 1985 and June 30, 1986. The books of the Department are maintained on a cash basis. Accordingly, in preparing the following statements, the Department was accrued revenues and expenses of the Water Fund for the periods on a consistent basis using data available and estimates considered reasonable. The Department believes that all adjustments necessary for a fair presentation have been made.

While the unaudited six-month comparative statements of operations for 1984, 1985 and 1986 show the net water sales for 1986 to be over \$_____ million more than 1984 and \$_____ million more than 1985, as of September 30, 1986, a comparison of the net water sales for 1986 to the same nine-month period of 1984 shows that 1986 net water sales are approximately \$_____ more than 1984 and \$_____ million more than 1985. The net water sales are affected by the water usage behavior of customers, water conservation programs and weather conditions during the period. The Department projects that the net water sales for 1986 will increase approximately \$_____ and \$_____ over the net water sales for 1984 and 1985, respectively, primarily due to the May, 1985 water rate increase and the addition of J.A.W.A. suburbs.

Collections and Delinquencies

Payment on both metered and nonmetered accounts is due 21 days from the date of the water bill. A 2-1/2% discount is allowed for any water bill that is paid before the 21st day. An account is considered delinquent if a water bill is not paid within such 21-day period.

The Department bills large industrial accounts and suburban accounts each month. The Department does not mail these metered accounts each month. The Department does not mail these metered accounts delinquency notices if such accounts are delinquent because of their short billing period. However, the Department will send a bill collector out to collect the balance due or to shut off the water service whenever an account is in arrears by \$1,000 or more.

The Department bills the metered commercial and metered City residential accounts once every two months. Delinquency notices are sent to these customers whenever their account becomes 14 days delinquent. These customers are subject to the Department's shutting off their water at any time when their account is in arrears by \$500 or more.

Nonmetered accounts are billed once every 6 months. Delinquency notices are sent to these customers whenever their account become 14 days, 35 days, and 56 days delinquent. In January, 1985 the Department instituted a program of retaining collection agencies to assist in the collection of past due nonmetered accounts with a balance in excess of \$99. These collection agencies will also assist in the collection of past due metered accounts in 1986.

Delinquent amounts due for water service charges which were billed but not paid as of December 31, 1985 were approximately \$_____. This amount is a cumulative amount. The Department is in the process of installing a computerized system for the aging of accounts receivable as well as instituting other improvements in the billing system. Legal assistance in the collection of delinquent metered and nonmetered accounts has been retained and designated as Special Assistant Corporation Counsel. A Certificate Program was also instituted during 1984 wherein any real estate property transaction requires a certificate from the Water Collection Division that the account has been paid in full.

Due to the concern for public safety, the Department makes every effort to collect delinquent accounts rather than shut their water service off. Pursuant to law, water services will not be shut-off during cold weather.

A reserve for estimated doubtful accounts is established by the Department based upon historical experience and cash collections. As of June 30, 1986 the allowance for doubtful accounts was \$_____.

The annual amounts of net water sales and cash collected from current and prior year's billings are included in the table below. During the period of six years ended December 31, 1985, total cash collected by the Department average ____% of aggregate net water sales.

Year	Net Water Sales	Cash Collected
1980	\$109,075,528	\$103,759,247
1981	141,671,355	129,053,457
1982	156,153,378	151,967,099
1983	156,675,058	154,224,731
1984	160,236,336	154,082,187
1985	-----	-----

An analysis of water accounts receivable (billed, unbilled and total) along with the cumulative allowance for doubtful water accounts receivable is as follows:

Billed water accounts receivable represents actual billings (including current and delinquent amounts); unbilled water accounts receivable represents amounts due for water consumed but not billed through December 31st of each year. The allowance for doubtful water accounts receivable represents the annual provision for doubtful accounts added to the previous year's allowance for doubtful water accounts receivable less any amounts that have been written off during the year. Each year the Department analyzes the year's experience with accounts receivable to determine the amount of the provision for doubtful accounts.

Projected Operations

In projecting the Department's operating results for the years 1986 through 1990, over 98% of the operating revenues of the Water System comes from the sales of water. Operating revenues from water sales were derived from metered and nonmetered accounts. Rates throughout the forecast period were assumed to be those currently in effect.

For the projected operating results, the number of nonmetered accounts used was 340,000. Forecasted income from nonmetered accounts was based on \$112.70 per account for the years 1986 through 1990.

It was assumed that water usage billed through meters in the City will remain relatively constant for the next several years and, therefore, that future operating revenues from such sales will also remain relatively constant.

The 1983, 1984 and 1985 data show that suburban usage is slightly less than their Lake Michigan allocations. Therefore, the forecasts of suburban pumpage are based upon slightly less than the allocation of the 94 suburbs currently served by the Water System. In 1986 the seven communities in the J.A.W.A became customers of the Water System. To be conservative, the forecasted pumpage of the 87 suburbs served in 1985 was increased by 25 M.G.D. (approximately 75% of the J.A.W.A. community allocations) to determine the total suburban pumpage for 1986.

It is anticipated that the Water System will pump 355,785 million gallons of water in 1986; 359,721 million gallons of water in 1987; 360,756 million gallons of water in 1988; 361,570 million gallons of water in 1989; and 362,379 million gallons of water in 1990. This forecast is based on the assumption that the demand for water by City customers will remain static and the demand by suburban customers will increase in proportion with each suburb's Lake Michigan allocation.

The Department's 1987 budget request for operation and maintenance funds is based upon an increase of ____% above 1986 expenditures. Operation and maintenance expenses through 1988 are based upon an annual increase at a compounded rate of ____%, with the exception of Provision for Doubtful Accounts for Water Sales, which was maintained at an annual level of \$6.1 million. Operation and maintenance expenses were projected to increase at the rates 7% and 8% in the years 1989 and 1990, respectively.

The following table projects on accrual basis the Water Fund's operating results, based on current rates, together with projected debt service requirements, after the issuance of the Bonds and after giving effect to the refunding described under "The Refunding Plan," for the five years ending December 31, 1991. The Department projects that all of its capital improvement requirements through 1988 will be funded from a combination of unencumbered amounts presently on deposit in the Construction Account, Water Fund surplus projected to be generated at current water rates, in fiscal years 1987 and 1988, and a deposit of approximately \$ ____ million to be made to the Construction Account: Series 1986 Bonds from proceeds of the Bonds. Debt service coverage in 1986, 1987 and 1988 based on current rates is projected to be 1.89, 1.57 and 1.12, respectively. Excluding investment income, in order to comply with the rate covenant contained in the Ordinance, the Department would be required to produce additional revenue of \$11,484,000 in 1989 and an

additional \$14,733,000 in 1990. These amounts would require a revenue increase of approximately 6% in 1989 and an additional revenue increase of approximately 8% in 1990.

The Department will have additional revenue requirements beginning in 1989 to fund the capital improvement requirements for 1989, 1990 of \$21,450,000 and \$22,090,000, respectively. The Department expects that such capital improvements will be funded from a combination of Water Fund surplus in those years (which includes investment income projected to be earned in those years) and the proceeds of future Parity Bond issues. If all such capital improvements were funded from Water Fund surplus, the Department would be required to produce additional revenue of \$11,892,000 in 1989 and an additional revenue of \$15,373,000 in 1990. These amounts would require a revenue increase of approximately 6% in 1989 and an additional approximately 7% in 1990; these increases would both insure compliance with the rate covenant and provide sufficient amounts to fund all of the projected capital improvements from 1989 through 1990 from Water Fund surplus. Potential sources of such additional revenue include water rate increases, addition of new customers and billing of currently exempt customers.

PROJECTED OPERATING RESULTS OF THE WATER SYSTEM
AT CURRENT WATER RATES(1)
1986 -- 1990

	Year Ending December 31				
	1986	1987	1988	1989	1990
REVENUES:					
Net water sales (2)					
Other Operating Revenue(3)					
Total operating revenue					
EXPENSES:					
Source of supply					
Power and pumping					
Purification					
Transmission					

and distribution

Provision for
doubtful
accounts--
water sales

Customer
accounting and
collection

Administration
and general

Central services
and general fund
reimbursement (4)

Total operating
expenses

Operating income
before depreciation

LESS

Debt Service Requirements:

Existing debt (5)

1985 Bonds (6)

Total

EQUALS

Excess
(deficiency)
of operating
income before
depreciation
over debt
service requirements

- (1) As described in the paragraphs preceding the table, the Department recognizes that additional revenue will be required during the forecast period.
- (2) The seven suburbs of the J.A.W.A. began to receive water in December 1985.
- (3) Primarily investment earnings on the Debt Service Reserve Account and the Rehabilitation and Improvement Reserve Account, assuming those funds are invested at 7% per year. See "Financial Operations -- Consolidated Cash".
- (4) Includes Water Fund reimbursements to the City for services provided by other City departments (e.g., police and fire protection), employee fringe benefits and self-insured risks. No payment in lieu of property tax is made.
- (5) Excludes post-1985 debt service on outstanding waterworks certificates of indebtedness and 1975 Water Revenue Bonds being refunded with a portion of the proceeds derived from the sale of the Bonds.
- (6) See "Outstanding Debt Annual Debt Service -- Annual Debt Service."

Comparison of Water Charges

Water charges are dependent upon the source of supply, the quality of water, the age of the system and policies regarding the charges to be included in water rates. For these reasons, a comparison of water rates between cities is not a valid indicator of efficiency. Nevertheless, as a practical matter, there is general interest as to what another city is charging. The following table shows where the City's rates are in relation to the 25 largest cities in the U. S. As column (a) of this table indicates the cost of water for the small user in the City is in the lower 20th percentile. Columns (b) and (c) indicate that for moderate and large users the cost of water is about the median (i.e., in half of the cities the costs are higher and in the other half they are lower) of the other 24 cities.

COMPARATIVE MONTHLY WATER BILLS OF 25 LARGEST U. S. CITIES

JANUARY 1, 1985 WATER CHARGES(1)

	(a) 1" Meter 1,200 CF \$/Month	(b) 1-1/2" Meter 10,000 CF \$/Month	(c) 3" Meter 100,000 CF \$/Month
Baltimore	7.32	49.25	327.75
Boston	9.16	76.30	763.00
Chicago(2)	6.92	57.70	577.00
Cleveland	4.12	36.42	366.72

	(a) 1" Meter 1,200 CF \$/Month	(b) 1-1/2" Meter 10,000 CF \$/Month	(c) 3" Meter 100,000 CF \$/Month
Columbus	10.43	82.47	687.77
Dallas	13.34	62.54	600.79
Denver	9.76	47.65	361.26
Detroit	6.23	40.50	380.51
Houston	5.05	73.88	812.93
Indianapolis(3)	18.00	100.05	734.05
Jacksonville	12.56	51.90	311.00
Los Angeles	10.23	75.42	707.70
Memphis	5.45	53.03	292.23
Milwaukee	10.48	61.33	552.20
New Orleans	16.78	105.51	982.77
New York	7.92	66.00	660.00
Phoenix	14.01	61.69	540.99
Philadelphia	14.74	82.73	751.63
San Antonio	9.00	46.66	422.68
San Diego	10.67	83.40	781.71
San Francisco	10.07	56.80	531.25
San Jose	16.43	92.34	857.34
Seattle	9.78	39.10	355.60
St. Louis(4)	7.09	47.67	330.33
Washington, D.C.	8.34	69.80	698.00

Note: CF = Cubic Feet

-
- (1) Source: Los Angeles Department of Water and Power report.
 - (2) Net water rate as adjusted to give effect to May, 1985 water rate increase.
 - (3) Investor-Owned.
 - (4) Investor-Owned.

CAPITAL IMPROVEMENTS PROGRAM.

The Water System's 1987 -- 1991 Capital Improvements Program (the "Capital Improvements Program") is estimated to cost \$ _____, which amount has not been inflation-adjusted. The Department projects that all of its 1987 and 1988 Capital Improvements Program requirements will be funded from a combination of unencumbered amounts presently on deposit in the Department's existing construction account, Water Fund surplus projected to be generated in fiscal years 1987 and 1988 and a deposit of approximately \$ _____ million to be made to the Construction Account: Series 1986 Bonds from the proceeds of the Bonds. The Department's Capital Improvements Program requirements after fiscal year 1988 are projected to be funded from a combination of future years' Water Fund surplus, which may require increased water rates, and the proceeds of future Parity Bond issues. As used herein, Water Fund surplus means Water Fund revenues remaining after payment of Operation and Maintenance Costs, debt service and payment to maintain all reserve funds or accounts of the Water Fund. For further information regarding the above, see "Financial Operations -- Projected Operations."

The Capital Improvements Program will include improvements to the following plants and facilities:

(a) South Water Filtration Plant

South Water Filtration Plant has a rated capacity of 720 MGD. The Plant was placed into service in 1944 with a rated capacity of 480 MGD. In 1966, the Plant was expanded by 50% which increased its rated capacity by 250 MGD. It serves the City south of 39th Street and 52 suburban communities.

The Capital Improvements Program will provide the necessary capital improvements to the Plan which will allow the continued quality of water to be provided to current customers and to meet future customer demand. These capital improvements are budgeted

at a cost of \$_____. These capital improvements are intended to modernize the Plant and to bring the existing technology and equipment of the Plant up to the current state-of-the-art.

(b) Jardine Water Purification Plant

The Jardine Water Purification Plant is the largest purification plant in the world with a rated capacity of 1,440 MGD, has been in operation since 1964 and serves the City north of 39th Street and 35 suburban communities. A total of \$_____ is budgeted for the capital improvement of this Plant. Since the Plant has been in continuous service for over 20 years, the program includes selective equipment replacement in order to maintain and improve its current state-of-the-art technology and equipment.

(c) Pumping Station Operation Division

There are five steam and six electric pumping stations in the Water System. The electric stations are currently being modified to enable their remote operation from a central control center.

Through 1991, \$_____ if budgeted for the Pumping Station Operation Division. The steam pumping stations have been found to be inefficient in energy usage and man power allocation as compared to the electric pumping stations. The Department commissioned a study to determine the best method for providing an alternative power source for the stations and a more efficient allocation of personnel. The Department has initiated a conversion at one of the stations. It is expected that conversion programs will be undertaken at the other four steam pumping stations in the future.

(d) Water Distribution

The water distribution system consists of over 4,200 miles of water mains and 46,000 fire hydrants and valves. Its capital improvement budget is \$_____.

(e) Meters

The budget includes \$_____ for the purchase of new meters. This represents the effort to retire aged, obsolete metering facilities and insure accurate measurement of all water delivered through meters.

THE REFUNDING PLAN

A portion of the proceedings of the Bonds will provide for the refunding of the following outstanding Series 1983 Bonds (collectively, the "Refunded Bonds"):

Refunded Bonds	Principal Amount Outstanding	Final Maturity
Series 1983 Bonds		November 1, 2003

Pursuant to an Escrow Agreement, dated as of _____ 1, 1986 (the "Escrow Agreement"), between the City and American National Bank and Trust Company of Chicago, Chicago, Illinois (the "Escrow Trustee"), the City will irrevocably deposit in trust with the Escrow Trustee direct obligations of the United States of America ("Government Obligations"), which will bear interest at such rates and will be scheduled to mature at such times and in such amounts so that, when paid in accordance with their terms, together with any uninvested cash held by the Escrow Trustee, sufficient moneys will be available to make full and timely payment of the maturing principal of and redemption premium and interest on the Refunded Bonds to their earliest optional redemption date, which is November 1, 1993.

The mathematical calculations of the adequacy of the deposit in the Escrow Account to provide for the payment, upon their earliest redemption date, of the Refunded Bonds will be verified by Coopers & Lybrand, independent certified public accountants, at the time of delivery of the Bonds. The cash and Governmental Obligations deposited for the payment of the Refunded Bonds, including interest thereon, are pledged solely and irrevocably for the benefit of the holders of the Refunded Bonds.

ESTIMATED USE OF PROCEEDS

It is estimated that the proceeds of the sale of the Bonds (exclusive of accrued interest which shall be deposited in the Matured Water Bond and Interest Account) will be applied as follows:

Deposit to Escrow Account	\$-----
Deposit to Debt Service Reserve Account	-----
Deposit to Construction Account(1)	=====
TOTAL	\$=====

-
- (1) Including amounts for payment of municipal bond insurance premium, legal, printing, accounting, engineering and miscellaneous other expenses of issuance.

DESCRIPTION OF THE BONDS

General

As authorized by the Ordinance, the Bonds will be issued as serial and term bonds. The Bonds will be dated and bear interest from _____ 1, 1986 with interest payable on May 1 and November 1 of each year commencing May 1, 1987 at the rates per annum, and will mature in the principal amounts on November 1 in each year, as set forth on the Cover Page of this Official Statement. The Bonds are subject to redemption prior to maturity as provided below.

The Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. The principal of and premium, if any, on the Bonds are payable at the principal corporate trust office of American National Bank and Trust Company of Chicago, Chicago, Illinois. Interest on the Bonds will be paid to the registered owners thereof as shown on the bond register at the close of business on the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date by check or draft mailed by the Paying Agent to such registered owners.

Redemption

[to be provided]

Transfer and Exchange

As provided in the Ordinance and subject to certain limitations and payment of certain charges therein set forth, the Bonds are transferable or exchangeable at the principal corporate trust office of the Bond Registrar.

The Bonds may be deposited with the principal corporate trust office of _____ in New York, New York, or such other agent as the Bond Registrar may designate, for transmission to the Bond Registrar for purpose of exchange or transfer; any Bond so deposited will, under normal circumstances, be available for return within three (3) business days of deposit.

OUTSTANDING DEBT AND ANNUAL DEBT SERVICE

Outstanding Debt

The outstanding obligations of the City payable by their terms from the New Revenues of the Water System are set forth below. All of such obligations, except the Series 1983 Bonds, will be refunded with a portion of the proceeds derived from the sale of the Bonds. See "The Refunding Plan."

Certificates and Bonds	Date of Issue	Original Amount of Issue	Amount Outstanding As of 12/1/86
1983 Bonds(1)(2)	11/1/83	\$95,000,000	\$-----
1985 Bonds(3)	12/1/85	\$-----	\$-----

-
- (1) Final maturity date is November 1, 2003.
- (2) Provision for payment of principal, redemption premium and interest when due is to be made on the portion of the 1983 Bonds by deposits in an irrevocable, trustee escrow account to be funded from a portion of Bond proceeds.
- (3) Final maturity date is November 1, 1995.

Annual Debt Service

The debt service of the Water System on a cash basis, after the issuance of the Bonds and after giving effect to the refunding referred to above, is shown below:

LITIGATION

[To be updated]

The City is a defendant in a lawsuit filed by 52 suburban municipalities, caption *Village of Niles, et al v. City of Chicago*, which alleges that the city's water rates are arbitrary, unreasonable and discriminatory as applied to them. The amended complaint was dismissed by the Circuit Court of Cook County on the basis of law only. The Illinois Appellate Court reversed and remanded the case to the Circuit Court and ordered a full trial on the merits. The amended complaint and a supplemental complaint filed March 6, 1981 seek, *inter alia*, an injunction preventing the City from collecting allegedly discriminatory water rates and an accounting of \$60 million in allegedly discriminatory water rates collected from plaintiffs during the years 1974 through 1980 and any similar amounts collected thereafter. The City has filed an answer to the amended and supplemental complaints. On April 27, 1981, the Circuit Court denied the plaintiffs' request to certify the lawsuit as a class action on behalf of all municipalities within the Metropolitan Sanitary District of Greater Chicago receiving water from Lake Michigan through the City's water system. After an evidentiary hearing, the Court, on April 29, 1981, also denied the plaintiffs' petition for a preliminary injunction to prevent the City from collecting increased water rates from the plaintiffs. The trial on the merits of the

plaintiffs' claims began on January 21, 1985 and has been continuing intermittently since then. The plaintiffs renewed their motion for certification of a class at the start of the trial, but the court again denied the motion. However, their expert has claimed that a class of all suburban municipalities was overcharged between \$93 million and \$167 million during the years 1973 through 1982, depending on the method of calculation. On April 1, 1985, plaintiffs petitioned the Court to enter a preliminary injunction preventing the City from collecting from them increased water charges pursuant to an 11% rate increase scheduled to go into effect on May 1, 1985. After briefing and oral argument, the Court denied the petition on April 29, 1985. The City believes that the water rates being charged the plaintiffs are fair and nondiscriminatory and intends to contest vigorously the plaintiffs' claims. In the opinion of the Corporation Counsel, the City has substantial defenses to the claims presented.

The City is a defendant in a lawsuit filed in the Circuit Court of Cook County in 1982, captioned *Wilder v. City of Chicago*. This is a class action brought by a non-metered water user claiming that she overpaid because the City incorrectly calculated her water bill and that the City does not charge non-metered water users only for actual water used. Most of the single family homes and two flats in the City do not have water meters (approximately 350,000 accounts out of a total of 500,000 accounts). Plaintiff does not challenge the water rate itself. The case is in the very preliminary stages of discovery. No motion for class certification has been filed. The City believes that the water rates being charged the plaintiff are fair and nondiscriminatory and intends to contest vigorously the plaintiff's claims. In the opinion of the Corporation Counsel, the City has substantial defenses to the claims presented.

The City is a defendant in a lawsuit filed in the Circuit Court of Cook County in 1984, Captioned *Bobrowicz v. City of Chicago*. This is a class action suit filed on behalf of persons in unincorporated areas who purchase City water from municipalities and certain railroads, who in turn purchase their water from the City. Past water contracts with these municipalities and railroads required a 50% surcharge added to water bills for consumers in the unincorporated areas and that the surcharge be rebated to the City. The surcharge total for the past five (5) years is approximately \$1,400,000 of which \$450,000 was remitted from the railroads and their customers. The class as set forth by the plaintiffs has been certified by the Court. A court approved notice has been sent to all affected municipalities and entities requesting information as to surcharge amounts collected and remitted and time periods involved. The City has entered into preliminary discussions concerning possible settlement of this action. A petition to intervene on behalf of various municipalities who are plaintiffs in the *Village of Niles, et al.* case has been filed. They seek to intervene as plaintiffs. The petition is set for hearing on January 9, 1986.

The City is a defendant in a lawsuit filed in the Circuit Court of Cook County in 1984, captioned *Fitzpatrick v. City of Chicago*. In this suit, the plaintiff is seeking a court order requiring the City to transfer the proceeds of the sale of the Rookery Building (\$15,000,000) from the General Corporate Fund to the Water Fund. The City has filed a motion for summary judgment and a memorandum in support thereof. The Court has set the motion for hearing on December 13, 1985. In the opinion of the Corporation Counsel, the City has substantial defenses to the claims presented.

The Water Fund has certain contingent liabilities resulting from litigation, claims and commitments incident to the ordinary course of business. In the opinion of the Corporation Counsel it is expected that final resolution of such contingencies will not materially affect the financial position or results of operation of the Water Fund.

FINANCIAL STATEMENTS

The financial statements included as Appendix A to this Official Statement have been incorporated in this Official Statement in reliance upon the report of Coopers & Lybrand, independent certified accountants, appearing therein and upon the authority of said firm as experts in accounting and auditing.

ENGINEERING

The Department has retained Alvord, Burdick & Howson, consulting engineers, to develop several reports and studies relating to the Water System and certain financial matters.

BONDS AS LEGAL INVESTMENTS

The Bonds constitute legal investments in the State of Illinois for state banks and insurance companies. The Bonds also constitute legal investments for trustees if the applicable prudent investor standard is met and for state funds if such investment is approved by the Governor.

TAX EXEMPTION

In the opinion of Isham, Lincoln & Beale, Chicago, Illinois, and _____, Chicago, Illinois, Co-Bond Counsel, under existing laws, rules, regulations and interpretation, interest on the Bonds is exempt from Federal income taxes. The interest on the Bonds is not exempt from present State of Illinois income taxes.

[More to be provided.]

CERTAIN LEGAL MATTERS

Legal matters incident to the authorization and issuance of the Bonds are subject to the approving opinion of Isham, Lincoln & Beale, Chicago, Illinois, and _____,

Chicago, Illinois, Co-Bond Counsel. Isham, Lincoln & Beale currently serves as general counsel and bond counsel to the Northwest Suburban Municipal Joint Action Water Agency. The proposed form of their opinions is included herein as Exhibit A. Certain legal matters will be passed upon for the City by its Corporation Counsel and for the Underwriters by their co-counsel, _____, Chicago, Illinois, and _____, Chicago, Illinois.

UNDERWRITING

The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the City at a price of \$_____, an amount which is \$_____ less than the initial public offering prices set forth on the cover page of this Official Statement, plus accrued interest. The Bonds may be offered and sold by the Underwriters to certain dealers at prices lower than the initial public offering prices set forth on the cover page of this Official Statement and the public offering prices may be changed from time to time.

RATINGS

[To be provided.]

OTHER MATTERS

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the registered owners thereof. Such documents may be examined, or copies thereof will be furnished, upon request to the City Comptroller.

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the registered owners of the Bonds.

CITY OF CHICAGO

Ronald D. Picur
Comptroller

EXHIBIT D

[FORM OF ESCROW AGREEMENT]

1986 ESCROW AGREEMENT.

This Escrow Agreement, dated October 16, 1986, is by and between the City of Chicago Cook and DuPage Counties, Illinois (the "City") and _____, Chicago, Illinois, as Escrow Trustee under this 1986 Escrow Agreement (the "Escrow Trustee").

1. Preliminary.

(a) The City at present has outstanding \$_____ principal amount of Water Revenue Bonds, Series 1983 (the "Series 1983 Bonds"), authorized by an ordinance passed by the City Council of the City on November 9, 1983 authorizing the issuance of the Series 1983 Bonds (the "Series 1983 Bond Ordinance").

(b) Certain of the Series 1983 Bonds comprise the "Refunded Bonds" as more fully described in this 1986 Escrow Agreement.

(c) A portion of the proceeds of the City's Water Revenue Bonds, Refunding and Improvement Series 1986 (the "Series 1986 Bonds"), together with interest and other investment earnings on the proceeds of the Series 1986 Bonds, will be used to pay the principal of and premium and interest on the Refunded Bonds. The Refunded Bonds consist of the following Series 1983 Bonds:

Maturity (November 1)	Principal Amount	Interest Rate
2003	\$	%

(d) The Refunded Bonds are payable as to interest on each May 1 and November 1, to and including their date of maturity or earlier redemption. The Refunded Bonds which mature on November 1, 2003 are subject to redemption on November 1, 1993, at a premium of 103% of their principal amount, plus accrued interest. Principal of and premium and interest on the Refunded Bonds are payable at the offices of the Trustee and any other Paying Agent.

(f) As more fully described in this 1986 Escrow Agreement, the City has determined to provide for the refunding of the Refunded Bonds by depositing with the Escrow Trustee an amount sufficient to provide for paying the principal of and premium due on the Refunded Bonds on November 1, 1993; and for paying interest on the Refunded Bonds as such amounts come due on and after November 1, 1986 and on and prior to November 1, 1993.

2. Creation of Escrow Account.

There is created and established with the Escrow Trustee and escrow account designated City of Chicago Escrow Account # _____ (the "1986 Escrow Account"), to be held in the custody of the Escrow Trustee. The Escrow Account shall be held as a trust fund for the benefit of the holders of the Refunded Bonds, separate and apart from other funds of the City, the Trustee or the Escrow Trustee, all as provided in this Escrow Agreement.

3. Deposits in and Transfers from Escrow Account.

(a) Concurrently with the execution and delivery of this 1986 Escrow Agreement, the City is depositing with the Escrow Trustee, for deposit in the 1986 Escrow Account, the amount of \$ _____ (the "Escrow Deposit"). Of this aggregate amount, the Escrow Trustee is to (i) apply the amount of \$ _____ to purchase the investment obligations listed in Schedule 1 to this 1986 Escrow Agreement (the "Investment Obligations") and (ii) hold the remaining \$ _____ as an initial cash balance (the "Initial Cash"). The Escrow Deposit is derived from amounts received by it upon the sale of the Series 1986 Bonds, issued pursuant to the ordinance passed by the City Council of the City on _____, 1986 authorizing the issuance of the Series 1986 Bonds (the "Series 1986 Bond Ordinance").

(b) All of the Investment Obligations are United States Treasury Securities, which are non-callable, direct, full faith and credit obligations of the United States of America. Except as provided in Section 10(a) of this 1986 Escrow Agreement, there shall be no right of the City or the Escrow Trustee to substitute any obligation for the Investment Obligations. The principal of and interest on the Investment Obligations when due, together with the Initial Cash, will be sufficient, without any reinvestment, to pay principal of and the premium and interest on the Refunded Bonds as those amounts come due on and after November 1, 1986 and on and prior to November 1, 1993. The Escrow Trustee acknowledges receipt of the Escrow Deposit from the City and confirms the acquisition and deposit in the Escrow Account of the Investment Obligations and the Initial Cash.

(c) Receipt is also acknowledged by the Trustee of irrevocable instructions from the City (a) to provide the notice required by the Series 1983 Bond Ordinance of the redemption on November 1, 1993 of the Refunded Bonds and (b) to provide the notice required by that Ordinance of the defeasance of the Refunded Bonds, such notice to be substantially in the form set forth in the attached Schedules 2A and 2B, respectively.

(d) The deposit into the 1986 Escrow Account of the Investment Obligations and the Initial Cash constitutes an irrevocable deposit for the benefit of the holders of the Refunded Bonds with respect to amounts allocated to the 1986 Escrow Account, subject to Section 5 of

this 1986 Escrow Agreement. Those Investment Obligations and that Initial Cash, together with any interest or other investment earnings on the 1986 Escrow Account, while on deposit in the 1986 Escrow Account, shall be held in escrow and shall be applied to the payment of the Redemption Price of and interest on the Refunded Bonds as follows:

(i) On each interest payment date for the Refunded Bonds on and after November 1, 1986, and on and prior to November 1, 1993, the Escrow Trustee shall pay from the 1986 Escrow Account to the Paying Agent as provided for in the Series 1983 Bond Ordinance an amount equal to the interest on the Refunded Bonds which is payable on that interest payment date; and

(ii) On November 1, 1993, the Escrow Trustee shall pay from the 1986 Escrow Account to the Paying Agent an amount equal to the principal of and premium due on the Refunded Bonds.

(e) Upon all amounts being applied as required to the payment of the principal of and premium and interest on Refunded Bonds through and including November 1, 1993, any remaining amounts in the 1986 Escrow Account shall be paid by the Escrow Trustee to the City for deposit in its Water Fund.

4. Acknowledgment; Payment of the Refunded Bonds.

Based on the Attached verification report of _____, the Escrow Trustee acknowledges that it holds in the 1986 Escrow Account Investment Obligations, the principal of and interest on which when due, together with the Initial Cash, will be sufficient, without any reinvestment, to pay the principal of and premium and interest on the Refunded Bonds, which are to be paid from the 1986 Escrow Account as more fully described in Section 3(d) of this Escrow Agreement.

5. Payment of Excess Funds to City.

If the Escrow Trustee shall hold in the 1986 Escrow Account amounts which are sufficient, without any reinvestment of the Initial Cash and the maturing principal of and interest on the Investment Obligations, to pay the principal of and premium and interest on the Refunded Bonds which is to be paid from the 1986 Escrow Account, as more fully described in Section 3(d) of this 1986 Escrow Agreement, any amounts in excess of those amounts shall be paid by the Escrow Trustee to the City for deposit in its Water Fund. No such payment shall be made unless the Escrow Trustee shall have received (i) a certificate from an independent certified public accountant, selected by the City, to the effect that the Initial Cash and the maturing principal of and interest on the Investment Obligations to remain in the 1986 Escrow Account will be sufficient, without any reinvestment, to pay the principal of and premium and interest on the Refunded Bonds which is to be paid from the 1986 Escrow Account, as more fully described in Section 3(d) of this 1986 Escrow Agreement; and (ii) an opinion of nationally recognized bond counsel, selected by the City and acceptable to the Escrow Trustee, to the effect that (a) the payment of such excess amounts to the City for deposit to its Water Fund will not cause the interest on any Bonds of the City to become subject to federal income taxation and (b) provision for the payment of the Refunded Bonds shall continue to have been made within the meaning of the Series 1983 Bond Ordinance.

6. Acceptance by Escrow Trustee; Investment of Cash Balances; Ability to Cure Deficiencies.

By this 1986 Escrow Agreement the Escrow Trustee establishes the 1986 Escrow Account, accepts the Escrow Deposit and agrees to apply the Escrow Deposit consisting of the Initial Cash and the principal of and interest on Investment Obligations in accordance with the provisions of this 1986 Escrow Agreement and the provisions of the Series 1983 Bond Ordinance. The Escrow Trustee shall to the extent practicable invest cash balances on hand from time to time in the 1986 Escrow Account in United States Treasury Securities -- State and Local Government Series, or other direct, full faith and credit obligations of the United States of America, with a yield (computed in accordance with the actuarial method of computing yield and based on the initial public offering price of the Series 1986 Bonds and without taking into account the costs of issuance of the Series 1986 Bonds) of 0% and maturing so as to be available when required to pay when due the principal of and premium and interest on the Refunded Bonds, which are to be paid from the 1986 Escrow Account as more fully described in Section 3(d) of this 1986 Escrow Agreement. To the extent it is not practicable so to invest cash balances, the Escrow Trustee shall not, in any manner, invest such cash balances on hand from time to time in the 1986 Escrow Account. Should, at any time, there not be sufficient amounts on deposit in the 1986 Escrow Account to pay either the principal of or premium and interest coming due on the Refunded Bonds, which are to be paid from the 1986 Escrow Account as more fully described in Section 3(d) of this 1986 Escrow Agreement, the City shall deposit with the Escrow Trustee an amount sufficient to cure such deficiency and prevent any default with respect to such payment of the Refunded Bonds.

7. Liabilities of City and Escrow Trustee.

The City assumes liability for, and agrees (whether or not any of the transactions contemplated by this 1986 Escrow Agreement are consummated) to indemnify, protect, save and keep harmless the Escrow Trustee and its respective successors, assigns, agents and servants from and against, any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including legal fees and disbursements) of whatever kind and nature which may be imposed on, incurred by, or asserted against, at any time, the Escrow Trustee (whether or not also indemnified against by the Agency or any other person under any other agreement or instrument) and in any way relating to or arising out of the execution and delivery of this 1986 Escrow Agreement, the establishment of the 1986 Escrow Account, the acceptance of the Escrow Deposit, the purchase of the Investment Obligations, the deposit of the Initial Cash in the 1986 Escrow Account, the purchase, sale or retention of the Investment Obligations or the proceeds of the Investment Obligations or any payment, transfer or other application of money or securities by the Escrow Trustee in accordance with the provisions of this 1986 Escrow Agreement; provided, however, that the City shall not be required to indemnify the Escrow Trustee against its own gross negligence or willful misconduct. In no event shall the City be liable to any person by reason of the transactions contemplated by this 1986 Escrow Agreement other than to the Escrow Trustee as set forth in this Section. The indemnities contained in this Section shall survive the termination of this 1986 Escrow Agreement.

The Escrow Trustee and its respective successors, assigns, agents and servants shall not be held to any personal liability whatever, in tort, contract or otherwise, in connection with the execution and delivery of this 1986 Escrow Agreement, the establishment of the 1986 Escrow Account, the purchase of the Investment Obligations and deposit of the Initial Cash in the 1986 Escrow Account, the sale, purchase or retention of securities or investments or the proceeds of those securities or any payment, transfer or other application of money or securities by the Escrow Trustee in accordance with the provisions of this 1986 Escrow Agreement or by reason of any act, omission or error of the Escrow Trustee made in good faith in the conduct of its duties.

8. Fees and Expenses of Escrow Trustee.

The Escrow Trustee agrees that it shall have no claim against or lien upon any money or investments in the 1986 Escrow Account for payment of its fees or expenses or for payment of any amounts owed to it by the City under this 1986 Escrow Agreement (including, without limitation, under Section 7 or Section 10 of this 1986 Escrow Agreement) or otherwise. In the event the Escrow Trustee incurs extraordinary expenses for attorneys fees and expenses for which it is indemnified pursuant to Section 7 of this 1986 Escrow Agreement, the City shall, as soon as practicable, make adequate provision for such expenses in its annual budget.

9. Annual Reports.

On or about May 15th in each year, commencing May 15, 1987 and ending May 15, 1993, the Escrow Trustee shall submit to the City a report covering all money it shall have received and all payments it shall have made or caused to be made under this 1986 Escrow Agreement during the preceding twelve months. Such report shall also list all obligations held in the 1986 Escrow Account and the amount of money contained in it as of the May 2 preceding the date of the report. The May 15, 1993 report shall set forth the amounts transferred by the Escrow Trustee to the City for deposit in its Water Fund, as provided in Section 3 of this 1986 Escrow Agreement.

10. Defeasance of the Bonds to be Redeemed; Other Subsequent Action.

This 1986 Escrow Agreement may be amended or supplemented, the Investment Obligations or any portion of them may be sold or redeemed, or invested or reinvested in any manner provided in this Escrow Agreement (and such amendment, supplement, direction to sell or redeem, or invest or reinvest to be referred to as a "Subsequent Action"), upon submission to the Escrow Trustee of each of the following:

(1) a direction of the City authorizing the Subsequent Action, signed by an Authorized Officer;

(2) an opinion of nationally recognized bond counsel, selected by the City and acceptable to the Escrow Trustee, to the effect that the Subsequent Action (i) will not cause the interest on the Series 1986 Bonds or the Series 1983 Bonds, to become not excluded from "gross income" for Federal income tax purposes; (ii) will not violate the covenants in the Series 1986 Bond Ordinance or the Series 1983 Bond Ordinance not to cause the Series 1986 Bonds or the Series 1985 Bonds to become "arbitrage bonds" under Section 103(c) of

the Internal Revenue Code of 1986, as it shall have been amended and the Treasury Regulations under that Code; (iii) does not materially adversely affect the legal rights of the holders of the Series 1986 Bonds or the Refunded Bonds; and (iv) will not have the effect of causing any Refunded Bonds which had been defeased not to be defeased under the provisions of the Series 1983 Bond Ordinance; and

(3) an opinion of a firm of independent certified public accountants, selected by the city and acceptable to the Escrow Trustee, to the effect that the Investment Obligations and money available or to be available for payment of the Refunded Bonds will, after the taking of the Subsequent Action, and without consideration of any reinvestment, remain sufficient to pay the principal of and premium and interest on the Refunded Bonds, to be paid from the Escrow Account as more fully described in Section 3(d) of this 1986 Escrow Agreement.

(b) All of the rights, powers, duties and obligations of the Escrow Trustee under this 1986 Escrow Agreement shall not be subject to amendment by the Escrow Trustee and shall be binding on any successor to the Escrow Trustee during the term of this 1986 Escrow Agreement.

(c) All of the rights, powers, duties and obligations of the City under this 1986 Escrow Agreement shall not be subject to amendment by the City and shall be binding on any successor to the City during the term of this 1986 Escrow Agreement.

11. Receipt by Escrow Trustee of Resolutions.

Receipt of a true and correct copy of each of the Series 1983 Bond Ordinance and the Series 1986 Bond Ordinance is acknowledged by the Escrow Trustee.

12. Termination.

This 1986 Escrow Agreement shall terminate when the Escrow Trustee shall have paid all funds from the 1986 Escrow Account in accordance with Section 3 of this 1986 Escrow Agreement.

The City and the Escrow Trustee have each caused this 1986 Escrow Agreement to be executed by its duly authorized officer as of its date.

CITY OF CHICAGO

By _____
Title:

By _____
Title:

*Schedule 1 -- List Of
Investment Obligations*

Description of United States Treasury Notes

Principal Amount	Maturity	Interest Rate	First Interest Payment Date

Description of United States Treasury
Securities -- State and Local Government Series.

Principal Amount	Maturity	Interest Rate	First Interest Payment Date

Schedule 2A

Schedule 2B

*Action Deferred -- ISSUANCE OF \$70,000,000 IN NORTH LOOP
ALLOCATION BONDS, SERIES 1986.*

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

CHICAGO, November 13, 1986.

To the President and Members of the City Council:

Your Committee on Finance to which was referred an ordinance authorizing the issuance of North Loop Allocation Bonds, Series 1986 in the total estimated amount of \$60,000,000, having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the proposed ordinance transmitted herewith as amended.

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 proposed ordinance transmitted with the foregoing committee report:

WHEREAS, The City of Chicago, Illinois (the "City"), by ordinances adopted the 20th day of June, 1984, has heretofore approved a redevelopment plan and project (the "Plan" and "Project"), designated a redevelopment project area known as the North Loop Tax Increment Redevelopment Project Area (the "Area") and adopted tax increment allocation financing for the Area, all in accordance with the provisions of the Tax Increment Allocation Redevelopment Act, as supplemented and amended (the "Act"); and

WHEREAS, The City has determined that it is advisable and necessary at this time to borrow the sum necessary for the purposes of paying certain redevelopment project costs for the Project (the "Redevelopment Project Costs") as set forth in the Plan, including capitalizing certain interest on the North Loop Tax Increment Bonds, Series 1986 (the "Bonds") herein authorized and paying the expenses of issuing the Bonds herein authorized, and in evidence thereof to issue such Bonds, such borrowing being for a proper public purpose and in the public interest, and the City, by virtue of its constitutional home rule powers and all laws applicable thereto and by virtue of the Act, has the power to issue such Bonds; now, therefore,

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

SECTION 1. The City Council, after a public hearing heretofore held on this ordinance by the Committee on Finance of the City Council, pursuant to proper notice having been given thereof, and in accordance with the findings and recommendations of such Committee, hereby finds that all of the recitals contained in the preambles to this

ordinance are full, true and correct and does incorporate them into this ordinance by this reference.

SECTION 2. The proceeds from the sale of the Bonds shall be used for paying the Redevelopment Project Costs, including paying all or a portion of the interest coming due on the Bonds through December 31, 1990, and certain costs of issuance of the Bonds, including but not limited to, costs incurred pursuant to the authorizations contained in Sections 3 to 5, inclusive, hereof.

SECTION 3. For the purpose of providing the funds required to pay the principal of and interest on the Bonds, the City is hereby authorized to pledge, grant or convey each and any of the following to the Trustee (as hereinafter defined), for the benefit of the Bondholders, and to the bank or banks obligated under any letter of credit or credit facility securing the Bonds:

1. A first security interest in the bond proceeds, until spent for the project or to pay interest on the Bonds during construction.

2. A first security interest in current and future Revenues (as defined in the hereinafter defined Indenture) on deposit in the North Loop Tax Increment Redevelopment Project Area Special Tax Allocation Fund heretofore created by the City and expressly continued under the Indenture. To the extent required by Illinois law, moneys on deposit in said Fund and not required for payment and securing of the Bonds and redevelopment project costs shall be calculated annually and deemed to be "surplus funds" and shall be distributed pursuant to the Act.

3. As provided in the Credit Agreement (as hereinafter defined), an assignment of the developer's letter of credit given to the City in connection with the purchase of a portion of that certain realty located in the Area and commonly known as Block 37. The City further covenants and agrees that any proceeds derived from a draw on the letter of credit will be subject to a security interest in favor of the Bank (as hereinafter defined) and the Trustee.

4. A first mortgage on that certain realty located in the Area and commonly known as Block 17, as provided in the Bank Bond Purchase Agreement and Application for Standby Letter of Credit dated as of December 1, 1986 (the "Credit Agreement"), by and between the City and the First National Bank of Chicago, Chicago, Illinois (the "Bank"). The City further covenants and agrees that unless the City Comptroller shall certify to the Bank on or before December 1, 1990, that funds in an amount not to exceed the aggregate principal amount of \$11,100,000 have been deposited as required under said Credit Agreement to be deposited upon the conveyance by the City of said Block 17, then the City Comptroller and the City Treasurer shall, and the same are hereby directed to, make such deposits in accordance with said Credit Agreement from any other moneys, revenues, receipts, income, assets or funds of the City that are legally available for such purpose. This Ordinance constitutes a covenant to appropriate such amounts. The payment obligation of the City incorporated in this subparagraph shall be an unlimited general obligation supported by the full faith and credit of the City. The City covenants that it will take any and all necessary action to make the payment required hereby and

generate the cash necessary therefor. Mandamus and other appropriate equitable remedies shall be available for the enforcement of the covenants contained herein.

5. A first security interest in the proceeds available from the sale of that certain realty located in the Area and commonly known as Blocks 16 and 17, as provided in the Credit Agreement.

6. A first mortgage on the Selwyn and Harris Theaters or similar North Loop property, as provided in the Credit Agreement.

7. A first security interest in all earning on moneys in the various funds pledged to secure the Bonds (except those amounts subject to rebate to the Internal Revenue Service in accordance with the Internal Revenue Code of 1986 and regulations promulgated thereunder) and on deposit as provided in the Credit Agreement.

SECTION 4. The Bonds shall be sold and delivered subject to the terms and conditions of a contract of purchase (the "Contract of Purchase") between the City and The First Boston Corporation, Grigsby, Brandford & Co., Inc., Paine Webber, Incorporated and Shearson Lehman Brothers, Inc., (the "Underwriter"). The Bonds shall be initially sold by the City Comptroller with concurrence of the Chairman or Vice-Chairman of the Committee on Finance or of the Chairman of the Committee on the Budget of the City Council.

SECTION 5. The Bonds shall be issued in an aggregate principal amount not to exceed \$70,000,000 and in the forms and denominations set forth in the Indenture of Trust dated as of December 1, 1986 (the "Indenture") between the City and a trustee to be selected (the "Trustee"); shall be executed by the manual or duly authorized facsimile signature of the Mayor and the City Clerk as provided in the Indenture; shall be dated, except as otherwise provided in the Indenture, the date of initial issuance and delivery; shall be numbered as provided in the Indenture; shall mature at such time or times not to exceed twenty years from the date of issuance thereof, and in any event on or before June 20, 2007 as provided in the Indenture; shall bear interest at the rate of not to exceed fifteen percent (15%) per annum, except for Bank Bonds (as defined in the Indenture), which shall bear interest at the Bank Rate (as defined in the Indenture); shall be subject to redemption by the City prior to maturity upon the terms and conditions set forth in the Indenture and the Credit Agreement; and shall be subject to such other terms, conditions and provisions as shall be set forth in the Indenture and the Credit Agreement. The official seal of the City shall be impressed or a facsimile of such seal shall be imprinted on the Bonds.

SECTION 6. The Indenture is hereby approved in substantially the form submitted to this meeting, and the Comptroller is hereby authorized and directed to execute, acknowledge and deliver the Indenture with such changes therein as shall be approved by the parties executing the same. Such approval of any such changes to the Indenture shall be conclusively established by the execution of the Indenture by the City and the Trustee.

SECTION 7. In connection with the offering and sale of the Bonds, there shall be prepared an official statement of the City. The Preliminary Official Statement of the City dated November ____, 1986 (the "Preliminary Official Statement") is hereby approved in substantially the form submitted to this meeting. The Mayor and the City Comptroller are authorized to execute and deliver a final official statement (the "Final Official Statement")

in substantially the form of the Preliminary Official Statement submitted to this meeting with such changes therein as shall be approved by the City. Such approval of any such changes to the Preliminary Official Statement shall be conclusively established by the execution of the Final Official Statement by the City Comptroller. The use of the Preliminary Official Statement and the Final Official Statement by the Underwriter in connection with offering and sale of the Bonds is hereby approved.

SECTION 8. In connection with the remarketing of the Bonds, which have been tendered for purchase pursuant to the terms of the Indenture, there shall be executed and delivered a remarketing agreement dated as of December 1, 1986 (the "Remarketing Agreement") between the City and The First Boston Corporation, as Remarketing Agent (the "Remarketing Agent"). The Remarketing Agreement is hereby approved in substantially the form submitted to this meeting, and the Comptroller is hereby authorized and directed to execute, acknowledge and deliver the Remarketing Agreement with such changes therein as shall be approved by the parties executing the same. Such approval of any such changes to the Remarketing Agreement shall be conclusively established by the execution of the Remarketing Agreement by the City and the Remarketing Agent.

SECTION 9. To provide for the payment of the principal of and interest on the Bonds under certain conditions and to provide for the payment of the purchase price of Bonds tendered pursuant to the provisions of the Indenture, there shall be executed and delivered the Credit Agreement. The Credit Agreement is hereby approved in substantially the form submitted to this meeting, and the Comptroller is hereby authorized and directed to execute, acknowledge and deliver the Credit Agreement with such changes therein as shall be approved by the parties executing the same. Such approval of any such changes to the Credit Agreement shall be conclusively established by the execution of the Credit Agreement by the City and the Bank.

SECTION 10. The Mayor, City Clerk and Comptroller are hereby empowered and directed to execute and deliver the Bonds and all documents and other instruments which may be required under terms of the Indenture, the Credit Agreement, the Remarketing Agreement, and this Ordinance, including an arbitrage regulation agreement between the City and the Trustee.

SECTION 11. The City covenants that it will take no action in the investment of the proceeds of the Bonds which would result in making the interest payable on any of the Bonds subject to federal income taxes by reason of the Bonds being classified as "arbitrage bonds" within the meaning of the Internal Revenue Code of 1986.

SECTION 12. This Ordinance is adopted pursuant to the Act and in accordance with the powers of the City as a home rule unit under Article VII of the 1970 Illinois Constitution. The appropriate officers of the City are hereby authorized to take such actions and do such things as shall be necessary to perform, carry out, give effect to and consummate the transactions contemplated by this Ordinance and the Bonds.

SECTION 13. The Mayor and the City Comptroller may each designate another to act as their respective proxy and to affix their respective signatures to the Bonds whether in temporary or definitive form, and any other instrument, certificate or document required to be signed by the Mayor or the City Comptroller pursuant to this Ordinance and any

instrument, certificate or document required thereby. 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 14. If requested by a bond registrar, paying agent or trustee in connection with the Bonds, the Mayor, City Comptroller and City Clerk are authorized to execute the standard form of agreement between the City and such bond registrar, paying agent or trustee with respect to the obligations and duties thereof.

SECTION 15. Subsequent to the sale of the Bonds, the City Comptroller shall file in the office of the City Clerk a notification of sale directed to the City Council setting forth the aggregate principal amount of Bonds sold and the initial interest rate borne by the Bonds, together with an executed copy of the Official Statement, the Contract of Purchase, the Indenture, the Credit Agreement and the Remarketing Agreement.

SECTION 16. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of the City of Chicago, or part thereof, is in conflict with the provisions of this Ordinance, the provisions of this Ordinance shall be controlling. If any section, paragraph, clause or provisions of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

This ordinance shall be published by the City Clerk, by causing to be printed in pamphlet form at least 100 copies hereof, which copies are to be made available in his office for public inspection and distribution to members of the public who may wish to avail themselves of a copy of this Ordinance, and this Ordinance shall be in full force and effect from and after its adoption, approval by the Mayor and publication as provided by law.

[Bond Purchase Agreement and Application for Irrevocable Standby Letter of Credit, Remarketing Agreement and Trust Indenture omitted for printing purposes but on file and available for public inspection in Office of the City Clerk.]

Placed on File -- REPORT OF SUNDRY SETTLEMENTS OF SUITS
AGAINST CITY OF CHICAGO.

The Committee on Finance submitted a report recommending that the City Council place on file a communication from the Department of Law concerning matters in which sundry

cases were settled and/or judgments entered against City of Chicago in accordance with Section 6-8 of the Municipal Code of Chicago.

On motion of Alderman Burke, the committee's recommendation was *Concurred In* and said communication and report were *Placed on File*.

COMMITTEE ON THE BUDGET.

*Action Deferred -- AMENDMENTS TO 1987 ANNUAL
APPROPRIATION ORDINANCE.*

The Committee on the Budget submitted the following report which was, on motion of Alderman Burke and Alderman Stone, *Deferred* and ordered published:

CHICAGO, November 13, 1986.

To the President and Members of the City Council:

Your Committee on the Budget took under consideration communications recommending proposed amendments to an ordinance authorizing the Annual Appropriation Ordinance for 1987. These matters were referred to the Committee on the Budget on November 5, 1986 and considered by the Committee on the Budget on November 13, 1986 and the Committee on the Budget having had the same under advisement, begs leave to report and recommend that Your Honorable Body do pass the proposed ordinance as amended, transmitted herewith.

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

Respectfully submitted,
(Signed) TIMOTHY C. EVANS,
Chairman.

The proposed ordinance transmitted with the foregoing committee report reads as follows:

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

SECTION 1. That the Annual Appropriation Ordinance of the City of Chicago for the year of 1987 passed on November 5, 1987, City Council Journal of Proceedings, pages 36172 -- 36578 be and the same is hereby amended in the following respect;

Corrections and Revisions of 1987 Budget Recommendations

100 - Corporate Fund

Page	Code	Department and Item	No.	Strike Amount	Insert No.	Amount
		OFFICE OF THE MAYOR - 1/2005				
		OFFICE OF INTERGOVERNMENTAL AFFAIRS - 3020				
13	9833	Assistant Administrative Secretary III	1	\$32,244		
	9637	Administrative Assistant			1	\$32,244
		POLICE DEPARTMENT - 57/1005				
125		STRIKE:				
	.0142	Accounting and Auditing				
		INSERT:				
	.0142	Accounting and Auditing at the direction of the Chairman of the Committee on Finance; the criteria for the selection and the condition under which the work is to be per- formed shall be determined by the Committee on Finance.				
		FINANCE GENERAL - OTHER OPERATING EXPENSES - 99/2005				
254		STRIKE:				
	.0142	Accounting and Auditing				
		INSERT:				
	.0142	Accounting and Auditing at the direction of the Chairman of the Committee on Finance; the criteria for the selection and the condition under which the work is to be per- formed shall be determined by the Committee on Finance.				
255		STRIKE:				
	.9079	For funding of Delegate Agencies: To be expended at the direction of the Budget Director.				

100 - Corporate Fund

Page	Code	Department and Item	No.	Strike Amount	Insert No. Amount
		INSERT:			
	.9079	For funding of the following Delegate Agencies and such others as the City Council may designate: To be expended at the direction of the Budget Director with the concurrence of the City Council. Belmont Central Chamber of Commerce; Beverly Area Planning Association; Jefferson Park Chamber of Commerce; Portage Park Chamber of Commerce; 87th Street/Stony Island Chamber of Commerce; 95th Street/Beverly Hills Business Association; Edison Park Chamber of Commerce; Norwood Park Chamber of Commerce; Wrightwood Improvement Association; Ravenswood Chamber of Commerce North and Austin Merchants Association, Mt. Greenwood Chamber of Commerce, Edgebrook Chamber of Commerce.			

200 - Water Fund

FINANCE GENERAL - OTHER OPERATING
EXPENSES - 99/2005

285		STRIKE:			
	.0142	Accounting and Auditing			
		INSERT:			
	.0142	Accounting and Auditing at the direction of the Chairman of the Committee on Finance; the criteria for the selection and the condition under which the work is to be performed shall be determined by the Committee on Finance.			

300 - Vehicle Tax Fund

Page	Code	Department and Item	No.	Strike Amount	Insert No. Amount
		FINANCE GENERAL - OTHER OPERATING EXPENSES - 99/2005			
315		STRIKE:			
	.0142	Accounting and Auditing			
		INSERT:			
	.0142	Accounting and Auditing at the direction of the Chairman of the Committee on Finance; the criteria for the selection and the condition under which the work is to be per- formed shall be determined by the Committee on Finance.			

314 - Sewer Fund

		FINANCE GENERAL - OTHER OPERATING EXPENSES - 99/2005			
324		STRIKE:			
	.0142	Accounting and Auditing			
		INSERT:			
	.0142	Accounting and Auditing at the direction of the Chairman of the Committee on Finance; the criteria for the selection and the condition under which the work is to be per- formed shall be determined by the Committee on Finance.			

346 - Library Fund

		FINANCE GENERAL - OTHER OPERATING EXPENSES - 99/2005			
336		STRIKE:			
	.0142	Accounting and Auditing			

346 - Library Fund

Page	Code	Department and Item	No.	Strike Amount	Insert No. Amount
		INSERT:			
	.0142	Accounting and Auditing at the direction of the Chairman of the Committee on Finance; the criteria for the selection and the condition under which the work is to be performed shall be determined by the Committee on Finance.			

610 - Midway Airport Fund

FINANCE GENERAL - OTHER OPERATING
EXPENSES - 99/2005

350		STRIKE:			
	.0142	Accounting and Auditing			
		INSERT:			
	.0142	Accounting and Auditing at the direction of the Chairman of the Committee on Finance; the criteria for the selection and the condition under which the work is to be performed shall be determined by the Committee on Finance.			

701 - Calumet Skyway Toll Bridge Revenue Fund

FINANCE GENERAL - OTHER OPERATING
EXPENSES - 99/2005

356		STRIKE:			
	.0142	Accounting and Auditing			
		INSERT:			
	.0142	Accounting and Auditing at the direction of the Chairman of the Committee on Finance; the criteria for the selection and the condition under which the work is to be performed shall be determined by the Committee on Finance.			

740 - Chicago-O'Hare International Airport Revenue Fund

Page	Code	Department and Item	No.	Strike Amount	Insert No. Amount
FINANCE GENERAL - OTHER OPERATING EXPENSES - 99/2005					
357		STRIKE:			
	.0142	Accounting and Auditing			
		INSERT:			
	.0142	Accounting and Auditing at the direction of the Chairman of the Committee on Finance; the criteria for the selection and the condition under which the work is to be per- formed shall be determined by the Committee on Finance.			

100 - Corporate Fund

CITY COMPTROLLER - 27-2005					
Administration - 3005					
45	0264	Deputy Comptroller of Financial Operations		\$	1 \$59,000
50		Less Turnover		312,076	371,076
Financial Operations Support - 3035					
54	0165	Assistant Comptroller Financial Operations			37,236
	0810	Executive Secretary II		24,060	
	0303	Administrative Assistant III			24,060
DEPARTMENT OF REVENUE - 29-2005					
Personnel and Technical Services - 3025					
58	0214	Managing Deputy Director- Revenue	1	\$65,000	\$

100 - Corporate Fund

Page	Code	Department and Item	No.	Strike Amount	Insert No.	Amount
Administrative Adjudication - 3027						
63	1175	Senior Operations Analysts	1	33,888		
	1141	Principal Operations Research Analyst	1	32,244		
		Less Turnover		396,579		329,935
DEPARTMENT OF HEALTH - 41-1005						
Employee Health Services - 3115						
102	0836	Senior Typist	1	\$12,852	1	\$16,296
	0403	Senior Clerk	1	11,664	1	17,988
114		Turnover		1,331,645		1,341,413
CONSUMER SERVICES - 71-1005						
Administration - 3005						
188	0308	Staff Assistant	1	32,244	1	33,888
191		Less Turnover		411,218		412,862
DEPARTMENT OF STREETS AND SANITATION - 81-1035						
Bureau of Forestry, Parkways and Beautification Operations-Protections and Maintenance of Tree Foliage - 3205						
222	7975	District Tree Foreman	1	\$26,556	3	\$26,556
	7973	Tree Trimmer II	46	11.49H	50	11.49H
	7972	Tree Trimmer I	59	10.76H	61	10.76H
223		Less Turnover		119,824		310,594

300 - Vehicle Tax Fund

Page	Code	Department and Item	No.	Strike Amount	Insert No. Amount
DEPARTMENT OF STREETS AND SANITATION					
Bureau of Forestry, Parkways and Beautification Operations - 3210					
304	9530	Park Laborer	19	\$9.24H	20 \$9.24H
		Less Turnover		152,882	171,732

SECTION 2. This ordinance shall be in full force and effect from and after its adoption, approved by the Mayor and publication.

COMMITTEE ON CLAIMS AND LIABILITIES.

AUTHORITY GRANTED FOR PAYMENT OF MISCELLANEOUS REFUNDS, COMPENSATION FOR PROPERTY DAMAGE, ETC.

The Committee on Claims and Liabilities submitted a report recommending that the City Council pass a proposed order transmitted therewith, to authorize payments of miscellaneous claims.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 47.

Nays -- None.

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

Alderman Vrdolyak was excused from voting under the provisions of Rule 14 of the Council's Rules of Order.

The following is said order as passed:

Ordered, That the City Comptroller is authorized and directed to pay to the following named claimants the respective amounts set opposite their names, said amount to be paid in full and final settlement of each claim on the date and location by type of claim, with said amount to be charged to the activity and account specified as follows:

Damage to Vehicles.

*Department of Streets and Sanitation: Account No.
100.9112.934.*

Name and Address	Date and Location	Amount
Lynne M. Osborne 1355 Milwaukee Avenue Glenview, Illinois 60025	12/3/85 1203 North Clark Street	\$230.07
Daniel V. Counio/Costas Nicolaou 5215 South Troy Street Chicago, Illinois 60632	3/1/86 City Pound 5	900.00
Donna J. Bandstra 5334 Lindley Avenue, 102 Encino, California 91316	11/26/85 537 West Diversey Parkway	52.00
Michael A. DeBoard 540 Rambler Highland Park, Illinois 60635	5/12/86 Touhy and Clark	201.47
Anthony DeBoey 2144 North Lincoln Avenue Chicago, Illinois 60614	4/20/86 Rogers Street between Clark and Ridge	1,289.85
Patricia J. Flaherty 1446 West Thorndale Avenue Chicago, Illinois 60660	12/10/86 2172 West Bowler	737.00
Dean Peratsakis 1528 Pratt 108 Chicago, Illinois 60626	4/15/86 Pratt and Bosworth	224.95
Economy Fire Casualty Company/ Tony Trombetta 500 Economy Court Freeport, Illinois 61032	3/29/86 1444 North Stone	1,368.84
Dana Belohoubek 515 North Service Road	6/14/84 2130 North Lincoln West	219.00

11/13/86

REPORTS OF COMMITTEES

36941

Name and Address	Date and Location	Amount
Mississauga, Ontario, Canada L5A 1B3]		
Allstate Insurance Company Cl. 252 026088 2 FSR P.O. Box 1089 Morton Grove, Illinois 60053	3/7/85 132 East Chestnut Street	\$ 438.60
Allstate Insurance Company Cl. 1239689497 FSH P.O. Box 1089 Morton Grove, Illinois 60053	3/30/85 Goethe and Astor	374.32
Victor Pappas 2116 West Leland Avenue Chicago, Illinois 60625	8/8/85 350 North Clark Street	420.00
Kevin J. Sutton 9722 South Hoyne Avenue Chicago, Illinois 60643	2/4/86 1800 West 103rd Street	171.74
Joan D. Anderson 9047 South Dante Avenue Chicago, Illinois 60619	9/11/85 87th near Eggleston Avenue	390.40
Michael A. Nowaczyk 3837 South Union Avenue Chicago, Illinois 60609	12/6/84 1-55	1,087.57
James E. Wright 300 North State Street 5804 Chicago, Illinois 60610	3/16/86 330 East Chicago Avenue	239.00
Aetna Ins. Co./Lois Clay Cl. K 208 ACP/AR 4077437 SP 1020 31st Street P.O. Box 1512 Downers Grove, Illinois 60515	7/1/85 75th and State Street	375.29
Marcek Dube 1523 Irving Park Road Chicago, Illinois 60613	11/14/85 1612 West Irving Park Road	413.00
Michael DiFoggio Plbg. Co. 3428 South Parnell Avenue Chicago, Illinois 60616	12/6/85 35th and Lowe	1,184.38

Name and Address	Date and Location	Amount
Laurence A. Mesirov 2946 North Pine Grove Avenue Chicago, Illinois 60657	12/16/85 Ashland and Armitage	\$214.71
Juanita Van Allen 9118 South Drexel Avenue Chicago, Illinois 60619	5/13/86 9118 South Drexel Avenue	482.00
State Farm/Steve Rogers Cl. 13 2241 298 7900 North Milwaukee Avenue Chicago, Illinois 60648	11/24/85 1300 block of Dearborn	253.81
Larry Rosenthal 2327 West Farwell Avenue Chicago, Illinois 60645	4/7/86 7508 North Damen Avenue	440.50
State Farm/Lenore Pearson Cl. 13 8580 261 SUB 5676 South Archer Avenue Chicago, Illinois 60638	6/6/85 5003 North Mango Avenue	632.18
Gary M. Mazza 235 East 49th, 10E New York, New York 10017	6/30/86 Canal and Harrison Street	180.21
Romo Hernandez 3107 South Ridgeway Avenue Chicago, Illinois 60623	9/16/85 22nd and Wood Street	977.14
Autry Jones 5153 West End Avenue Chicago, Illinois 60644	11/11/85	308.00
State Farm Ins. Co. Cl. 13 8585 479 SUB 5676 South Archer Avenue Chicago, Illinois 60638	8/26/85 71st and Kedzie Avenue	444.89
Home Ins. Co. Cl. 311 A 946120 154 10 South Riverside Plaza Chicago, Illinois 60606	6/11/85 Clark and Wells Street	814.50
Phillip L. Williams 910 West Winona Street	12/15/85 5000 North Sheridan Road	115.01

11/13/86

REPORTS OF COMMITTEES

36943

Name and Address	Date and Location	Amount
Chicago, Illinois 60640		
Larry A. Rosenthal 2327 West Farwell Street Chicago, Illinois 60645	12/16/85 City Pound C	\$321.54
Patricia Wozniak 11151 South Homan Avenue Chicago, Illinois 60655	3/18/85 11143 South Homan Avenue	352.00
Fred E. Miller 113 Laurel Avenue Wilmington, Illinois 60481	6/20/85 39th and Iron	265.72
Levi E. Washington 9103 South Dobson Avenue Chicago, Illinois 60619	2/18/86 118 West Kinzie Street	295.99
Patricia A. Hopfner 4521 North Central Chicago, Illinois 60625	5/16/85 3509 North Montrose	880.48
Beth A. Stone 732 West Buckingham Place Chicago, Illinois 60657	12/19/85 Oak and Michigan	28.00
Leonard Williams 9243 Stony Island Avenue Chicago, Illinois 60617	10/8/85 9243 Stony Island Avenue	1,055.00
Leroy Abren 5724 South Carpenter Street Chicago, Illinois 60621	2/7/86 55th and Morgan	200.00
Khairi Mohammed 3517 West Sunnyside Avenue Chicago, Illinois 60625	2/12/86 Randolph and Columbus Drive	57.00
Jeanne Martin 53249 Bajer Lane South Bend, Indiana 46635	5/6/86 310 East Chicago Avenue	274.95
Jack J. Lordots 10025 West Irving Park Road Schiller Park, Illinois 60176	5/22/86 Fairbanks and Chicago Avenue	237.18
Kinnie Larkins	5/8/86	450.45

Name and Address	Date and Location	Amount
900 East 82nd Street Chicago, Illinois 60619]	1836 West Pershing Road	
Marilyn J. Selvaggio 10122 West Belden Melrose Park, Illinois 60164	5/7/86 600 Arlington	\$110.92
Ami Pullinski 525 Grove Evanston, Illinois 60201	4/5/86 6100 North Sheridan Road	425.68
David Adduci 1591 Hewes Street Crete, Illinois 60417	5/14/86 326 East West Water Street	159.50
Randall Wheeler 459 West 47th Street Chicago, Illinois 60609	5/27/86 City Pound C	532.00
John Totzke 2102 South 51st Avenue Cicero, Illinois 60650	11/28/85 Western Avenue	437.58
State Farm/Edward Stevens C1. 13 4052 178 2309 East Oakland Avenue Bloomington, Illinois 61709	4/20/86 North Avenue and Clark Street	507.17
Lauren F. Fey 5415 South Kilbourn Chicago, Illinois 60632	6/25/86 55th and Sawyer	277.29
Allstate Ins. Co./Michael Hudson C1. 270 9881754 Y17 8120 North Lehigh Box 1089 Morton Grove, Illinois 60053	5/17/86 64th and Pulaski Road	739.33
Al Stryck 1795 Brentwood Lane Wheaton, Illinois 60187	11/20/85 Randolph and Columbus Drive	50.00
State Farm/Jose Yanong C1. 138513 317 S UB 5676 South Archer Avenue Chicago, Illinois 60638	4/11/84 2200 West Thomas Street	471.68
Willie D. White	1/1/85	374.50

11/13/86

REPORTS OF COMMITTEES

36945

Name and Address	Date and Location	Amount
6529 South Sangamon Street Chicago, Illinois 60621	75th and Exchange Avenue	
State Farm/Robert C. Reeve C1. 13 8550 848 S UB 5676 South Archer Avenue Chicago, Illinois 60636	1/10/85 1112 North Homan Avenue	\$481.39
Kathy Navarro 3530 South Laramie Avenue 2nd floor Chicago, Illinois 60650	10/11/85 36th and Cicero Avenue	1,217.84
David Wasserstein 1116 South Thomas Street Forest Park, Illinois 60130	5/1/86 City Pound C	43.11
Frank Padour 9948 South Western Avenue Chicago, Illinois 60643	5/19/84 10300 South Troy Street	856.71
Frank Padour 9948 South Western Avenue Chicago, Illinois 60643	1/20/86 3638 West 87th Street	373.20

Damage to Property.

*Department of Streets and Sanitation: Account No.
100.9112.934.*

Name and Address	Date and Location	Amount
Marie Vogt 2307 South Harvey Avenue Berwyn, Illinois 60402	1/4/85 4636 West Dickens Avenue	\$194.80
The Peoples Gas Light and Coke Co. 122 South Michigan Avenue Chicago, Illinois 60603	12/11/85 1215 West 31st Place	1,380.49
The Peoples Gas Light and Coke Co. 122 South Michigan Avenue Chicago, Illinois 60603	10/14/85 1710 South Union Avenue	1,184.61
Mary Tracy 3344 West 111th Street Chicago, Illinois 60655	7/1/86 3344 West 111th Street	508.25

Damage to Vehicles.

*Department of Streets and Sanitation
(Bureau of Forestry): Account No. 100.9112.934.*

Name and Address	Date and Location	Amount
Albert Drozdowski 2517 West Lunt Avenue Chicago, Illinois 60645	5/4/86 2517 West Lunt Avenue	\$785.00
Allstate Ins. Co/Anthony Pluta, Cl. 022300 595 8120 North Lehigh, Suite 103 Morton Grove, Illinois 60053	2/13/86 1605 South Washtenaw Avenue	595.53
Underwriters Adj./Patricia Sowinski, Cl.002-2Y7565 200 South Wacker Drive Chicago, Illinois 60606	3/5/86 1716 North Washtenaw Avenue	606.50
Chester J. Dombek, Jr. 5855 North Melvina Avenue Chicago, Illinois 60646	4/27/86 5855 North Melvina Avenue	628.75
Shirley A. Reynolds 1919 West 88th Street Chicago, Illinois 60620	11/22/85 7100 South Dobson Avenue	190.00

Damage to Property.

*Department of Streets and Sanitation
(Bureau of Forestry): Account No. 100.9112.934.*

Name and Address	Date and Location	Amount
Delores Salazar 2345 South Hamlin Avenue Chicago, Illinois 60623	3/12/86 2345 South Hamlin Avenue	\$638.60
Tyler Strickland 1518 South Drake Street Chicago, Illinois 60623	4/3/86 1518 South Drake Street	23.49

11/13/86

REPORTS OF COMMITTEES

36947

Name and Address	Date and Location	Amount
Lake Parking Corp. 200 East Randolph Drive No. 5560 Chicago, Illinois 60601	4/16/86 4800 South Cornell Avenue	\$275.00
Mike Ristev 4908 West Sherwin Skokie, Illinois 60077	4/9/86 722 West Diversey	110.00
Lucille C. Rauch 1633 West Gregory Street Chicago, Illinois 60640	5/1/86 1633 West Gregory Street	150.00
Marcia Jackson 10890 South Prospect Avenue Chicago, Illinois 60643	5/84 10890 South Prospect Avenue	998.00
Arnold Jensen 2141 West Berwyn Avenue Chicago, Illinois 60625	6/16/86 2141 West Berwyn Avenue	181.80

*Damage to Vehicles.**Department of Police: Account No. 100.9112.934.*

Name and Address	Date and Location	Amount
Allstate/Michael Froman Westmoreland Bldg. 9933 Lawler Avenue 322 Skokie, Illinois 60077	10/4/85 7804 South Stony Island Avenue	\$581.42
Allstate/Hyde Park Video P.O. Box 127, Cl.252 0392578 Skokie, Illinois 60077	12/12/85 1602 East 55th	445.35
Allstate/Fletcher Johnson Cl.1838843982 P.O. Box 1089 Morton Grove, Illinois 60053	4/1/85 2800 South California Avenue	1,087.28
Kenneth Kavana 714 Briar Place Chicago, Illinois 60657	3/29/86 City Pound C	1,074.35
Allstate/Josephine Alegeo Cl.2709831429FS H	2/26/86 55th and St. Louis	481.66

Name and Address	Date and Location	Amount
P.O. Box 1089 Morton Grove, Illinois 60053]		
Susan E. Borton 633 West 25th Place 1st floor Chicago, Illinois 60616	4/28/86 35th and Lowe	\$918.10
Debbie Fleming 313 North Menard Avenue Chicago, Illinois 60644	2/25/86 City Pound 5	950.00
Carl Preissler 2332 Desplaines Street Blue Island, Illinois 60406	4/7/86 300 East Randolph Street	281.05
Bulmaro Huicochea 4527 North Ashland Avenue Chicago, Illinois 60640	3/5/86 4548 North Ashland Avenue	785.00
Chicago Acceptance Corp. Arlene White 3100 West Peterson Avenue Chicago, Illinois 60659	7/3/86 4615 West Division Street	469.00
Deora Wroten 5408 South Drexel Boulevard Chicago, Illinois 60615	1/24/86 63rd and Cottage Grove Avenue	434.44
State Farm/Charlotte Roberts Cl.13 8580 025 SUB 5676 South Archer Avenue Chicago, Illinois 60638	6/2/85 66th and Sangamon Street	613.67
John R. Rimicci 7249 West Howard Street Chicago, Illinois 60648	5/5/86 1122 Holden Court	385.64
Underwriters Adj. Co./ Thomas Walsh Cl. 56P09770344 200 Wacker Drive, 15th Floor Chicago, Illinois 60606	8/20/85 Illinois and Seneca	1,257.25

11/13/86

REPORTS OF COMMITTEES

36949

Name and Address	Date and Location	Amount
West Bend Mutual Joseph A. Plomin, PAC5059012/GF 1115 South Main Street West Bend, Indiana 53095	1/28/86 1921 West Diversey Avenue	\$367.70
William Bell 1000 North Central Avenue Chicago, Illinois 60651	5/12/86 5317 West Augusta Boulevard	792.00
Fireman's Fund/Stanley Jugovich B460 A 491452 1701 Golf Road Rolling Meadows, Illinois 60008	9/22/85 55th and Austin Avenue	870.63
Michael B. Hanses 1432 Bonnie Brae Place River Forest, Illinois 60305	1/29/86 Augusta and Pulaski	1,191.25
Alan S. Kornman 1614 North North Park, 2F Chicago, Illinois 60614	7/12/86 City Pound C	390.51
Richard L. Penkava 3428 South Maple Avenue Berwyn, Illinois 60402	6/2/86 LaSalle and Madison Street	364.00
Bruce D. Brattain 6028 North Carrollton Indianapolis, Indiana 46220	7/5/86 State and Division	135.72
Craig M. Coleman 510 Bailey, 201 Naperville, Illinois 60565	3/11/86 City Pound 7	223.00
Susan V. Carlson 22125 Ridgeway Avenue Richton Park, Illinois 60471	3/31/86 East Marine Drive and Buena	1,060.00
Paula J. Green 6548 South Sangamon Street Chicago, Illinois 60621	6/12/86 320 North Clark Street	75.15

Name and Address	Date and Location	Amount
Bernie Radfar 16264 Prince Drive South Holland, Illinois 60473	5/7/86 Sheridan and Chicago Avenue	\$246.44
State Farm/Gerald Flowers Cl. 13 5026 892 Illinois Office 5680 South Archer Avenue Chicago, Illinois 61709	4/14/86 Laramie and Fullerton	596.44
Nollie Kennedy 4906 South Washington Park Court Chicago, Illinois 60615	9/16/80 6813 South Stony Island Avenue	862.33
Fernando Velazquez 2522 North Newland Avenue Chicago, Illinois 60635	3/31/85 Pratt and Ravenswood	1,150.61

Damage to Property.

Department of Police: Account No. 100.9112.934.

Name and Address	Date and Location	Amount
Robert E. Green 4834 South Drexel Boulevard Chicago, Illinois 60615	8/26/84 8658 South Lafayette Avenue	\$287.55
Stanley Jarczyk 7107 West Agatite Avenue Norridge, Illinois 60656	2/20/86 2203 North Mobile Avenue	248.00
Annie Washington 2057 West Pierce Avenue, 2B Chicago, Illinois	12/26/85 2057 West Pierce Avenue	325.00
Mary Ann Lewis 1016 West Balmoral, 309 E Chicago, Illinois 60640	5/13/86 11th and State Street	139.05
Unigard Ins. Co./ Jesus Martinez 2712 West 16th Street Chicago, Illinois 60608	12/16/85 2712 West 16th Street	362.50

11/13/86

REPORTS OF COMMITTEES

36951

Name and Address	Date and Location	Amount
Lou Weeden 5126 West Madison Street Chicago, Illinois 60644	4/25/86 5126 West Madison Street	\$1,060.00
Marion Warren 253 West 103rd Street Chicago, Illinois 60628	2/26/86 11th and State Street	201.29
Prudential Ins. Co. John Howard P.O. Box 441 Oakbrook, Illinois 60521	5/25/86 1505 West Grace Street	1,559.50

*Damage to Vehicles.**Department of Sewers: Account No. 314.9112.934.*

Name and Address	Date and Location	Amount
Forest D. Heard, Jr. 7301 South Marshfield Avenue Chicago, Illinois 60636	3/7/86 1250 West 87th Street	\$729.85
State Farm Cl. 13 8584 372 5676 South Archer Avenue Chicago, Illinois 60638	7/23/85 Clark and Arlington Streets	647.34
Robert A. Kraft 3818 North Sawyer Avenue Chicago, Illinois 60618	4/8/86 6300 West Rosemont Avenue	400.00
Jones and Cleary Sheet Metal/ Mr. Edward R. Rozek 6838 South Chicago Avenue Chicago, Illinois 60637	8/8/84 South Chicago Hospital	289.95

*Damage to Property.**Department of Sewers: Account No. 314.9112.934.*

Name and Address	Date and Location	Amount
The Peoples Gas Light and Coke Co. 122 South Michigan Avenue Chicago, Illinois 60603	2/15/86 6712 North Avondale Avenue	\$1,404.96

Name and Address	Date and Location	Amount
The Peoples Gas Light and Coke Co. 122 South Michigan Avenue Chicago, Illinois 60603	4/15/86 1234 West 77th Street	\$459.46
Robert L. Kimsel 4253 North Monticello Avenue Chicago, Illinois 60618	5/20/86 4253 North Monticello Avenue	1,350.00

*Damage to Vehicle.**Department of Water: Account No. 200.9112.934.*

Name and Address	Date and Location	Amount
Joseph A. DeLopez 6578 North Oliphant Avenue Chicago, Illinois 60631	3/13/86 6401 North Ozanam Avenue	\$589.92

*Damage to Property.**Department of Water: Account No. 200.9112.934.*

Name and Address	Date and Location	Amount
The Peoples Gas Light and Coke Co. Cl. 86-0-23 122 South Michigan Avenue Chicago, Illinois 60603	10/11/85 5317 South Wolcott	\$903.86
The Peoples Gas Light and Coke Co. Cl. 86-0-27 122 South Michigan Avenue Chicago, Illinois 60603	11/19/85 5600 South Western Avenue	590.02
The Peoples Gas Light and Coke Co. Cl. 86-0-37 122 South Michigan Avenue Chicago, Illinois 60603	1/6/86 3064 North Central Park	1,124.76
Clemens Roothaan 5234 South University Avenue Chicago, Illinois 60615	2/25/86 5200 South University Avenue	40.00

11/13/86

REPORTS OF COMMITTEES

36953

Name and Address	Date and Location	Amount
Edith F. Johnson 6525 North Oliphant Avenue Chicago, Illinois 60631	12/23/85 6525 North Oliphant Avenue	\$200.00

*Damage to Vehicles:**Department of Fire: Account No. 100.9112.934.*

Name and Address	Date and Location	Amount
James N. McCann 2555 West 80th Place Chicago, Illinois 60652	12/6/85 2111 South Hamlin	\$709.00
Herlihy Mid-Continent Co. 411 South Wells Street Chicago, Illinois 60607	3/25/86 425 South Wells Street	138.00
Allstate Ins. Co./ Bruce and Judy Wade Cl. 2709864727 FSL 8120 North Lehigh, Suite 103 P.O. Box 1089 Morton Grove, Illinois 60053	4/24/86 2335 West 27th Street	1,451.39
Josephine P. Wyatt 727 West 60th Street, 1705 Chicago, Illinois 60637	5/15/86 55th and University Avenue	84.25

*Damage to Property:**Department of Public Works: Account No. 100.9112.934.*

Name and Address	Date and Location	Amount
George Barkhou 2847 West Berwyn Avenue Chicago, Illinois 60625	2/16/86 2847 West Berwyn Avenue	\$585.00

*Various Permit Refunds.**Department of Inspectional Services: Account No. 100.9112.934.*

Name and Address	Permit Number	Amount
Souto Sante 5311 South Pulaski Road	B-65565	\$311.50

Name and Address	Permit Number	Amount
Chicago, Illinois 60638]		
Henry J. Coyle 6339 South Kilpatrick Avenue Chicago, Illinois 60629	B-654378	\$305.70
Mr. Earl Broms/M. Ecker Co. 5374 North Elston Avenue Chicago, Illinois 60630	656439	514.25
Susan Kay Lovdjieff-Levin 1818 North Fremont Street Chicago, Illinois 60614	628859	414.75
Accord Electric Co. Inc. 811 Madison Street Oak Park, Illinois 60302	6490329	43.25

*Various License Refunds.**Department of Finance: Account No. 100.9112.934.*

Name and Address	License Number	Amount
Fischers' for Finer Foods 825 West Armitage Avenue Chicago, Illinois 60614	000885	\$120.00
Lucille Fuller 1651 West 63rd Street Chicago, Illinois 60636	647154	150.00
Jeri Raddatz c/o Christ Burmila 11930 South Western Avenue Suite 2D Blue Island, Illinois 60406	6064	200.00
George Pintilescu 2506 North Laramie Avenue Chicago, Illinois 60639	4938	150.00
Renee Sarelli 6034 South Kolin Avenue Chicago, Illinois 60629	4225	150.00
Pedro S. Zemora	16661	70.00

11/13/86

REPORTS OF COMMITTEES

36955

Name and Address	License Number	Amount
1834 South 59th Avenue Cicero, Illinois 60650		
Anthony Carazzo 2200 North Merrimac Avenue Chicago, Illinois 60639	5893	\$80.00
Virginia M. Driscoll 3407 North Tripp Avenue Chicago, Illinois 60641	07969686	7.00
Ed's Hardware 4124 West 47th Street Chicago, Illinois 60632	D3-586595	40.00
Ideal Beauty and Cosmetic Supply 2226 East 71st Street Chicago, Illinois 60649	002120	25.00
Nasu National Co., Inc. 2630 West Columbus Avenue Chicago, Illinois 60652	000748	60.00
Parkside Island, Inc. 3920 West Diversey Avenue Chicago, Illinois 60647	006625	836.00
Indira Patel 6053 West Belmont Avenue Chicago, Illinois 60634	002661	25.00
Kempsell Co. 6718 North Northwest Highway Chicago, Illinois 60631	001080	41.00
Joe Sanchez 5734 North Ridge Avenue Chicago, Illinois 60660	K105261	65.00
Trans Pacific Stores, Ltd./ Jane Sullivan 663 602 Park Point Drive 117 Golden, Colorado 80401	006915	80.00
A. Finkl and Sons Co/Otto E. Moll 2100 Southport Avenue Chicago, Illinois 60614	1291	220.00

Name and Address	License Number	Amount
L. R. B. Inc. 1714 West 47th Street Chicago, Illinois 60609	001698	\$150.00
Lube "N" Oil Exchange Ltd./ Ed Stoiber 1540 West Fullerton Avenue Chicago, Illinois 60614	000591	110.00
Reiters, Inc. 2460 West George Street Chicago, Illinois 60618	000100	36.00
T.W.B. Newsstand Corp. 400 South LaSalle Street Chicago, Illinois 60618	003415	75.00
Swami Enterprises/Jitendra C. Patel 1525 West Jarvis Avenue Chicago, Illinois 60626	004288	25.00
Alvin Motors 3308 North Sheffield Avenue Chicago, Illinois 60657	000178	150.00
Paul Freeman 4126 Russet Way Northbrook, Illinois 60062	15104	110.00
Walter Hudy 3720 South Wood Street Chicago, Illinois 60602	346219	10.00
Haroldine Spencer 225 West Randolph Street Chicago, Illinois 60606	000114	836.00
Peter B. Kupferberg 1450 West Polk Street Chicago, Illinois 60607	002791	15.00
Fred Stettner 3826 North Kedvale Avenue Chicago, Illinois 60641	P574978	50.00

;and

Be It Further Ordered, That the Commissioner of Water is authorized to decrease, the amount due by the amount set opposite the name of the claimant; on account of underground leaks and to charge same to Account No. 200.8220.935:

Name and Address	Location	Amount
Julio Salazar 1513 West Sunnyside Avenue Chicago, Illinois 60640	6/14/84 -- 4/18/85 1513 -- 1515 West Sunnyside Avenue	\$246.10
Fate McCullough 9340 South May Street Chicago, Illinois 60620	11/19/84 -- 7/1/85 3356 West Walnut Street	400.00
Mr. J. Tokarz 3103 North Monticello Avenue Chicago, Illinois 60618	6/21/85 -- 10/21/85 3103 North Monticello Avenue	400.00
Palace Gillespie 1232 South Lawndale Avenue Chicago, Illinois 60623	2/11/85 -- 4/17/85 1232 South Lawndale Avenue	565.00
Booker T. Rice 231 West Scott Street Chicago, Illinois 60610	9/6/85 -- 11/1/85 231 West Scott Street	108.00
Charles Curry 5050 West Madison Street Chicago, Illinois 60644	6/29/84 -- 9/20/84 5125 -- 5129 West Madison Street	211.24
Luis Gamboa 2637 South Kostner Avenue Chicago, Illinois 60623	5/13/85 -- 9/9/85 2637 South Kostner Avenue	359.90
Mr. and Mrs. J. Fallon 6755 North Caldwell Avenue Chicago, Illinois 60646	8/14/85 -- 10/17/85 6755 North Caldwell Avenue	102.73
Ms. Diane A. Conway 2033 North Albany Avenue Chicago, Illinois 60647	2/10/84 -- 4/13/84 2033 North Albany Avenue	313.66
Stamaglio Realty 1313 West Grand Avenue Chicago, Illinois 60622	10/4/85 -- 2/3/86 1463 West Chicago Avenue	194.26

Do Not Pass -- SUNDRY CLAIMS FOR VARIOUS REFUNDS,
VEHICULAR PROPERTY DAMAGE, PERSONAL
INJURY, ETC.

The Committee on Claims and Liabilities submitted the following report:

CHICAGO, November 13, 1986.

To the President and Members of the City Council:

Your Committee on Claims and Liabilities to which was referred on November 10, 1986 and subsequent sundry claims as follows:

August 7, 1985	S & G Buildings
July 17, 1985	Robert R. Griggas
September 11, 1985	Margie Powell
July 14, 1985	John M. Hogan
October 20, 1983	O'Connor & Schiff
August 5, 1983	Anthony J. Iuro
October 9, 1985	Leroy Lewis
October 9, 1985	Eric Muller
October 9, 1985	Antonio Ponce
November 6, 1985	L. Correa
November 6, 1985	Gladys Farr
November 6, 1985	Joel E. Gomez
November 6, 1985	Elizabeth Thompson
February 26, 1985	David A. Domel 13 2173 233
November 19, 1985	Vince Morrison
October 2, 1985	Willie Shaw
August 9, 1986	Fidel Hernandez
November 27, 1985	Michael Taylor
December 2, 1985	Kenneth Fenster
August 9, 1986	Michael Wheeler
December 30, 1985	Mitchell Weingart
August 9, 1986	Teninga Bergstrom
August 9, 1986	Katherine Smith
August 9, 1986	Gloria Sanatana
June 24, 1985	Palemon Salgado
May 22, 1985	S & S Buildings
December 27, 1985	Dawod Patel
January 17, 1985	Exie M. Moore

March 3, 1985	Larry D. Mitchell
October 10, 1985	Miguel Medina
August 13, 1983	Paula M. Lingo
December 23, 1985	James A. Sarelas
April 1, 1985	John Lee
October 11, 1985	Walter T. Poyer
January 17, 1986	Homer D. Abington, Sr.
October 8, 1985	Chris Durousseau
April 4, 1986	Martha Spila
September 8, 1985	State Farm/Patricia Henry
December 4, 1985	Walter S. Morton
February 3, 1986	Jesus Nava
September 27, 1985	Ukranian Publishing
January 17, 1985	J. Greco
January 28, 1985	Concepcion Solano
January 14, 1986	The Peoples Gas Light and Coke Co. File 86-0-29
January 22, 1985	Manuel Garcia
March 12, 1986	Manuel Mangum
November 22, 1985	Frank Repel
September 4, 1985	Phillip J. Rose
August 26, 1985	McHenry Whitfield
July 26, 1985	Utility Tool Works
November 12, 1985	Francisco Rivera
March 18, 1986	Anthony Liudzius
June 12, 1984	Mary Buchholz
January 17, 1986	Patrick J. Sierzega
March 2, 1984	Joseph Doczckalski
February 7, 1986	Mildred Weissman
April 7, 1986	Jerry Kolar
April 7, 1986	Concepcion Solano
April 14, 1986	Ukranian Publishing
December 15, 1985	Scott G. Wood
October 15, 1985	Edward Pollack
April 21, 1986	Steven D. Dyas
January 16, 1985	Aaron Lakin
March 31, 1986	Alden W. Oder
March 25, 1986	LaRonda M. White
April 21, 1986	Caritina Rosales

March 7, 1986	All American Mat
April 11, 1986	Jacqueline R. Crenshaw
March 25, 1986	Eileen M. Nyman
October 18, 1985	Hong D Yee Restaurant
March 18, 1986	The Peoples Gas Light and Coke Co. File 86-0-37
February 18, 1986	Lynn M. Halvorsen
April 5, 1985	Colleen Lyman
February 7, 1986	Laura L. Vera
June 2, 1986	Irene Fukuda-Scherping
June 4, 1986	Chesteen Andrews
June 25, 1986	Frank Anthony
January 18, 1985	Haydar H. Khamsei
August 2, 1985	Haydar H. Khamsei
June 11, 1986	Nundusa, Inc.
March 14, 1986	Anoosh Varda
April 25, 1986	Stanaislawia Bielanska
October 5, 1985	Allstate/Darlusz Gorska
April 15, 1986	Christine Gzrya
January 17, 1986	Charles and Beatrice Pounian
May 13, 1986	Sentry/Dairyland Ins. Co. Cl. 70A148426
June 3, 1986	Sentry/Dairyland Ins. Co.
May 29, 1986	Deborah Serritella
May 13, 1986	George Musambacine
June 10, 1986	Arturo Juarez
January 8, 1986	James and Sadie Linemulder
May 7, 1986	Allstate/Johnny Lee Cl. 2709875020
April 9, 1986	Francisco J. Aguirre
April 5, 1986	Western States Ins./Jimmy and Eileen Elliot
May 2, 1986	Pacini Real Estate
April 5, 1986	Jennifer Sutton
April 9, 1986	Kirk DeLise
May 25, 1986	Cedric Holmes
May 9, 1986	Patricia J. Schmitt
November 27, 1984	Underwriters/Carey Portman
April 2, 1986	Allstate/Joy Helper
June 20, 1986	Colleen A. Buck
March 21, 1986	Economy Fire and Cas./Diane Kernan

April 3, 1986	Susan M. Foreman
November 1, 1985	Sylvia Jagielski
July 22, 1986	Claude Mallory
March 3, 1986	Leonia M. May
April 26, 1984	Victor M. Morales
March 14, 1986	Joyce A. Newman
May 13, 1986	Mary F. Newton
October 25, 1984	Jesse Harris
February 14, 1986	Warrender Fluid Services
July 29, 1986	Mary P. Janka
October 5, 1985	Allstate/Stanslaw Gorska
	Cl. 1239796184 FSY
March 25, 1986	Aetna/Leslie Daugherty
July 19, 1986	Allstate/Michael Needham
April 26, 1984	Allstate/D & E Kern
June 19, 1984	George E. Oppong
July 16, 1984	Arco on the Ryan
May 20, 1985	Malko/Gibson Joint Venture
July 2, 1984	Rachel Blair
July 13, 1984	Lilia Rubio
March 11, 1983	Herbert Sanchez, Jr.
September 6, 1984	Lester V. Eddings
October 2, 1984	Henri A. Arnold
October 10, 1984	Alfred E. Webb
June 27, 1986	United Limousine Service
June 2, 1982	Providence Wash. Ins./Hanover Dev.
June 1, 1986	James Darrus
November 28, 1985	Lorette Van Riemsdyk
August 24, 1984	Allstate/Paul Cho
November 9, 1984	Cathedral of Love M.B.
November 20, 1984	William H. Jackson
October 9, 1984	Nouvelle Anee Thomas
October 9, 1985	Isom Walton
December 14, 1984	Barbara A. Onyeali
November 14, 1984	Vanessa Lane
August 20, 1986	Allstate/Robert M. Smith

having had the same under advisement begs leave to report and recommend that Your Honorable Body do not pass said claims for payment.

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

Respectfully submitted,
(Signed) WALLACE DAVIS, JR.,
Chairman.

On motion of Alderman W. Davis, the committee's recommendation was *Concurred In* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 47.

Nays -- None.

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

Alderman Vrdolyak was excused from voting under the provisions of Rule 14 of the Council's Rules of Order.

SUNDRY CLAIMS AUTHORIZED FOR CONDOMINIUM
REFUSE REBATES.

The Committee on Claims and Liabilities submitted the following report:

CHICAGO, November 13, 1986.

To the President and Members of the City Council:

Your Committee on Claims and Liabilities, to which was referred November 10, 1986, and subsequent sundry claims for condominium refuse rebates, having had the same under advisement begs leave to report and recommend that Your Honorable Body *Pass* the proposed order transmitted herewith.

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

Respectfully submitted,
(Signed) WALLACE DAVIS, JR.,
Chairman.

On motion of Alderman W. Davis, the committee's recommendation was *Concurred In* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 48.

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 pay the following named claimants the respective amounts set opposite their names, said amount to be paid in full, as follows, and charged to Account No. 100.9112.939:

[List of claimants are printed on pages 36964
through 36968 of this Journal.]

COMMITTEE ON LAND ACQUISITION, DISPOSITION AND LEASES.

PROPERTY ACQUISITION SETTLEMENT FOR HOWARD-DAN RYAN RAPID TRANSIT IMPROVEMENT.

The Committee on Land Acquisition, Disposition and Leases submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing payment for property located on the east side of Clark Street, approximately 246 feet south of 15th Street, said property necessary for the Howard-Dan Ryan Rapid Transit Improvement.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 44.

Nays -- None.

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

(Continued on page 36969)

CITY OF CHICAGO
COMMITTEE ON CLAIMS AND LIABILITY
REFUSE REBATE COUNCIL ORDERS--PASSED

MEETING DATE 11/13/86

CONDOMINIUM/ COOPERATIVE NAME	NO. OF ELIGIBLE UNITS	TYPE	AMOUNT OF REBATE	***** SPONSOR *****	
ADDISON HERITAGE CONDO. ASSN.	9	SEMI-ANNUAL	291.60	THOMAS W. CULLERTON	38
ARGYLE APT. BLDG. COOPERATIVE	24	SEMI-ANNUAL	717.00	MARION K. VOLINI	48
ARGYLE ESTATES CONDO. ASSN.	6	SEMI-ANNUAL	225.00	EUGENE C. SCHULTER	47
BALMORAL/KENMORE CONDO. ASSOC.	21	SEMI-ANNUAL	330.00	MARION K. VOLINI	48
BARRY AVENUE HOMES	12	SEMI-ANNUAL	450.00	BERNARD J. HANSEN	44
BELMONT CONDOMINIUM ASSN.	9	SEMI-ANNUAL	337.50	BERNARD J. HANSEN	44
BIRCHWOOD ON THE LAKE CONDO.	42	SEMI-ANNUAL	675.00	DAVID D. ORR	49
BRYN MAWR CONDOMINIUM ASSOC.	6	SEMI-ANNUAL	225.00	MARION K. VOLINI	48
CARL SANDBURG VILLAGE	566	SEMI-ANNUAL	7,990.00	BURTON F. NATARUS	42
CARL SANDBURG VILLAGE CONDO.	567	SEMI-ANNUAL	7,553.00	BURTON F. NATARUS	42
CARMEN PARK CONDO ASSN.	6	SEMI-ANNUAL	225.00	MARION K. VOLINI	48
CHAFFEL COURT CONDO ASSOC	12	SEMI-ANNUAL	450.00	LAWRENCE S. BLOOM	05
CHASE-ASHLAND CONDOMINIUM ASSN	6	SEMI-ANNUAL	225.00	DAVID D. ORR	49
CHASELAND CONDOMINIUM ASSOC.	27	SEMI-ANNUAL	522.00	DAVID D. ORR	49
CHATHAM PARK SOUTH COOPERATIVE	112	SEMI-ANNUAL	750.00	EUGENE SAWYER	06
CHIPPEWA APARTMENTS ASSN.	56	SEMI-ANNUAL	1,015.00	TIMOTHY C. EVANS	04
COLUMBIA ESTATES CONDOMINIUM	19	SEMI-ANNUAL	712.50	DAVID D. ORR	49
COLUMBIA HOMEOWNERS ASSOC.	6	SEMI-ANNUAL	225.00	DAVID D. ORR	49
COMMONWEALTH PLAZA CONDO. ASSN	361	SEMI-ANNUAL	5,711.00	BERNARD J. HANSEN	44
CORNELIA COURT CONDOMINIUM I	6	SEMI-ANNUAL	225.00	WILLIAM JP BANKS	36
DARIEN CONDOMINIUM ASSOCIATION	222	SEMI-ANNUAL	2,640.00	BERNARD J. HANSEN	44
EAST POINT CONDO	159	SEMI-ANNUAL	3,490.22	MARION K. VOLINI	48
EASTLAKE TERRACE CONDO. ASSN.	6	SEMI-ANNUAL	225.00	DAVID D. ORR	49
EDDYSTONE CONDOMINIUM HOMES,	80	SEMI-ANNUAL	2,277.00	BERNARD J. HANSEN	44
EDGEWATER BEACH APTS. CORP.	309	SEMI-ANNUAL	5,142.00	MARION K. VOLINI	48
EDISON PARK PLACE CONDOMINIUM	24	SEMI-ANNUAL	504.75	ROMAN PUCINSKI	41
EL LAGO CONDOMINIUM ASSOC.	269	SEMI-ANNUAL	1,149.00	MARION K. VOLINI	48
EVELYN LANE CONDOMINIUM	48	SEMI-ANNUAL	1,059.00	ROMAN PUCINSKI	41
FARWELL BEACH CONDO ASSOC.	31	SEMI-ANNUAL	396.00	DAVID D. ORR	49
FARWELL COURTS CONDOMINIUM	9	SEMI-ANNUAL	195.00	DAVID D. ORR	49
FARWELL ESTATES CONDO ASSOC.	26	SEMI-ANNUAL	693.00	DAVID D. ORR	49
FAULKNER HOUSE CONDOMINIUM	224	SEMI-ANNUAL	2,931.00	BURTON F. NATARUS	42
FIRST KENMORE ASSOCIATES CONDO	6	SEMI-ANNUAL	225.00	MARION K. VOLINI	48
FOUNTAIN VIEW CONDO ASSOC	30	SEMI-ANNUAL	540.00	BERNARD L. STONE	50
FOUNTAIN-VIEW CONDOMINIUM	18	SEMI-ANNUAL	592.50	ROMAN PUCINSKI	41
GASLIGHT VILLAGE CONDO ASSN.	81	SEMI-ANNUAL	2,310.00	BERNARD J. HANSEN	44
GLENMONT COURT CONDO. ASSN.	24	SEMI-ANNUAL	819.00	ROMAN PUCINSKI	41
GLENWOOD CONDO AND HEALTH CLUB	27	SEMI-ANNUAL	414.00	DAVID D. ORR	49
GLENWOOD HOMES CONDO ASSOC.	6	SEMI-ANNUAL	225.00	DAVID D. ORR	49
GRANVILLE TOWERS CONDO. ASSOC.	154	SEMI-ANNUAL	2,912.00	MARION K. VOLINI	48
GREENLAF CONDOMINIUM ASSN.	29	SEMI-ANNUAL	472.00	DAVID D. ORR	49
GREENVIEW CONDOMINIUM ASSN.	6	SEMI-ANNUAL	225.00	DAVID D. ORR	49
HERMITAGE MANOR COOPERATIVE	108	SEMI-ANNUAL	3,719.98	WALLACE DAVIS JR.	27
HIGGINS TERRACE CONDO ASSN.	8	SEMI-ANNUAL	300.00	ROMAN PUCINSKI	41
HOLLYWOOD TERRACE CONDO. ASSN.	58	SEMI-ANNUAL	936.00	MARION K. VOLINI	48

11/13/86

REPORTS OF COMMITTEES

36965

CITY OF CHICAGO
COMMITTEE ON CLAIMS AND LIABILITY
REFUSE REBATE COUNCIL ORDERS--PASSED

MEETING DATE 11/13/86

CONDOMINIUM/ COOPERATIVE NAME	NO. OF ELIGIBLE UNITS	TYPE	AMOUNT OF REBATE	***** SPONSOR *****	
HOLLYWOOD TOWERS CONDO ASSOC.	540	SEMI-ANNUAL	1,440.00	MARION K. VOLINI	48
HORIZON HOUSE CONDO. ASSOC	110	SEMI-ANNUAL	4,125.00	MARION K. VOLINI	48
KEDVALE TERRACE CONDOMINIUM	18	SEMI-ANNUAL	513.00	GERALD M. MCLAUGHLIN	45
KENMORE CONDO. ASSN., INC.	6	SEMI-ANNUAL	225.00	DAVID D. ORR	49
LAKE MANOR APT. BLDG. CORP.	28	SEMI-ANNUAL	537.00	DAVID D. ORR	49
LAKE SHORE DRIVE HOMEOWNERS	76	SEMI-ANNUAL	2,030.00	BURTON F. NATARUS	42
LABALLE TERRACE CONDO ASSOC.	141	SEMI-ANNUAL	3,040.55	BURTON F. NATARUS	42
LELAND COURT CONDOMINIUM ASSN.	9	SEMI-ANNUAL	337.50	EUGENE C. SCHULTER	47
LIFESTYLE 2 CONDOMINIUM	6	SEMI-ANNUAL	225.00	DAVID D. ORR	49
LONDON TOWNE HOUSES	803	SEMI-ANNUAL	20,400.00	MARIAN HUMES	08
LOWELL HOUSE CONDO ASSOC.	252	SEMI-ANNUAL	3,630.00	BURTON F. NATARUS	42
MALIBU EAST CONDO. ASSOCIATION	498	SEMI-ANNUAL	5,890.00	MARION K. VOLINI	48
NORTH DAMEN SQUARE CONDO ASSOC	38	SEMI-ANNUAL	911.00	BERNARD L. STONE	50
NORTH SHORE AVE. CONDO. ASSN.	7	SEMI-ANNUAL	262.50	DAVID D. ORR	49
NOTTINGHAM MANOR CONDO ASSOC.	8	SEMI-ANNUAL	264.00	WILLIAM JP BANKS	36
OLCOTT VISTA CONDO ASSOC	9	SEMI-ANNUAL	226.50	WILLIAM JP BANKS	36
ONE EAST SCOTT CONDO. ASSOC.	240	SEMI-ANNUAL	2,372.00	BURTON F. NATARUS	42
PARK PLACE CONDO. ASSN.	6	SEMI-ANNUAL	225.00	MARION K. VOLINI	48
PARKER II CONDOMINIUM ASSOC.	12	SEMI-ANNUAL	262.00	ROMAN PUCINSKI	41
PRUITT CONDOMINIUM ASSOCIATION	8	SEMI-ANNUAL	297.00	TIMOTHY C. EVANS	04
PYRAMID CONDO. ASSOCIATION	47	SEMI-ANNUAL	501.00	MARION K. VOLINI	48
RENAISSANCE	32	SEMI-ANNUAL	1,193.80	MARION K. VOLINI	48
RIDGE PARK CONDO. ASSN.	21	SEMI-ANNUAL	672.00	BERNARD L. STONE	50
RIVIERA CONDOMINIUM	18	SEMI-ANNUAL	636.00	DAVID D. ORR	49
SAXONY COURT CONDOMINIUM	25	SEMI-ANNUAL	730.00	EUGENE C. SCHULTER	47
SHENANDOAH CONDO ASSOC INC	9	SEMI-ANNUAL	337.50	ROMAN PUCINSKI	41
SHORE MANOR CONDOMINIUM	89	SEMI-ANNUAL	1,395.00	MARION K. VOLINI	48
SHORELINE TOWERS CONDOMINIUM	377	SEMI-ANNUAL	5,100.00	DAVID D. ORR	49
STANFORD COURTS HOMEOWNERS	80	SEMI-ANNUAL	964.00	BERNARD L. STONE	50
STONE TERRACE CONDO ASSOC.	10	SEMI-ANNUAL	375.00	BERNARD L. STONE	50
THE BARRY CONDOMINIUM	65	SEMI-ANNUAL	2,437.50	BERNARD J. HANSEN	44
THE DRAKE TOWER APTS., INC.	68	SEMI-ANNUAL	1,324.00	BURTON F. NATARUS	42
THE EDISONAIRE CONDOMINIUMS	8	SEMI-ANNUAL	282.00	ROMAN PUCINSKI	41
THE PARKSHORE ASSOCIATED	116	SEMI-ANNUAL	2,460.00	LAWRENCE S BLOOM	05
THE RUSKIN APARTMENTS, INC.	15	SEMI-ANNUAL	414.00	LAWRENCE S BLOOM	05
THE TOWERS CONDOMINIUM ASSOC.	198	SEMI-ANNUAL	2,730.00	BURTON F. NATARUS	42
THE WELLINGTON CONDOMINIUM	106	SEMI-ANNUAL	2,182.80	BERNARD J. HANSEN	44
THE 400 CONDOMINIUM ASSOC	940	SEMI-ANNUAL	4,092.00	FRED B. ROTI	01
THIRTY EAST ELM CONDO ASSOC.	123	SEMI-ANNUAL	538.00	BURTON F. NATARUS	42
THORNDALE BEACH SOUTH CONDO	226	SEMI-ANNUAL	3,840.00	MARION K. VOLINI	48
THORNDALE CONDOMINIUM ASSOC.	6	SEMI-ANNUAL	225.00	MARION K. VOLINI	48
TWO EAST OAK CONDO ASSOC.	299	SEMI-ANNUAL	3,000.00	BURTON F. NATARUS	42
TWO HUNDRED NINE LAKE SHORE	54	SEMI-ANNUAL	1,871.10	BURTON F. NATARUS	42
WAVELAND COURTS CONDO ASSOC.	50	SEMI-ANNUAL	900.00	JEROME M. ORBACH	46
WINDSOR WEST CONDO ASSOC.	36	SEMI-ANNUAL	852.00	GERALD M. MCLAUGHLIN	45

CITY OF CHICAGO
COMMITTEE ON CLAIMS AND LIABILITY
REFUSE REBATE COUNCIL ORDERS--PASSED

MEETING DATE 11/13/86

CONDOMINIUM/ COOPERATIVE NAME	NO. OF ELIGIBLE UNITS	TYPE	AMOUNT OF REBATE	***** SPONSOR *****	
100 E. WALTON CONDO ASSOC.	248	SEMI-ANNUAL	2,953.00	BURTON F. NATARUS	42
1120 LAKE SHORE DRIVE BUILDING	61	SEMI-ANNUAL	1,752.00	BURTON F. NATARUS	42
1134-36 W. FARMWELL CONDO ASSOC	6	SEMI-ANNUAL	225.00	DAVID D. ORR	49
1150 CONDOMINIUM ASSOCIATION	247	SEMI-ANNUAL	1,122.00	BURTON F. NATARUS	42
1209 ASTOR BUILDING CORP.	30	SEMI-ANNUAL	945.00	BURTON F. NATARUS	42
1300 LAKE SHORE DRIVE CONDO	150	SEMI-ANNUAL	2,182.20	BERNARD L. STONE	50
1319-21 W. ARDMORE CONDO. ASSO	6	SEMI-ANNUAL	225.00	MARION K. VOLINI	48
1330 N. LAGALLE STREET CONDO.	26	SEMI-ANNUAL	920.00	BURTON F. NATARUS	42
1400-12 E. 56TH ST. CONDO. ASSOC	18	SEMI-ANNUAL	588.00	LAWRENCE B BLOOM	05
1516 N. STATE PARKWAY CONDO	65	SEMI-ANNUAL	760.20	BURTON F. NATARUS	42
1530 N. DEARBORN CONDO. ASSN.	50	SEMI-ANNUAL	1,480.00	BURTON F. NATARUS	42
1531-33 W. THORNDALE CORP.	7	SEMI-ANNUAL	262.50	MARION K. VOLINI	48
1629-31 WEST FARGO CONDO. CORP	6	SEMI-ANNUAL	225.00	DAVID D. ORR	49
175 E. DELAWARE PL. HOMEOWNERS	703	SEMI-ANNUAL	15,325.98	BURTON F. NATARUS	42
180 EAST PEARSON HOMEOWNERS	260	SEMI-ANNUAL	9,750.00	BURTON F. NATARUS	42
20 EAST CEDAR CONDO ASSOC.	48	SEMI-ANNUAL	1,800.00	BURTON F. NATARUS	42
200 E. DELAWARE CONDO ASSOC.	188	SEMI-ANNUAL	4,020.00	BURTON F. NATARUS	42
201 E. CHESTNUT CONDO ASSOC.	128	SEMI-ANNUAL	2,979.35	BURTON F. NATARUS	42
2024-34 EAST 72ND PLACE ASSOC	18	SEMI-ANNUAL	516.00	LAWRENCE B BLOOM	05
2038-48 E. 72ND PLACE CONDO	18	SEMI-ANNUAL	348.00	LAWRENCE B BLOOM	05
21 E. CHESTNUT CONDO ASSOC.	161	SEMI-ANNUAL	1,920.00	BURTON F. NATARUS	42
220 E/ WALTON CONDO. ASSN.	19	SEMI-ANNUAL	712.50	BURTON F. NATARUS	42
227-237 EAST DELAWARE PL. CORP	44	SEMI-ANNUAL	1,650.00	BURTON F. NATARUS	42
2318-26 NORTH SHEFFIELD CONDO.	34	SEMI-ANNUAL	1,275.00	MARTIN J. OBERMAN	43
247 E. CHESTNUT CONDO ASSOC	88	SEMI-ANNUAL	1,632.50	BURTON F. NATARUS	42
2909 N. SHERIDAN ROAD CONDO.	223	SEMI-ANNUAL	2,520.00	BERNARD J. HANSEN	44
2912 CONDOMINIUM ASSOCIATION	26	SEMI-ANNUAL	975.00	BERNARD J. HANSEN	44
2970 LAKE SHORE DRIVE CONDO.	106	SEMI-ANNUAL	2,100.00	BERNARD J. HANSEN	44
30 E. DIVISION CONDO ASSOC.	70	SEMI-ANNUAL	1,200.00	BURTON F. NATARUS	42
3018-20 NORTH SHERIDAN ROAD	9	SEMI-ANNUAL	337.50	BERNARD J. HANSEN	44
3110 N. SHERIDAN ROAD CONDO.	109	SEMI-ANNUAL	2,690.00	BERNARD J. HANSEN	44
3150 CONDOMINIUM	204	SEMI-ANNUAL	1,534.00	BERNARD J. HANSEN	44
3150 N. ODELL CONDO ASSOC.	9	SEMI-ANNUAL	270.00	WILLIAM JP BANKS	36
3150 NORTH SHERIDAN ROAD CONDO	106	SEMI-ANNUAL	2,168.94	BERNARD J. HANSEN	44
3180 CONDOMINIUM ASSOCIATION	174	SEMI-ANNUAL	3,012.00	BERNARD J. HANSEN	44
320 OAKDALE CONDOMINIUM	57	SEMI-ANNUAL	2,137.50	BERNARD J. HANSEN	44
3300 N. LAKE SHORE DRIVE CONDO	85	SEMI-ANNUAL	2,581.12	BERNARD J. HANSEN	44
3314 CONDOMINIUM ASSOCIATION	30	SEMI-ANNUAL	580.13	BERNARD J. HANSEN	44
336 WELLINGTON CONDO. ASSN.	120	SEMI-ANNUAL	2,400.00	BERNARD J. HANSEN	44
3440 LAKE SHORE DRIVE CONDO.	218	SEMI-ANNUAL	2,778.00	BERNARD J. HANSEN	44
3470 N. LAKE SHORE DRIVE CONDO	63	SEMI-ANNUAL	1,260.00	BERNARD J. HANSEN	44
3821 N. NARRAGANSETT CONDO.	9	SEMI-ANNUAL	276.00	THOMAS W. CULLERTON	38
40 EAST CEDAR CONDO ASSOC.	75	SEMI-ANNUAL	1,620.00	BURTON F. NATARUS	42
420 ALDINE CONDO. ASSN.	80	SEMI-ANNUAL	720.00	BERNARD J. HANSEN	44
433 W. WELLINGTON CONDO ASSN.	8	SEMI-ANNUAL	300.00	BERNARD J. HANSEN	44

CITY OF CHICAGO
COMMITTEE ON CLAIMS AND LIABILITY
REFUSE REBATE COUNCIL ORDERS--PASSED

MEETING DATE 11/13/86

CONDOMINIUM/ COOPERATIVE NAME	NO. OF ELIGIBLE UNITS	TYPE	AMOUNT OF REBATE	***** SPONSOR *****	
438-448 SURF CONDOMINIUM	45	SEMI-ANNUAL	670.97	BERNARD J. HANSEN	44
442 WELLINGTON COOPERATIVE	24	SEMI-ANNUAL	900.00	BERNARD J. HANSEN	44
460 W. BARRY CONDO. ASSN.	6	SEMI-ANNUAL	225.00	BERNARD J. HANSEN	44
4900 MARINE DRIVE CONDO. ASSN.	82	SEMI-ANNUAL	1,209.70	MARION K. VOLINI	48
4950 POWHATAN BUILDING CORP.	40	SEMI-ANNUAL	490.00	TIMOTHY C. EVANS	04
5040-60 MARINE DRIVE CONDO.	203	SEMI-ANNUAL	3,199.00	MARION K. VOLINI	48
5100 HYDE PARK CONDOMINIUM	56	SEMI-ANNUAL	1,254.00	TIMOTHY C. EVANS	04
5100 MARINE DRIVE CONDOMINIUM	300	SEMI-ANNUAL	2,640.00	MARION K. VOLINI	48
511 WEST MELROSE CONDO ASSC	53	SEMI-ANNUAL	1,254.00	BERNARD J. HANSEN	44
5241 N. EAST RIVER RD. CONDO	9	SEMI-ANNUAL	264.00	ROMAN PUCINSKI	41
535 N. MICHIGAN AVE CONDO ASSO	464	SEMI-ANNUAL	9,680.00	BURTON F. NATARUS	42
5445 EDGEWATER PLAZA CONDO.	466	SEMI-ANNUAL	5,354.46	MARION K. VOLINI	48
5445 N. NENMORE HOMEOWNERS ASC	6	SEMI-ANNUAL	225.00	MARION K. VOLINI	48
5455 EDGEWATER PLAZA CONDO	465	SEMI-ANNUAL	1,606.75	MARION K. VOLINI	48
560 ROSCOE BUILDING CONDO.ASSN	6	SEMI-ANNUAL	225.00	BERNARD J. HANSEN	44
5711-15 BLACKSTONE AVENUE CORP	6	SEMI-ANNUAL	225.00	LAWRENCE S BLOOM	05
5757 N. SHERIDAN RD. CONDO.	171	SEMI-ANNUAL	825.00	MARION K. VOLINI	48
607 W. BUCKINGHAM PLACE CONDO	6	SEMI-ANNUAL	225.00	BERNARD J. HANSEN	44
609 WEST STRATFORD CONDOMINIUM	30	SEMI-ANNUAL	1,125.00	BERNARD J. HANSEN	44
6118 N. SHERIDAN ROAD CONDO.	114	SEMI-ANNUAL	1,890.00	MARION K. VOLINI	48
6217-19 MAGNOLIA ASSN.	6	SEMI-ANNUAL	225.00	DAVID D. ORR	49
6247-49 N. GLENWOOD CONDO.ASSN	6	SEMI-ANNUAL	225.00	MARION K. VOLINI	48
6251-53 N. GLENWOOD CONDO	6	SEMI-ANNUAL	225.00	MARION K. VOLINI	48
6300 SHERIDAN ROAD CONDO ASSOC	126	SEMI-ANNUAL	1,419.00	DAVID D. ORR	49
6830-32 PAXTON CONDOMINIUM	6	SEMI-ANNUAL	225.00	LAWRENCE S BLOOM	05
70 EAST CEDAR STREET CORP.	30	SEMI-ANNUAL	858.00	BURTON F. NATARUS	42
73 EAST ELM CONDO ASSOC.	48	SEMI-ANNUAL	810.00	BURTON F. NATARUS	42
76-82 E. ELM CONDO ASSOC	18	SEMI-ANNUAL	547.00	BURTON F. NATARUS	42
7901-11 ELLIS CONDOMINIUM	18	SEMI-ANNUAL	462.00	MARIAN HUMES	08
801-03 EAST 87TH PLACE CONDO	9	SEMI-ANNUAL	300.00	MARIAN HUMES	08
833-35 BUCKINGHAM CONDO.ASSN.	8	SEMI-ANNUAL	300.00	BERNARD J. HANSEN	44
850 DE WITT CONDOMINIUM ASSN.	216	SEMI-ANNUAL	1,200.00	BURTON F. NATARUS	42
8734 W. SUMMERDALE CONDOMINIUM	6	SEMI-ANNUAL	225.00	ROMAN PUCINSKI	41
900-10 LAKE SHORE DRIVE CONDO	524	SEMI-ANNUAL	7,782.00	BURTON F. NATARUS	42
912-14 MARGATE TERR. CONDO.	6	SEMI-ANNUAL	225.00	MARION K. VOLINI	48
914 WAVELAND CONDO. ASSOC.	15	SEMI-ANNUAL	509.76	JEROME M. ORBACH	46
925-29 MARGATE TERRACE CONDO.	7	SEMI-ANNUAL	262.50	MARION K. VOLINI	48
990 N. LAKE SHORE DR. HOMEOWN	145	SEMI-ANNUAL	3,854.65	BURTON F. NATARUS	42

CITY OF CHICAGO
COMMITTEE ON CLAIMS AND LIABILITY
REFUSE REBATE COUNCIL ORDERS--PASSED

MEETING DATE 11/13/86

CONDOMINIUM/
COOPERATIVE
NAME

NO. OF
ELIGIBLE
UNITS

TYPE

AMOUNT OF
REBATE

***** SPONSOR *****

** GRAND TOTAL AMOUNT **

290,085.01

** GRAND TOTAL NUMBER ** 173

(Continued from page 36963)

The following is said ordinance as passed:

WHEREAS, On April 13, 1984, Council Journal pages 6059 to and including 6068, the City Council of the City of Chicago ordained that it is useful, desirable and necessary to the City of Chicago that said City acquire property for the Howard-Dan Ryan Rapid Transit Improvement, payment for said property to be made from Fund 051-6210-869; and

WHEREAS, Parcels 17 and 17TE are located on the east side of Clark Street approximately 246 feet south of 15th Street and legally described as stated in Exhibit A, which is attached hereto and incorporated by reference herein; and

WHEREAS, The owner of the property is the Atchison, Topeka and Santa Fe Railway Company; and

WHEREAS, The Commissioner of Public Works was by said ordinance authorized to negotiate for the acquisition of this parcel; and

WHEREAS, An agreement had been made with the owner of Parcels 17 and 17TE for the acquiring of said parcels for the sum of \$41,700.00; and

WHEREAS, Upon such payment, the City of Chicago shall be vested with fee simple absolute title to said real property; now, therefore,

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

SECTION 1. The City Comptroller and City Treasurer are hereby authorized and directed to pay to the owner or owners, the sum of \$41,700.00 with accrued interest and court costs, if any, when approved by the Commissioner of Public Works.

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

Exhibit A attached to this ordinance reads as follows:

Exhibit "A"

Parcel 17

That part of Block 33 in Assessor's Second Division of East fraction Northeast quarter (N.E. 1/4) of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois, bounded and described as follows: Beginning at the Southwest corner of Block 33 (said Southwest corner 205.30 feet North from the south line of said Northeast quarter (N.E. 1/4) of Section 21), thence North 0 degrees 09 minutes 20 seconds West (assumed) along the West line of said Block 33, a distance of 168.45 feet; thence North 57 degrees 08 minutes 33 seconds East a distance of 16.00 feet; thence southerly along a straight line a distance of 177.53 feet to a point on the South line of said Block 33, 4.02 feet East of the Southwest corner of said Block 33; thence West along said south line a distance 4.02 feet to the point of beginning.

Parcel 17TE.

That part of Blocks 31, 32, and 33 in Assessor's Second Division of East fraction Northeast quarter (N.W. 1/4) of Section 21, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois, together with that part of Lots 34, 35, and 36 along with all of Lots 37 and 40, inclusive, in Wilder's South Addition to Chicago in aforesaid Section 21 lying South of the following described line: Beginning at the Southwest corner of Block 33 in Assessor's Second Division as aforesaid (said Southwest corner being 205.30 feet; North from the South line of said Northeasterly quarter (N.E. 1/4) of Section 21), and running thence North 0 degrees 09 minutes 20 seconds West (assumed) along the West line of said Block 33, a distance of 168.45 feet; thence North 57 degrees 08 minutes 33 seconds East along a straight line, a distance of 241.89 feet; to a deflection point in said line; thence North 55 degrees 53 minutes 33 seconds East along a straight line, a distance of 160.35 feet; to a point on the East line of Lot 34 in Wilder's South Addition to Chicago, as aforesaid, 25.95 feet South from the Northeast corner of said Lot 34, as measured along the East line of said Lot 34, said East line having a bearing of North 0 degrees 12 minutes 20 seconds East; thence South along said East line a distance of 323.94 feet to the South line of Lot 40 in Wilder's South Addition to Chicago, as aforesaid; thence West along the South line of said Lot 40, a distance of 114.35 feet to the East line of Block 33 in Assessor's Second Division, as aforesaid; thence South along said East line a distance of 65.08 feet to the south line of said Block 33; thence west along said South line a distance of 222.34 feet to the point of beginning; (except Parcel 17 heretofore described).

COMMITTEE ON SPECIAL EVENTS AND CULTURAL AFFAIRS.

**REAPPOINTMENTS OF VARIOUS INDIVIDUALS AS MEMBERS
OF ADVISORY BOARD ON CULTURAL AFFAIRS.**

The Committee on Special Events and Cultural Affairs submitted the following report:

CHICAGO, November 12, 1986.

To the President and Members of the City Council:

Your Committee on Special Events and Cultural Affairs, having under consideration a communication concerning the reappointment of the following persons to serve as members of the Advisory Board on Cultural Affairs, each for a three year term, ending March 20, 1989: Diane Gallert Economou, Abena Joan Brown and Sidney Epstein, having the same under advisement begs leave to report and recommend that Your Honorable Body *Approve* the said proposed communication transmitted herewith.

This recommendation was concurred in by the members of the committee.

Respectfully submitted,
(Signed) DAVID D. ORR,
Chairman.

On motion of Alderman Orr, the committee's recommendation was *Concurred In* and said reappointments of Ms. Diane Gallert Economous, Ms. Abena Joan Brown and Mr. Sidney Epstein as members of the Advisory Board on Cultural Affairs were *Approved* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 48.

Nays -- None.

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

COMMITTEE ON ZONING.

Action Deferred -- CHICAGO ZONING ORDINANCE AMENDED TO RECLASSIFY PARTICULAR AREAS.

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

CHICAGO, November 10, 1986.

To the President and Members of the City Council:

Your Committee on Zoning begs leave to recommend that Your Honorable Body pass said proposed ordinances transmitted herewith (referred to your committee on August 18, 28, September 12, 24 and October 15, 1986) to amend the Chicago Zoning Ordinance for the purpose of reclassifying particular areas.

This recommendation was concurred in by the members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) TERRY M. GABINSKI,
Chairman.

The following are said proposed ordinances transmitted with the foregoing committee report (the italic heading in each case not being a part of the ordinance):

*Reclassification of Area Shown on Map No. 1-F
(as Amended).*

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the M1-5, Restricted Manufacturing District symbols and indications as shown on Map No. 1-F in the area bounded by

West Superior Street; North Franklin Street; the alley next south of West Superior Street; and a line 100.65 feet west of North Franklin Street,

to the designation of a C1-5 Restricted Commercial District, and a corresponding use district is hereby established in the area described above.

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

Reclassification of Area Shown on Map No. 2-F.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the B7-7 General Central Business District symbols and indications as shown on Map No. 2-F in the area bounded by

West Madison Street; South Wells Street; a line 129.50 feet south of and parallel to West Madison Street; a line 92.71 feet west of and parallel to South Wells Street; West Arcade Place; and a line 228.76 feet west of and parallel to South Wells Street,

to those of a Central Area Parking Planned Development District, which is hereby established in the area above described, subject to such use and bulk regulations and termination provisions as are set forth in the Plan of Development herewith attached and made a part hereof and to no others.

Plan of Development attached to this ordinance reads as follows:

Plan Of Development

Central Area Parking Planned Development

Statements

1. The area delineated herein as "Central Area Parking Planned Development" consists of the property located at 201 to 229 West Madison Street and 10 to 12 South Wells Street, which totals approximately 37,886 square feet, more or less, or 0.87 acres of real property.

The attached Boundary and Property Line Map identifies the property. Legal title to 201 to 211 West Madison Street and 227 to 229 West Madison Street is held by American National Bank as Trustee under Trust 65298. Legal title to 217 to 225 West Madison Street is held by The Congregation of Sons of the Immaculate Heart of Mary, Eastern Province, Inc. and Claretians, Inc. Miglin- Beitler Developments has entered into a real estate exchange contract with the title-holders to exchange property owned by Miglin-Beitler Developments for 217 to 225 West Madison Street. This transaction is scheduled to close in September, 1986. 326 South Wells Corporation is the lessee of the subject property and will operate the proposed parking lot.

The applicants are seeking permission to expand the existing parking lot located at 227 to 229 West Madison Street by adding 137 additional spaces on the eastern portion of the property, so that the entire lot as expanded will accommodate 182 parking spaces of which 164 are regular spaces and 18 are reservoir spaces. In addition to the paved parking areas, new improvements to be constructed on the property include: an attendant booth with toilet facility; landscaping along the North and East boundaries in conformity with Chicago Plan Commission guidelines; guardrails running along the East, South, and West boundaries of the subject property; and one new driveway located on South Wells Street. These improvements are designated on the Parking Plan attached hereto.

2. The parking facility shall be used for the parking of passenger cars, light vans and pick-up trucks. No heavy commercial trucks shall be parked upon the said lot at any time.

3. Adequate drainage shall be provided so as to permit run-off flow to an established City of Chicago sewer.

4. Adequate lighting will be maintained at the facility.

5. Ingress and egress will be provided by an existing driveway on West Madison Street and a new driveway to be located on South Wells Street. The driveway will comply with the Driveway Ordinance of the City of Chicago.

6. The parking facility will operate between 6:00 A.M. and 12:00 midnight, seven days a week. This time schedule may be extended by 90 minutes in an event of a special event of occasion.

7. The applicants or their successors, assigns, or grantees shall obtain all required Chicago reviews, approvals and permits in connection with this Plan of Development.

8. Any dedication or vacation of streets or alleys or easements or any adjustment of rights-of-way shall require a separate application submitted on behalf of the applicants or their successors, assigns or grantees, and approval by the City Council.

9. The permitted uses of the property are set forth in the attached Table of Controls.

10. Business signs and business identification signs may be permitted within the Planned Development in accordance with the regulations applicable in a B7-7 zoning district.

11. The zoning classification of the subject property will revert to B7-7, following the termination of the use of the site as a parking facility.

12. The information in the Plan of Development attached hereto sets forth data concerning the generalized land use plan of the area delineated herein as the Planned Development, and illustrated that the development of such area will be in accordance with the intent and purpose of the Plan of Development.

13. The Plan of Development hereby attached shall be subject to the "Rules, Regulations and Procedures in relation to Planned Development Amendment" as promulgated by the Commissioner of the Department of Planning.

Central Area Parking Planned Development

Use and Bulk Regulations and Data

Net Site Area -- 37,886 sq. ft. 0.87 acres

Gross Site Area = 55,059
Net Site Area +
1/2 Area of Public Right-of-Way

General Description of
Land Use -- Grade level Public Parking Facility

Maximum Number of Parking
Spaces -- 182

Maximum Area of Business
and Commercial Space -- 37,886

Maximum F.A.R. -- 1.0

Maximum % of Land Covered -- 100

APPLICANTS: 326 South Wells Corporation
 111 West Jackson Boulevard
 Chicago, Illinois

Miglin-Beitler
Developments
200 West Madison
Street
Chicago, Illinois

DATE: August 27, 1986

[Central Area Parking Planned Development Zoning
Maps printed on pages 36976 through 36978
of this Journal.]

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

Reclassification of Area Shown on Map No. 2-F.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the B7-7 General Central Business District symbols and indications as shown on Map No. 2-F in the area bounded by

West Madison Street; the line 181.49 feet east of and parallel to South Wells Street; the line 199.06 feet south of and parallel to West Madison Street; South Wells Street; the line 105.58 feet south of and parallel to West Madison Street; and a line 46.57 feet east of and parallel to South Wells Street,

to those of a Central Area Parking Planned Development District, which is hereby established in the area above described, subject to such use and bulk regulations and termination provisions as are set forth in the Plan of Development herewith attached and made a part hereof and to no others.

Plan of Development

Central Area Parking Planned Development

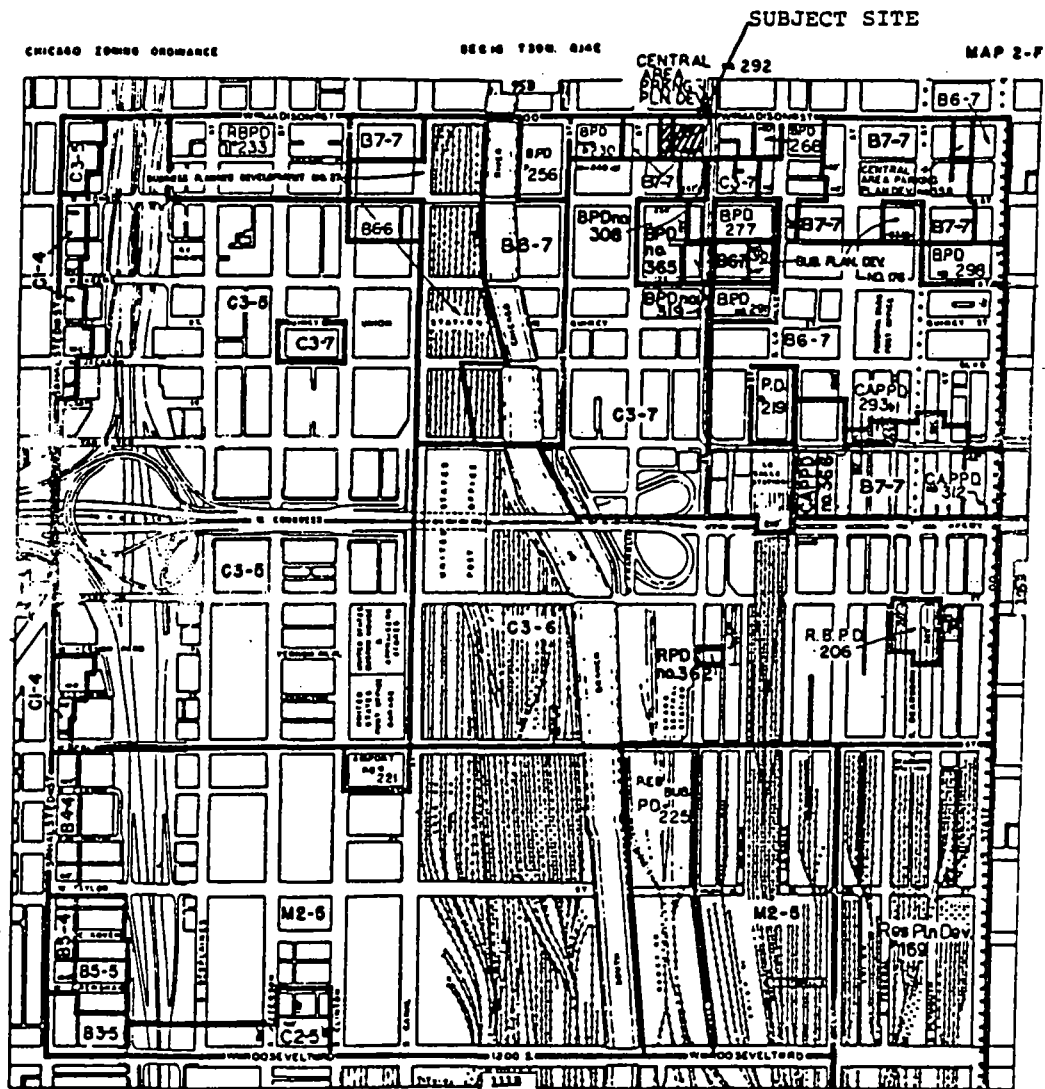
Statements

1. The area delineated herein as "Central Area Parking Planned Development" consists of the property located at 169 to 185 West Madison Street and 11 South Wells Street, which totals approximately 29,340 square feet, more or less, or 0.67 acres of real property.

The attached Boundary and Property Line Map identifies the property, legal title to which is owned by American National Bank as Trustee under Trust 65287. 326 South Wells Corporation is the lessee of the property and will operate the proposed parking lot.

The applicants are seeking permission to expand the existing parking lot located at 11 South Wells Street by adding 85 additional spaces on the northern and eastern portions of the property so that the entire lot as expanded will accommodate 145 parking spaces of which 128 are regular spaces and 17 are reservoir spaces. In addition to the paved parking area, new improvements to be constructed on the property include: an attendant booth with toilet facility; landscaping along the north and west boundaries in conformity with

(Continued on page 36979)



CENTRAL AREA PARKING PLANNED DEVELOPMENT - EXISTING ZONING

Applicants: 326 South Wells Corporation
111 West Jackson Boulevard
Chicago, Illinois

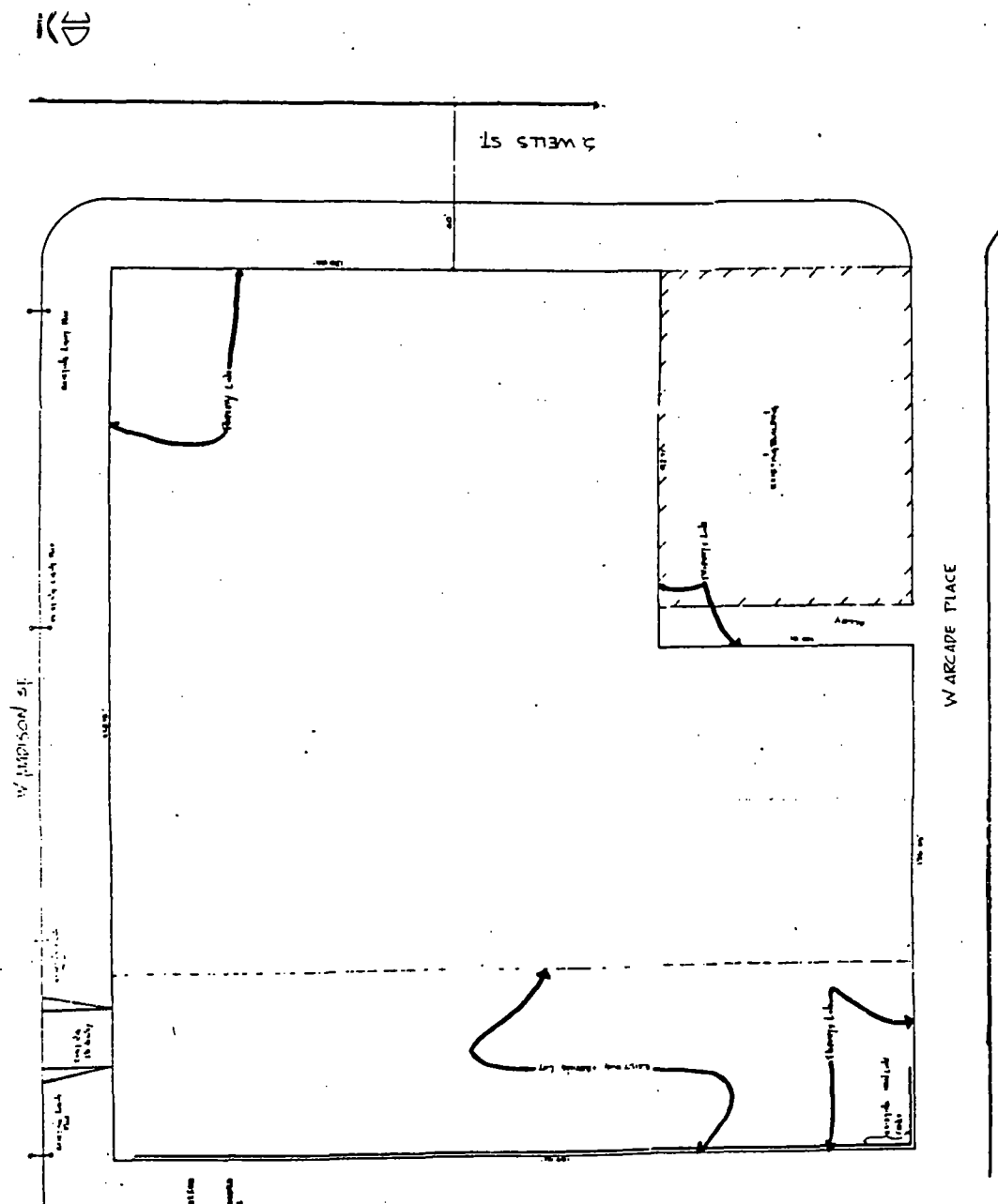
Miglin-Beitler Development:
200 West Madison Street
Chicago, Illinois

Date: August 27, 1986

11/13/86

REPORTS OF COMMITTEES

36977



JOSEPHINE ANN FORDSLEY LINE 1847
 101-101-101 West Madison Street
 and 101-101 West Madison Street
 April 1847, 101 West Madison Street
 101 West Madison Street
 Chicago, Illinois
 101-101 West Madison Street
 101 West Madison Street
 Chicago, Illinois
 August 27, 1847

1

(Continued from page 36975)

Chicago Plan Commission guidelines; guardrails running along the east, south and west boundaries of the subject property; and one new driveway located on West Madison Street. These improvements are designated on the Parking Plan attached hereto.

2. The parking facility shall be used for the parking of passenger cars, light vans and pick-up trucks. No heavy commercial trucks shall be parked upon the said lot at any time.

3. Adequate drainage shall be provided so as to permit run-off to flow to an established City of Chicago sewer.

4. Adequate lighting will be maintained at the facility.

5. Ingress and egress will be provided by an existing driveway on South Wells Street, and a driveway to be located on West Madison Street. The driveways will comply with the Driveway Ordinance of the City of Chicago.

6. The parking facility will operate between 6:00 A.M. and 12:00 midnight, seven days a week. This time schedule may be extended by 90 minutes in the event of a special event or occasion.

7. The Applicant or its successors, assigns or grantees shall obtain all required Chicago reviews, approvals and permits in connection with this Plan of Development.

8. Any dedication or vacation of streets or alleys or easements or any adjustment of rights-of-way shall require a separate application submitted on behalf of the Applicant or its successors, assignees or grantees, and approval by the City Council.

9. The permitted uses of the property are set forth in the attached Table of Controls.

10. Business signs and business identification signs may be permitted within the Planned Development in accordance with the regulations applicable in a B7-7 zoning district.

11. The zoning classification of the subject property will revert to B7-7, following the termination of the use of the site as a parking facility.

12. The information in the Plan of Development attached hereto sets forth data concerning the generalized land use plan of the area delineated herein as the Planned Development, and illustrates that the development of such area will be in accordance with the intent and purpose of the Plan of Development.

13. The Plan of Development hereby attached shall be subject to the "Rules, Regulations and Procedures in relation to Planned Development Amendment" as promulgated by the Commissioner of the Department of Planning.

Exhibit A.

Property	Owner Address	Date Acquired Title	Beneficiary(s) Address Percentage of Interest
169 to 185 West Madison Street 11 South Wells Street	American National Bank as Trustee under Trust 65287 33 North LaSalle Street Chicago, Illinois	August, 1985	J. Paul Beitler - 50% 200 West Madison Street Chicago, Illinois
			Lee Miglin - 50% 200 West Madison Street Chicago, Illinois

Central Area Parking Planned Development

Use And Bulk Regulations And Data

Net Site Area	29,340 sft $\pm$ 0.67 acres
Gross Site Area = Net Site Area + 1/2 Area of Public Right-of-Way	40,900 sft $\pm$
General Description of Land Use	Grade Level Public Parking Facility
Maximum Number of Parking Spaces	145
Maximum Area of Business and Commercial Space	29,340
Maximum F.A.R.	1.0
Maximum % of Land Covered	100

APPLICANTS: 326 South Wells Corporation
111 West Jackson Boulevard
Chicago, Illinois

Miglin-Beitler
Developments
200 West Madison
Street
Chicago, Illinois

DATE: August 27, 1986

[Central Area Parking Planned Development
Zoning Maps printed on pages
36982 through 36984 of
this Journal]

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

Reclassification of Area Shown on Map No. 2-G.

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

SECTION 1. That the Chicago Zoning Ordinance, Chapter 194A of the Municipal Code of Chicago, be, and is hereby amended by supplementing all the M1-3 Restricted Manufacturing District symbols and indications as shown on Map 2-G to reflect the establishment of a Communications Planned Development for the erection of an Earth Station Receiving Dish located on the roof of the building located at 112 South Sangamon Street.

SECTION 2. This Communication Planned Development is specifically for the erection of the Earth Station Receiving Dish above described and in no way affects, alters or prejudices the existing zoning district regulations applicable to any other improved or unimproved portions of the above described area.

SECTION 3. This ordinance shall be in full force and effect from and after its passage and due publication.

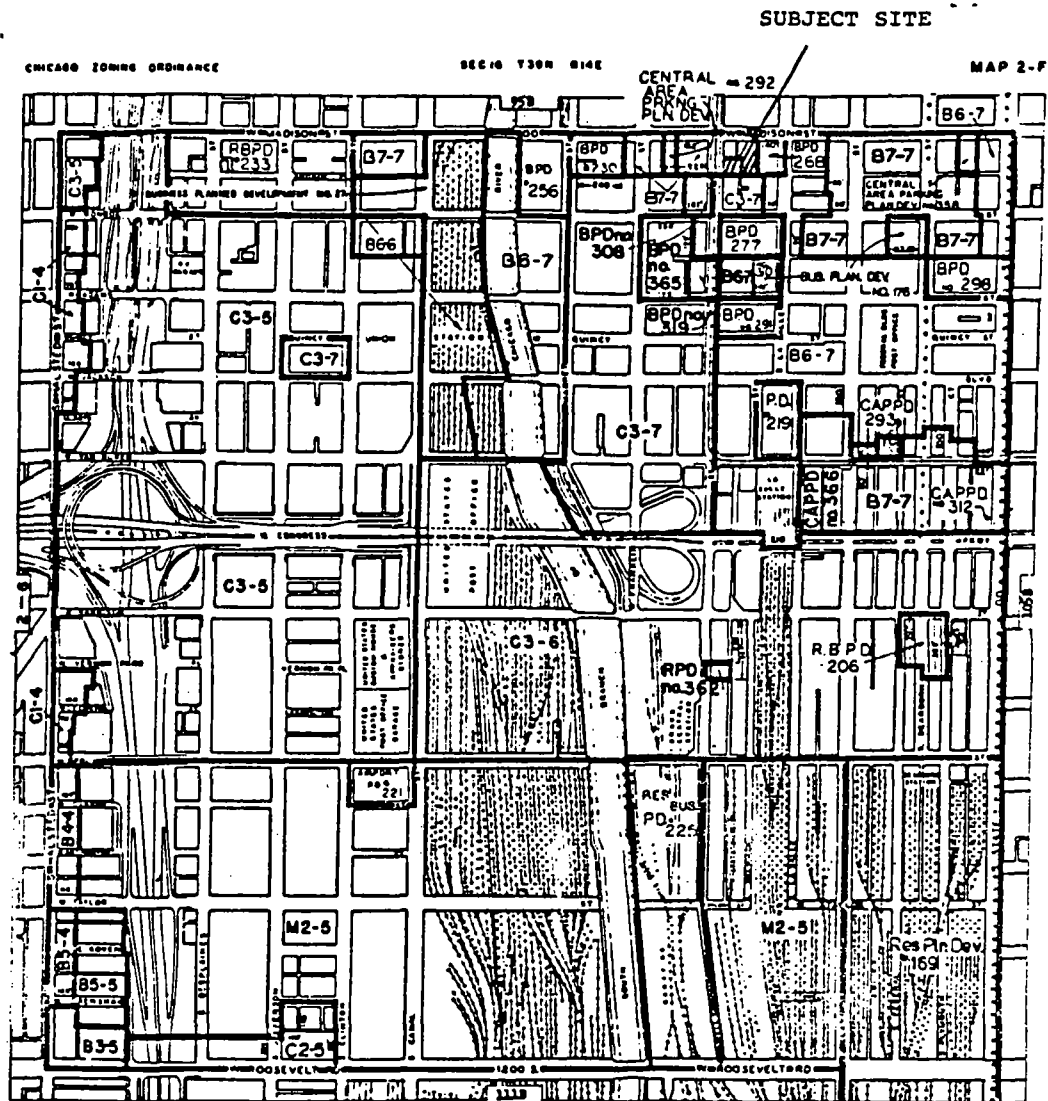
Reclassification of Area Shown on Map No. 3-J.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the M1-2 Restricted Manufacturing District symbols and indications as shown on Map No. 3-J in the area bounded by

a line 575 feet north of and parallel to West Chicago Avenue; a line 123.06 feet east of and parallel to North Spaulding Avenue; a line 725 feet north of and parallel to West Chicago Avenue; a line 131.06 feet east of North Spaulding Avenue; a line 138.73 feet long, commencing at a point 131.06 feet east of North Spaulding Avenue, running in a southeasterly direction to a point 226.06 feet east of North Spaulding Avenue; a line 44.90 feet long, 625 feet north of and parallel to West Chicago Avenue; the right-of-way of the Chicago, Milwaukee, St. Paul and Pacific Railroad Company; North Kedzie Avenue; and West Chicago Avenue,

(Continued on page 36985)



CENTRAL AREA PARKING PLANNED DEVELOPMENT - EXISTING ZONING

Applicants: 326 South Wells Corporation
111 West Jackson Boulevard
Chicago, Illinois

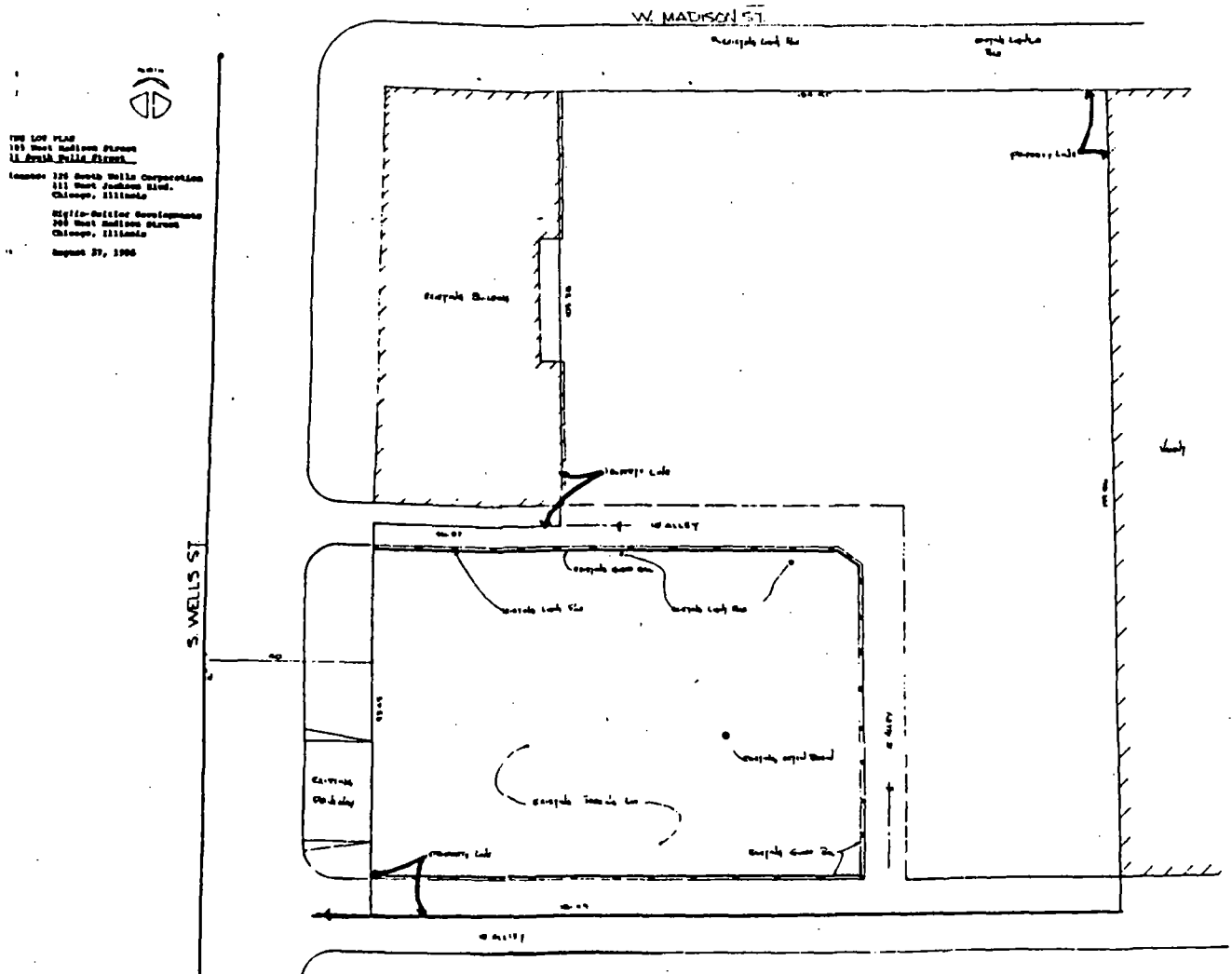
Miglin-Beitler Developments
200 West Madison Street
Chicago, Illinois

Date: August 27, 1986

11/13/86

REPORTS OF COMMITTEES

36983.



HEAVY AND PROPERTY LINE MAP
105 West Madison Street
11 South La Salle Street

Owner: 105 South La Salle Corporation
111 West Jackson Blvd.
Chicago, Illinois

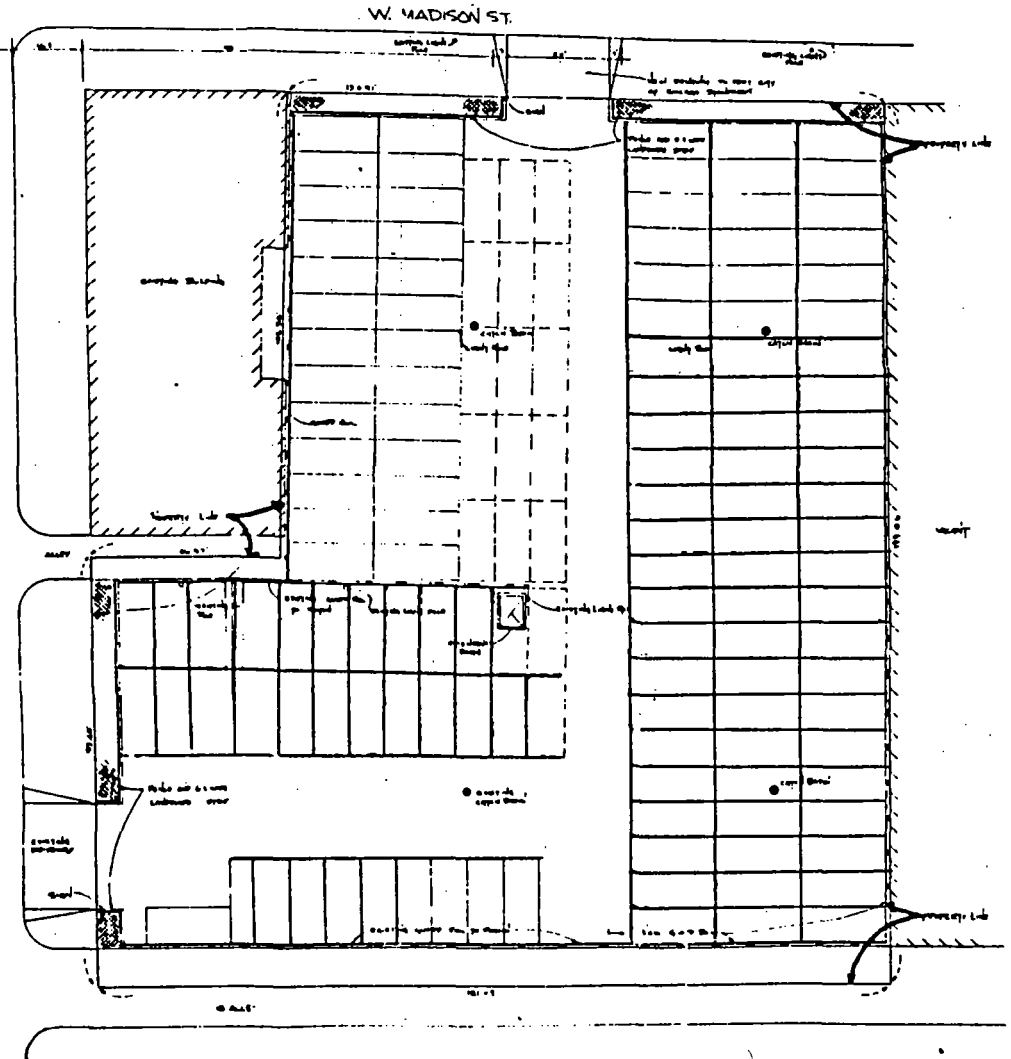
Engineer: R. J. Sullivan
344 West Madison Street
Chicago, Illinois

as Report 87, 1986

ALL INFORMATION CONTAINED
HEREIN IS UNCLASSIFIED
DATE 10/1/86 BY 1043
AND 1043/86



S. WELLS ST.



(Continued from page 36981)

to the designation of a Business Planned Development which is hereby established in the area above described, subject to such use and bulk regulations as are set forth in the Plan of Development herewith attached and made a part thereof and to no others.

Business Planned Development

Plan of Development

Statements

1. The area delineated hereon as a "Business Planned Development" is owned or controlled by LaSalle National Bank ATUT 46146 dated June 6, 1973.
2. Off-street parking and loading facilities will be provided in compliance with this Plan of Development as authorized by this Plan of Development, subject to the review of the Department of Streets and Sanitation and the approval of the Department of Planning.
3. No dedication of streets or alleys or consolidation or resubdivision of parcels shall be required.
4. All applicable official reviews, approvals or permits are required to be obtained by LaSalle National Bank ATUT 46146, dated June 6, 1973, or its successors, assignees or grantees.
5. Service drives or any other ingress or egress shall be adequately designed and paved in accord with the regulations of the Department of Streets and Sanitation and in compliance with the Municipal Code of Chicago to provide ingress and egress for motor vehicles, including emergency vehicles. There shall be no parking permitted within such paved areas.

Fire lanes shall be adequately designed and paved in compliance with the Municipal Code of Chicago to provide ingress and egress for emergency vehicles; there shall be no parking within such paved areas.
6. Use of land will consist of a shopping center, accessory uses, and off-street parking, as authorized by this Plan of Development.
7. The following information sets forth data concerning the property included in said development and data concerning a generalized land use plan (Site Plan), illustrating the development of said property in accordance with the intent and purpose of the Chicago Zoning Ordinance.
8. Identification signs will be permitted with the approval of the Commissioner of Planning.

9. The Plan of Development hereby attached shall be subject to the "Rules, Regulations and Procedures in Relation to Planned Development", as adopted by the Commissioner of Planning.

Business Planned Development

Planned Development Use And Bulk Regulations & Data

Net Site Area	General Description Of Land Use	Maximum F.A.R.	Maximum % Of Land Covered
314,000 square feet	Shopping Center and related use	.397	39.7%
7.03 acres	318 on-site parking spaces		

Maximum Permitted F.A.R. For Total Net Site Area = .37

Minimum Number Of Parking Spaces Required = 318

Minimum Number Of Off-Street Loading Spaces Required = 2

Minimum Periphery Setbacks - North Property Line = 0'
South Property Line = 0'
West Property Line = 0'
East Property Line = 0'

Maximum Percentage of Land Covered = 37%

Applicant: LaSalle National Bank atut
111394, dated June 1, 1986

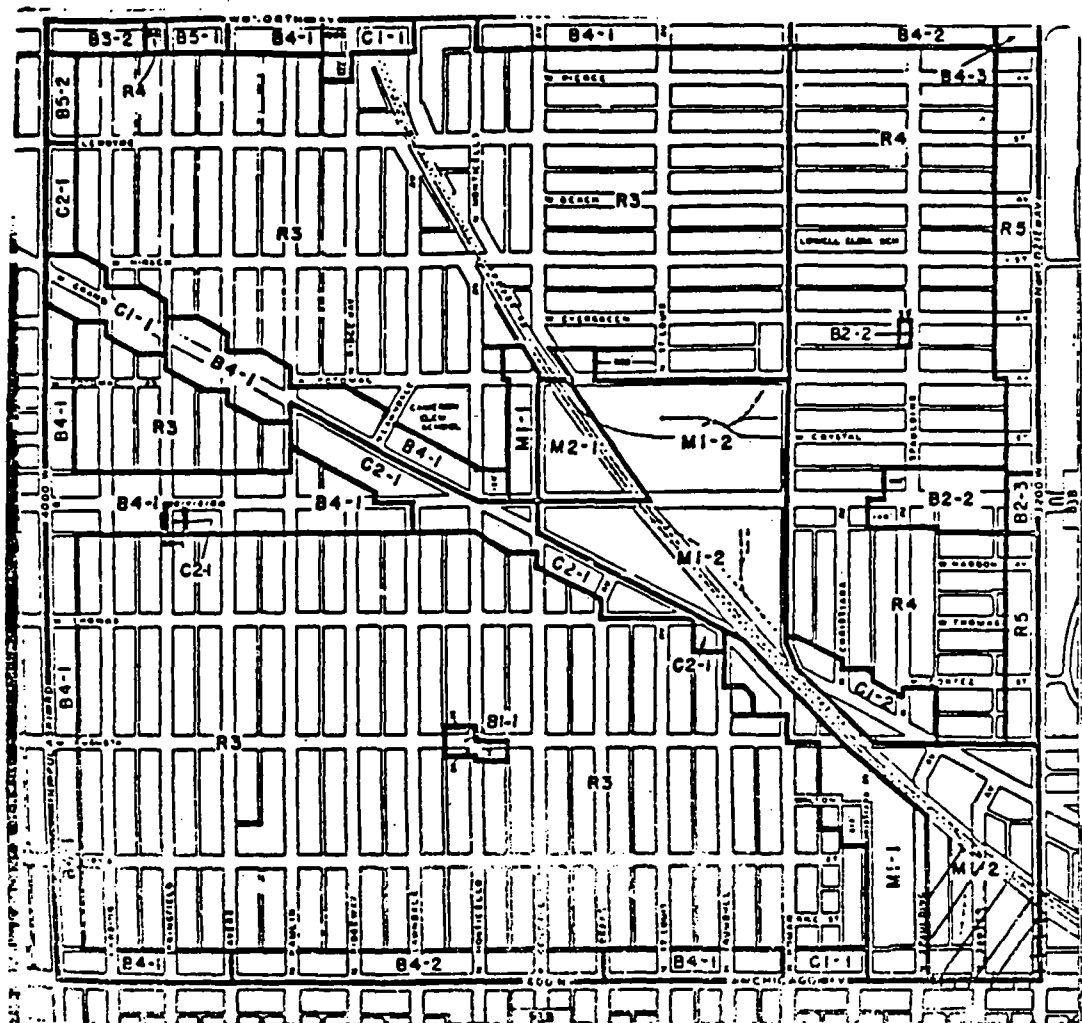
Date: September 10, 1986

[Business Planned Development Zoning Maps
printed on pages 36987 through
36989 of this Journal.]

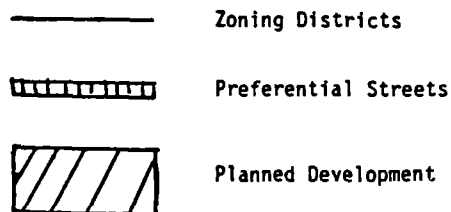
SECTION 2. This ordinance shall be in force and effect from and after its passage and due publication.

Reclassification of Area Shown on Map No. 5-G.

(Continued on page 36990)



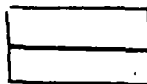
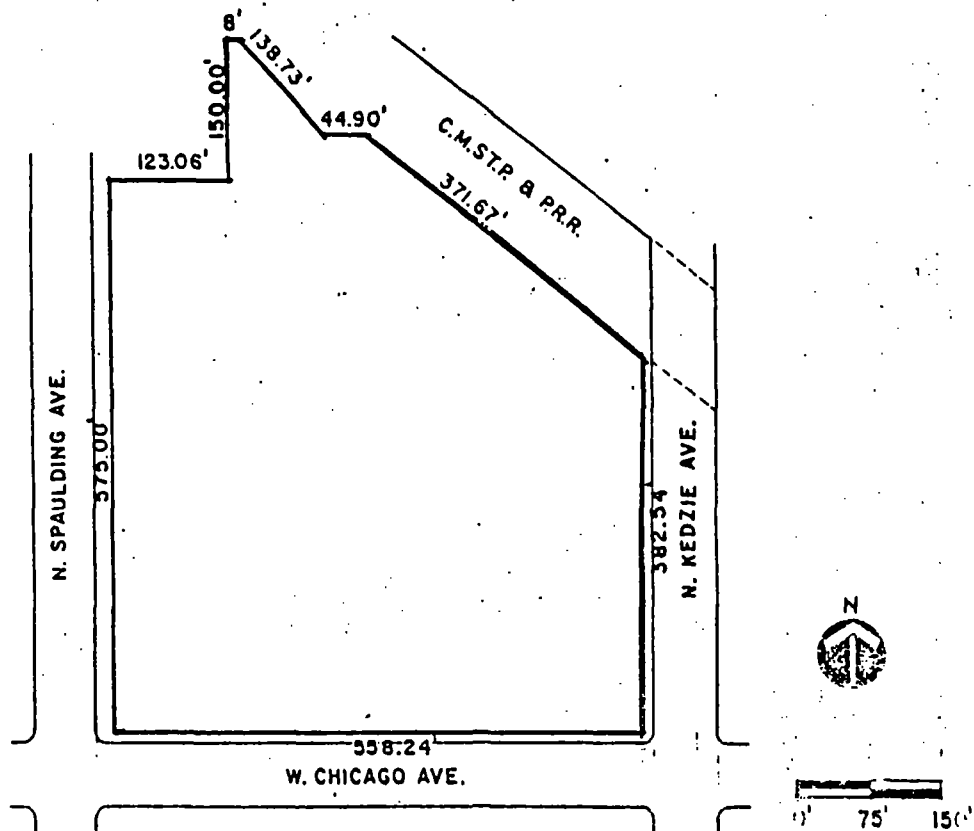
Existing zoning and preferential streets map



APPLICANT: LaSalle National Bank atut
#111394 dated 6-1-86

DATE: September 10, 1986

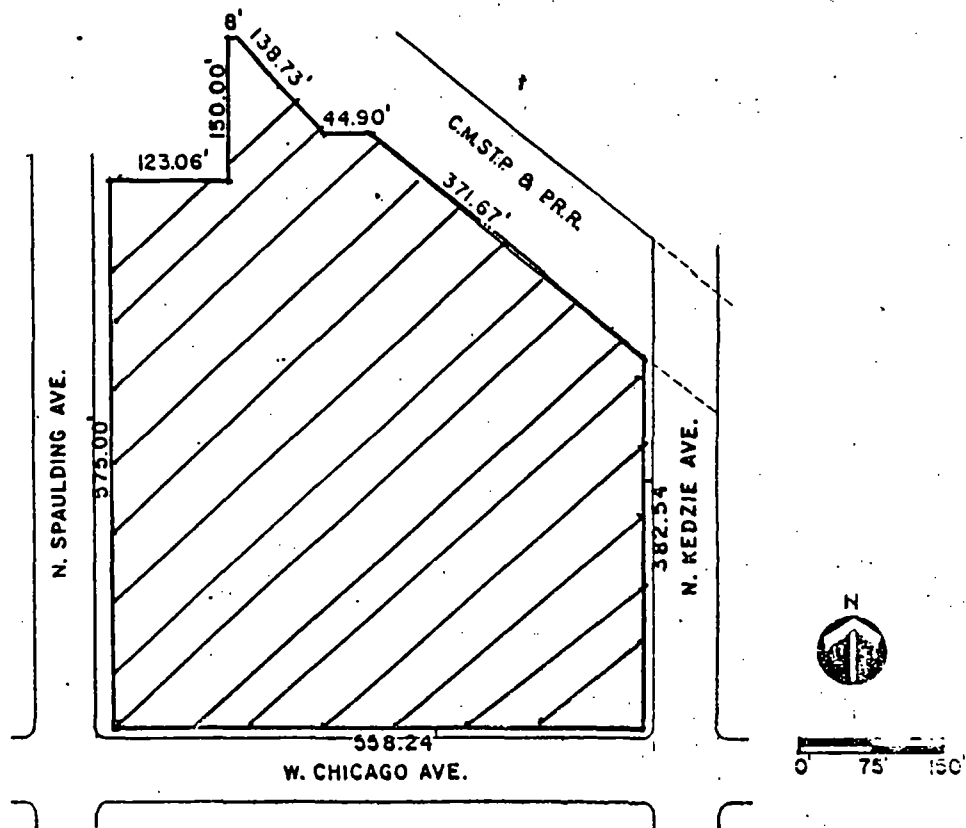
PROPERTY LINE & RIGHT-OF-WAY
ADJUSTMENT MAP



Property Line and Planned Development Boundary

APPLICANT: LaSalle National Bank atut
111394 dated June 1, 1986

DATE: September 10, 1986

PROPERTY LINE BUSINESS PLANNED DEVELOPMENTGENERALIZED LAND USE MAP

APPLICANT: LaSalle National Bank atut
111394 dated June 1, 1986

DATED: September 10, 1986

(Continued from page 36986)

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the M1-2 Restricted Manufacturing District symbols and indications as shown on Map No. 5-G in area bounded by

West Fullerton Avenue; a line 166.21 feet east of and parallel to North Wayne Avenue; the alley next south of and parallel to West Fullerton Avenue; and North Wayne Avenue,

to those of a B4-2 Restricted Service District, and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 5-G.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the M1-2 Restricted Manufacturing District symbols and indications as shown on Map No. 5-G in area bounded by

West Fullerton Avenue; a line 66.21 feet west of and parallel to North Lakewood Avenue (as measured along West Fullerton Avenue), to a point 61.51 feet west of and parallel to North Lakewood Avenue (as measured along West Belden Avenue); West Belden Avenue; the alley next east of and parallel to North Wayne Avenue; a line 120.40 feet south of and parallel to West Fullerton Avenue; and a line 99.97 feet west of and parallel to North Lakewood Avenue (as measured along West Fullerton Avenue),

to those of an R4 General Residence District, and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 8-F.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the R3 General Residence District symbols and indications as shown on Map No. 8-F in the area bounded by

a line 100 feet north of and parallel to West 32nd Street; the center line of South Canal Street; a line 125 feet north of and parallel to West 32nd Street; and the center line of the alley east of and parallel to South Canal Street,

to those of an R4 General Residence District, and a corresponding use district is hereby established in the area above described.

SECTION 2. That this ordinance shall be in full force and effect from and after its date of passage and due publication.

Reclassification of Area Shown on Map No. 9-G.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the B4-2 Restricted Service District symbols and indications as shown on Map No. 9-G in the area bounded by

the alley next north of and parallel to West Belmont Avenue; a line 96 feet west of North Lakewood Avenue; West Belmont Avenue; and a line 317 feet west of North Lakewood Avenue,

to those of an M1-2 Restricted Manufacturing District, and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 11-H.

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

SECTION 1. That the Chicago Zoning Ordinance, Chapter 194A of the Municipal Code of Chicago, be, and is hereby amended by supplementing all the M1-2 Restricted Manufacturing District symbols and indications as shown on Map No. 11-H to reflect the establishment of a Communications Planned Development for the erection of three Earth Station Receiving Dishes and antennas located on vacant property located at 4525 North Ravenswood, Chicago, Illinois.

SECTION 2. This Communications Planned Development is specifically for the erection of the Earth Station Receiving Dishes above described and in no way affects, or prejudices the existing zoning district regulations applicable to any other or unimproved portions of the above described area.

SECTION 3. This ordinance shall be in full force and effect from and after its passage and due publication.

Reclassification of Area Shown on Map No. 11-L.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the B4-1 Restricted Service District symbols and indications as shown on Map No. 11-L in area bounded by

the alley next north of and parallel to West Irving Park Boulevard; North Laramie Avenue; West Irving Park Boulevard; and a line 152.31 west of and parallel to North Laramie Avenue,

to those of a C2-1 General Commercial District, and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 12-L.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the B4-1 Restricted Service District symbols and indications as shown on Map No. 12-L in area bounded by

the alley next north of and parallel to South Archer Avenue; South Laporte Avenue; South Archer Avenue; and a line 210.74 feet west of and parallel to South Laporte Avenue,

to those of a C1-1 General Commercial District, and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 13-H.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the M1-2 Restricted Service District symbols and indications as shown on Map No. 13-H in area bounded by

a line 40 feet south of West Winona Avenue; North Ravenswood Avenue; a line 144.66 feet north of West Winnemac Avenue; and the alley next west of North Ravenswood Avenue,

to those of an R4 General Residence District and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 13-P.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the Business Planned Development No. 347 District symbols and indications as shown on Map No. 13-P in area bounded by

West Bryn Mawr Avenue; North Oakview Avenue; West Catalpa Avenue; and North East River Road,

to those of a B5-2 General Service District, and a corresponding use district is hereby established in the area above described.

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

Reclassification of Area Shown on Map No. 19-H.

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

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the R4 General Residence District symbols and indications as shown on Map No. 19-H in area bounded by

the north corporate limits of the City of Chicago; a line from a point 271.25 feet east of Chicago Avenue along the south line of the alley next north of and parallel to West Juneway Terrace, to a point 207 feet east of Chicago Avenue along the north line of West Juneway Terrace; West Juneway Terrace; and a line from a point 70 feet east of Chicago Avenue along the north line of West Juneway Terrace, to a point 115 feet east of Chicago Avenue along the south line of the alley next north of and parallel to West Juneway Terrace,

to those of a C2-3 General Commercial District, and a corresponding use district is hereby established in the area above described.

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

Action Deferred -- AMENDMENT OF MUNICIPAL CODE CHAPTER
194A, ARTICLES 7.4-6, 7.4-7 AND 7.4-8
CONCERNING HOTEL ACCESS.

The Committee on Zoning submitted the following report which was, on motion of Alderman Evans and Alderman Bloom, *Deferred* and ordered published.

CHICAGO, November 10, 1986.

To the President and Members of the City Council:

Your Committee on Zoning having had under consideration a proposed ordinance (referred August 28, 1986) to amend Chapter 194A, Articles 7.4-6, 7.4-7 and 7.4-8 of the Chicago Zoning Ordinance is hereby amended by deleting hotels as a special use, Section 1., begs leave to recommend that Your Honorable Body pass said proposed ordinance attached herewith.

This recommendation was concurred in by 7 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) TERRY M. GABINSKI,
Chairman.

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

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

SECTION 1. That, Articles 7.4-6, 7.4-7 and 7.4-8 of the Chicago Zoning Ordinance, Chapter 194A of the Municipal Code of Chicago, is hereby amended by deleting paragraph (1) in each Section:

[(1) Hotels (Transient). With all ground floor business and accessory uses accessible to the public only through an entrance which does not have access directly to the public way or street but is accessible through the lobby only, with no advertising or other display visible from outside the building.]

SECTION 2. This ordinance shall be in full force and effect from and after its passage and due publication.

Action Deferred -- AMENDMENT OF MUNICIPAL CODE CHAPTER 194A,
SECTIONS 8.3-4B.(35), 8.3-7B.(8) AND 9.3-1B.(35)
CONCERNING RESTAURANTS AND TAVERNS.

The Committee on Zoning submitted the following report which was, on motion of Alderman Evans and Alderman Bloom, *Deferred* and ordered published.

CHICAGO, November 10, 1986.

To the President and Members of the City Council:

Your Committee on Zoning having had under consideration a proposed ordinance (referred September 12, 1986) Chapter 194A, is hereby amended by deleting the language in brackets and adding language in italics in Sections 8.3- 4B.(34), 8.3-7B.(8) and 9.3-1B.(35), begs leave to recommend that Your Honorable Body pass said proposed ordinance attached herewith.

This recommendation was concurred in by 7 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) TERRY M. GABINSKI,
Chairman.

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

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

SECTION 1. That the Municipal Code of Chicago, Chapter 194A, the Chicago Zoning Ordinance, is hereby amended by deleting the language in brackets and adding the language in italics from the sections below as follows:

8.3-4B.(35) Restaurants [and Taverns], including live entertainment and dancing. Unenclosed or partially enclosed restaurants [and taverns] are expressly permitted, except that live entertainment and dancing are not permitted in the enclosed or partially enclosed areas. *Liquor may be served if incidental to the serving of food as the principal activity.*

8.3-7B.(8) Restaurants and Taverns, including live entertainment and dancing. Unenclosed or partially enclosed restaurants and taverns are expressly permitted, except that live entertainment and dancing are not permitted in the unenclosed or partially enclosed areas.

9.3-1B.(35) Restaurants and Taverns, including live entertainment and dancing. Unenclosed or partially enclosed restaurants and taverns are expressly permitted, except that live entertainment and dancing are not permitted in the unenclosed or partially enclosed areas.

SECTION 2. This ordinance shall be in full force and effect from and after its due passage and publication.

Action Deferred -- AMENDMENT OF MUNICIPAL CODE
CHAPTER 99, SECTION 99-36.1 REGARDING
COSTS ASSOCIATED WITH CLEANING OF
UNIMPROVED LOTS.

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

CHICAGO, November 10, 1986.

To the President and Members of the City Council:

Your Committee on Zoning having had under consideration a proposed ordinance (referred September 24, 1986) to amend Chapter 99-36.1 to provide for the recovery of the City's cost for the cleaning of vacant lots and to allow a private right of action to require the cleaning of a vacant lot, begs leave to recommend that Your Honorable Body pass said proposed ordinance attached herewith.

This recommendation was concurred in by 7 members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) TERRY M. GABINSKI,
Chairman.

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

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

SECTION 1. That the Municipal Code of Chicago, Chapter 99, is hereby amended by adding the language in italics and deleting the language in brackets in Section 99-36.1 below, as follows:

99-36.1. [In general zoning classifications R6, R7, R8, B6 and B7, t] The owner of any unimproved lot or parcel shall remove or cause to be removed therefrom, any abandoned motor vehicles, garbage, ashes, refuse, litter and miscellaneous waste. Unremoved material of such a nature is hereby declared to be a nuisance. Any person violating any provision of this section shall be fined not less than \$25 and not more than \$300 for each offense, and every day on which such offense shall continue shall be deemed a separate and distinct offense.

If the owner of any unimproved lot or parcel upon which such abandoned motor vehicles, garbage, ashes, refuse, litter or miscellaneous waste is situated, fails to remove therefrom the abandoned motor vehicles, garbage, ashes, refuse, litter or miscellaneous waste within seven days after receipt of notification by certified mail, return receipt requested, the Commissioner of the Department of Streets and Sanitation shall proceed to have such abandoned motor vehicles, garbage, ashes, refuse, litter or miscellaneous waste removed and any expense incurred by the city in so doing shall be a charge against the owner so failing, which may be recovered in an appropriate action in law instituted by the corporation counsel.

If after seven days written notice served upon City Clerk, the Commissioner of the Department of Streets and Sanitation has taken no action pursuant to this section, than any owner or tenant of real property located within 600 feet in any direction of the lot or parcel upon which such abandoned motor vehicles, garbage, ashes, refuse, litter or miscellaneous waste is located may institute any appropriate action or proceeding in any court of competent jurisdiction to restrain, correct or abate the violation of this section. When any such action is instituted by an owner or tenant, notice of such action shall be served upon the city by serving a copy of the complaint in said action upon the City Clerk. If an owner or tenant files suit hereunder and the court finds that the defendant has violated this section then the court shall allow the plaintiff a reasonable sum of money for the services of the plaintiff's attorney in addition to his costs.

SECTION 2. This ordinance shall be in full force and effect from and after its due passage and publication.

Action Deferred -- AMENDMENT OF MUNICIPAL CODE
CHAPTER 194A, SECTION 9.3-1B CONCERNING
TIRE SALES.

The Committee on Zoning submitted the following report which was, on motion of Alderman Evans and Alderman Bloom, *Deferred* and ordered published.

CHICAGO, November 10, 1986.

To the President and Members of the City Council:

Your Committee on Zoning having had under consideration a proposed ordinance (referred May 30, 1986) to amend Chapter 194A, Section 9.3-1B, regarding tire sales for all

motor vehicles, begs leave to recommend that Your Honorable Body pass said proposed ordinance attached herewith.

This recommendation was concurred in by 7 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) TERRY M. GABINSKI,
Chairman.

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

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

SECTION 1. That the Municipal Code of Chicago, Chapter 194A, the Chicago Zoning Ordinance, is hereby amended by adding a new paragraph to Section 9.3- 1B, to be placed in its proper numerical sequence, in italics below:

(33) Tire sales for all motor vehicles.

SECTION 2. This ordinance shall be in full force and effect from and after its due passage and publication.

**JOINT COMMITTEE
COMMITTEE ON BUILDINGS.
COMMITTEE ON ZONING.**

ISSUANCE OF PERMITS FOR ERECTION OF ILLUMINATED SIGNS.

The Joint Committee, composed of the members of the Committee on Buildings and the members of the Committee on Zoning, submitted the following report:

CHICAGO, November 13, 1986.

To the President and Members of the City Council:

Your Committee on Buildings along with Zoning begs leave to recommend that Your Honorable Body Pass the proposed orders transmitted herewith (referred September 24, October 6, 27, 30 and November 5, 1986) to authorize the issuance of permits for the erection and maintenance of illuminated signs.

Respectfully submitted,
(Signed) TERRY M. GABINSKI,
Chairman,
Committee on Zoning.

(Signed) FRED B. ROTI,

Chairman,

Committee on Buildings.

On motion of Alderman Gabinski, the committee's recommendations were *Concurred In* and said proposed orders were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 48.

Nays -- None.

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

The following are said orders as passed (the italic heading in each case not being a part of the order):

11044 South Western Avenue.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to Grate Signs, Inc., 4044 West McDonough, Joliet, Illinois 60436, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 11044 South Western Avenue, Brake Shop;

Dimensions: length 10 feet, height 30 feet
Height Above Grade/Roof to Top of Sign: 30 feet
Total Square Foot Area: 112 square feet.

Such sign shall comply with all applicable provisions of Chapter 194A of the Chicago Zoning Ordinance and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

501 West 24th Place.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to All-Sign Corporation, 5501 West 109th Street, Oak Lawn, Illinois 60453, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 501 West 24th Place, Draper & Kramer-Appleville Apartments;

Dimensions: length 10 feet, height 3 feet
Height Above Grade/Roof to Top of Sign: _____
Total Square Foot Area: 30 square feet.

Such sign shall comply with all applicable provisions of Chapter 194A of the Chicago Zoning Ordinance and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

55th and Wells.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to ER Crosstown Electric, 2825 North Oakley, Chicago, Illinois 60618, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 55th and Wells, Mobil Oil;

Dimensions: length 19 feet 1 inch, height 7 feet 7 inches
Height Above Grade/Roof to Top of Sign: 60 feet
Total Square Foot Area: 288 square feet.

Such sign shall comply with all applicable provisions of Chapter 194A of the Chicago Zoning Ordinance and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

3900 West 38th Street.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to National Advertising Company, 6850 South Harlem Avenue, Bedford Park, Illinois 60501, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 3900 West 38th Street, National Liquid Fertilizer Corporation;

Dimensions: length 60 feet, height 20 feet
Height Above Grade/Roof to Top of Sign: 108 feet
Total Square Foot Area: 2,400 square feet.

Such sign shall comply with all applicable provisions of Chapter 194A of the Chicago Zoning Ordinance and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

3300 West Belmont Avenue.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to Expressway Outdoor Advertising, Inc., 25 West Hubbard, Chicago, Illinois

60610, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 3300 West Belmont, Kennedy Plaza Shopping Center:

Dimensions: length 60 feet, height 20 feet
Height Above Grade/Roof to Top of Sign: 2400 feet
Total Square Foot Area: 110 square feet.

Such sign shall comply with all applicable provisions of Chapter 194A of the Chicago Zoning Ordinance and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

8734 -- 8736 South Stony Island Avenue.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to Grate Signs, 4044 West McDonough Street, Joliet, Illinois 60436, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 8734 -- 8736 South Stony Island Avenue, Bonanza Steak House;

Dimensions: length 20 feet, height 8 feet 9 inches
Height Above Grade/Roof to Top of Sign: 55 feet
Total Square Foot Area: 175 square feet.

Such sign shall comply with all applicable provisions of Chapter 194A of the Chicago Zoning Ordinance and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

1949 West Fullerton Avenue.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to Grate Signs, Inc., 4044 West McDonough Street, Joliet, Illinois 60436, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 1949 West Fullerton Avenue, Popeye's Chicken & Biscuits;

Dimensions: length 17 feet, height 10 feet
Height Above Grade/Roof to Top of Sign: 35 feet
Total Square Foot Area: 170 square feet.

Such sign shall comply with all applicable provisions of Chapter 194A of the Chicago Zoning Ordinance and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

4047 East 106th Street.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to H. Moenck & Sons, 3435 South Peoria, Steger, Illinois 60475, for the erection of a sign/signboard over 24 feet in height and overhanging public way and/or over 100 square feet (in area of one face) at 4047 East 106th Street, McDonalds;

Dimensions: length 12 feet 9 inches, height 14 feet 2 inches
Height Above Grade/Roof to Top of Sign: 30 feet
Total Square Foot Area: 100 square feet.

Such sign shall comply with all applicable provisions of Chapter 194A of the Chicago Zoning Ordinance and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

4047 East 106th Street.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to H. Moenck & Son, 3435 South Peoria, Steger, Illinois 60475, for the erection of a sign/signboard over 24 feet in height and overhanging public way and/or over 100 square feet (in area of one face) at 4047 East 106th Street, McDonalds;

Dimensions: length 20 feet, height 19 feet 8 inches
Height Above Grade/Roof to Top of Sign: 65 feet
Total Square Foot Area: 195.75 square feet

Such sign shall comply with all applicable provisions of Chapter 194A of the Chicago Zoning Ordinance and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

5645 West Addison Street.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to M-K Signs, Inc., 4900 North Elston Avenue, Chicago, Illinois 60630, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 5645 West Addison Street, Northwest Hospital;

Dimensions: length 21 feet, height 15 feet
Height Above Grade/Roof to Top of Sign: 60 feet
Total Square Foot Area: 168 square feet

Such sign shall comply with all applicable provisions of Chapter 194A of the Chicago Zoning Ordinance and all other applicable provisions of the Municipal Code of the City of Chicago governing the construction and maintenance of outdoor signs, signboards and structures.

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 ZONES
AT SUNDRY LOCATIONS.**

The aldermen named below presented proposed ordinances to establish loading zones at the locations designated, for the distances and times specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location, Distance and Time
SOLIZ (25th Ward)	South California Avenue at 2107 (approximately 40 feet) -- 8:00 A.M. to 7:00 P.M. -- Mondays through Saturdays and 8:00 A.M. to 3:00 P.M. -- Sundays;
	South California Avenue at 2008 (approximately 40 feet) -- 8:00 A.M. to 7:00 P.M. -- Mondays through Saturdays and 8:00 A.M. to 3:00 P.M. -- Sundays;
GUTIERREZ (26th Ward)	West North Avenue at 2501 -- 7:00 A.M. to 7:00 P.M. Mondays through Sundays.

*Referred -- ONE-WAY TRAFFIC RESTRICTION ON
SPECIFIED PUBLIC WAYS.*

The aldermen named below presented proposed ordinances to restrict the movement of vehicular traffic to the direction indicated in each case, on specified public ways, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Public Way
<i>SHEAHAN</i> (19th Ward)	South Lawndale Avenue from West 111th Street to the first alley north thereof -- southerly;
<i>KOTLARZ</i> (35th Ward)	West Cullom Avenue from North Harding Avenue to North Kimball Avenue -- easterly.

*Referred -- AMENDMENT OF ONE-WAY TRAFFIC RESTRICTION
ON PORTION OF SOUTH CHAPPEL AVENUE.*

Alderman Bloom (5th Ward) presented a proposed ordinance restricting the movement of vehicular traffic to a northerly direction on South Chappel Avenue, from East 83rd Street to East 75th Street and from the first alley north of East 75th Street to East 73rd Street (instead of from East 73rd Street to East 83rd Street), which was *Referred to the Committee on Traffic Control and Safety*.

*Referred -- AMENDMENT OF ONE-WAY TRAFFIC RESTRICTION
ON PORTION OF WEST CULLOM AVENUE.*

Alderman Schuler (47th Ward) presented a proposed ordinance restricting the movement of vehicular traffic to an easterly direction on West Cullom Avenue, between North Western Avenue and North Ravenswood Avenue and on West Cullom Avenue between North Hermitage Avenue and North Ashland Avenue (instead of between North Western Avenue and North Ashland Avenue), which was *Referred to the Committee on Traffic Control and Safety*.

*Referred -- LIMITATION OF PARKING AT
SPECIFIED LOCATIONS.*

The aldermen named below presented proposed ordinances to limit the parking of vehicles for the periods specified, during the hours designated, at the locations specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

11/13/86

NEW BUSINESS PRESENTED BY ALDERMEN

37005

Alderman	Location and Distance
<i>BANKS</i> (36th Ward)	North Pittsburgh Avenue (west side) from West Irving Park Road to the first alley south thereof (60 minutes) -- 7:00 A.M. to 10:00 P.M. -- at all times;
<i>PUCINSKI</i> (41st Ward)	North Huntington Avenue (both sides) from North Milwaukee Avenue to the first alley east thereof -- (1 hour) -- at all times.

*Referred -- PROHIBITION OF PARKING AT ALL
TIMES AT SPECIFIED LOCATIONS.*

The aldermen named below presented proposed ordinances to prohibit at all times the parking of vehicles at the locations designated, for the distances specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location and Distance
<i>BEAVERS</i> (7th Ward)	South Escanaba Avenue at 8455 (except for handicapped);
<i>HUTCHINSON</i> (9th Ward)	East 107th Street at 225 (except for handicapped);
<i>VRDOLYAK</i> (10th Ward)	South Avenue M at 9723 (except for handicapped);
<i>MADRZYK</i> (13th Ward)	West 69th Place (south side) at 3927 (except for handicapped); West 78th Place (south side) at 3809 (except for handicapped);
<i>STREETER</i> (17th Ward)	South LaSalle Street at 8005 (except for handicapped); South Peoria Street at 8005 (except for handicapped);
<i>HAGOPIAN</i> (30th Ward)	West Parker Avenue (north side) at 5542 (except for handicapped);

Alderman	Location and Distance
KOTLARZ (35th Ward)	West Oakdale Avenue (north side) at 4148 (except for handicapped);
BANKS (36th Ward)	North Newcastle Avenue at 2044 (except for handicapped);
ORBACH (46th Ward)	North Clarendon Avenue (west side) at 4038 (except for handicapped); West Hutchinson Street (south side) at 839 (10 feet on either side);
VOLINI (48th Ward)	West Edgewater Avenue (north side) at 1500 (except for handicapped).

Referred -- PROHIBITION OF PARKING DURING SPECIFIED
HOURS ON PORTION OF WEST JARVIS AVENUE.

Alderman Stone (50th Ward) presented a proposed ordinance to prohibit the parking of vehicles on the north side of West Jarvis Avenue, from North Bell Avenue to the first alley east thereof, from 8:00 A.M. to 6:00 P.M. on Monday through Saturday, which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- ESTABLISHMENT OF RESIDENT PERMIT PARKING
ZONES AT SPECIFIED LOCATIONS.

The aldermen named below presented proposed orders to establish resident permit parking zones for vehicles at the locations designated and for the distances specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location and Distance
O'CONNOR (40th Ward)	North Richmond Street (both sides), North Francisco Avenue and North Mozart Street from West Cullom Avenue to West Montrose Avenue;
PUCINSKI (41st Ward)	West Balmoral Avenue (both sides) between North Harlem Avenue and North Nordica Avenue.

Referred -- ESTABLISHMENT OF TOW-AWAY ZONES AT
SPECIFIED LOCATIONS.

The aldermen named below presented proposed ordinances to establish tow-away zones at the locations designated, for the distances and hours specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location, Distance and Time
NATARUS (42nd Ward)	West Ontario Street (south side) from North Wells Street to North Orleans Street -- at all times;
ORBACH (46th Ward)	West Buena Avenue (south side) at 647 through 649 (driveway) -- at all times;
	North Lakewood Avenue (east side) at 3845 through 3855, alley (10 feet on either side of alley).

Referred -- INSTALLATION OF TRAFFIC SIGNS
AT SUNDRY LOCATIONS.

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
HUMES. (8th Ward)	South Merrill Avenue at East 80th Street -- "Stop";
VRDOLYAK (10th Ward)	East 92nd Street and South Jeffery Avenue -- "4-Way Stop";
MAJERCZYK (12th Ward)	South Sacramento Avenue and West 40th Place -- "3-Way Stop";
BURKE (14th Ward)	South Artesian Avenue and West 62nd Street -- "Stop";
	South Maplewood Avenue and West 60th Street -- "3-Way Stop";
	South Richmond Street and West 61st Street -- "Stop";

Alderman	Location and Type of Sign
	West 47th Street between South Wood Street and South Honore Street -- "No Through Traffic";
	West 48th Street between South Wood Street and South Hermitage Avenue -- "No Through Traffic";
<i>SHEAHAN</i> (19th Ward)	West 116th Place and South Central Park Avenue -- "4-Way Stop";
<i>D. DAVIS</i> (29th Ward)	929 North Menard Avenue in front of driveway -- "No Parking";
<i>FROST</i> (34th Ward)	West 108th Place and South Throop Street -- "4-Way Stop";
<i>KOTLARZ</i> (35th Ward)	West Cullom Avenue and North St. Louis Avenue -- "1-Way Stop";
	North Drake Avenue and West Cullom Avenue -- "1-Way Stop";
	West Eddy Street and North Lawndale Avenue -- "2-Way Stop";
<i>LAURINO</i> (39th Ward)	North Bernard Street and West Carmen Avenue -- "4-Way Stop";
	North Central Park Avenue and West Carmen Avenue -- "4-Way Stop";
<i>PUCINSKI</i> (41st Ward)	North Pioneer Avenue and West Catherine Avenue -- "4-Way Stop";
<i>MC LAUGHLIN</i> (45th Ward)	North Lavergne Avenue and West Berteau Avenue -- "Stop";
<i>ORBACH</i> (46th Ward)	North Greenview Avenue and West Berteau Avenue -- "2-Way Stop".

Referred -- ESTABLISHMENT OF WEIGHT LIMITATION AT
SPECIFIED LOCATIONS.

The aldermen named below presented proposed ordinances to fix a weight limitation of five tons for trucks and commercial vehicles at the locations designated, for the distances specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location and Distance
BLOOM (5th Ward)	South Clyde Avenue from East 76th Street to East 79th Street;
HUTCHINSON (9th Ward)	South Union Avenue from West 121st Street to West 123rd Street;
KELLEY (20th Ward)	South Anthony Avenue from East 69th Street to East 71st Street;
HAGOPIAN (30th Ward)	West Altgeld Street at 5500: North Linder Avenue at 2500.

Referred -- ESTABLISHMENT OF WEIGHT LIMITATION ON
PORTION OF WEST GEORGE STREET:

Alderman Kotlarz (35th Ward) presented a proposed ordinance to fix a weight limitation of three tons for trucks and commercial vehicles on West George Street, 4000 to 4100, from North Pulaski Road to North Keeler Avenue, which was *Referred to the Committee on Traffic Control and Safety*.

2. ZONING ORDINANCE AMENDMENTS.

Referred -- ZONING RECLASSIFICATIONS OF PARTICULAR
AREAS.

The aldermen named below presented three 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 GUTIERREZ (26th Ward):

To classify as a B4-1 Restricted Service District instead of an R3 General Residence District the area shown on Map No. 5-I bounded by

West Wabansia Avenue; the alley next east of North Campbell Avenue; a line 25 feet south of West Wabansia Avenue; and North Campbell Avenue.

BY ALDERMAN W. DAVIS (27th Ward):

To classify as a C2-2 General Commercial District instead of an M1-2 Restricted Manufacturing District the area shown on Map No. 1-H bounded by

the alley next north of West Lake Street; North Wood Street; West Lake Street; and a line 25 feet west of North Wood Street.

BY ALDERMAN GABINSKI (32nd Ward):

To classify as an R5 General Residence District instead of a B4-2 Restricted Service District the area shown on Map No. 5-H bounded by

West Webster Avenue; a line 125 feet east of North Leavitt Street; a line 28 feet south of West Webster Avenue; and North Leavitt Street.

3. CLAIMS.

Referred -- CLAIMS AGAINST CITY OF CHICAGO.

The aldermen named below presented three 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
SANTIAGO (31st Ward)	Violet M. Goodwin;
BANKS (36th Ward)	Neenah Manor Condominium Association;
CULLERTON (38th Ward)	Stephanie V. Domcyk.

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 ROTI (1st Ward):

Referred -- AUTHORITY REQUESTED TO PLANT TREES IN
FRONT OF 21 NORTH WABASH AVENUE.

A proposed order on behalf of the Wabash Jewelers Mall, c/o Ms. Mary Ann Smith, requesting authorization to plant trees in front of 21 North Wabash Avenue, which was *Referred to the Committee on Streets and Alleys.*

Presented by

ALDERMAN TILLMAN (3rd Ward):

CONGRATULATIONS EXTENDED TO DR. SHERWOOD C. DANIELS
ON RECEIVING "APPLE AWARD" FOR OUTSTANDING
CONTRIBUTIONS TO EDUCATIONAL EXCELLENCE.

A proposed resolution reading as follows:

WHEREAS, Dr. Sherwood C. Daniels, one of the City's most outstanding educators and scholars, is being honored by the District 13 Educational Council, serving 21 schools and 4 child parent centers, mostly in the Third Ward, as the recipient of the "Apple Award" for outstanding contributions to educational excellence; and

WHEREAS, Dr. Daniels has been a loving husband to his wife, Laura, and a devoted father to his two children, Sherwood, Jr., 23, and Maria, 20; and

WHEREAS, Dr. Daniels received his Bachelor of Arts from Talladega College in Talladega, Alabama, his Master of Arts from Bradley University in Peoria, Illinois, and his Doctor of Philosophy from Northwestern University in Evanston, Illinois; and

WHEREAS, Dr. Daniels has served as a psychologist with the Illinois Department of Public Aid, and has served our school children as a teacher, principal of Fridjof Nasen School and John Dore School, and was appointed District Superintendent of District 13; and

WHEREAS, Dr. Daniels has demonstrated his scholarly pursuits with the publication of studies in several professional journals; and

WHEREAS, Dr. Daniels holds membership in Phi Delta Kappa, the Illinois Psychological Association, the Samuel B. Stratton Education Association, an associate membership in the Chicago Principals' Association, the N.A.A.C.P., the United Negro College Fund, Operation PUSH, Black on Black Love Advisory Board, Chicago Urban League, the Chicago Area and the National Alliance of Black School Educators, and Trinity United Church of Christ; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this 13th day of November, 1986, A.D., do hereby congratulate Dr. Sherwood C. Daniels on receiving the "Apple Award" for his outstanding contribution to educational excellence from the District 13 Educational Council, and extend to this outstanding citizen and educator our very best wishes for continued success and happiness; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Dr. Sherwood C. Daniels.

Alderman Tillman 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 Tillman, the foregoing proposed resolution was *Adopted*, by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 48.

Nays -- None.

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

Presented by

ALDERMAN BLOOM (5th Ward):

Referred -- AMENDMENT OF MUNICIPAL CODE BY
ADDITION OF NEW SECTION 17-4.20-1 AND
AMENDMENT OF SECTION 27-353
CONCERNING CAR ALARMS.

A proposed ordinance for the amendment of Chapters 17 and 27 of the Chicago Municipal Code by inserting a new section within Chapter 17 to be known as Section 17-4.20-1 and amending Chapter 27, Section 27-353 in reference to the operation of automatic shut-off mechanisms for car alarms, which was *Referred to the Committee on Energy, Environmental Protection and Public Utilities*.

Presented by

ALDERMAN SAWYER (6th Ward):

Referred -- WAIVER OF MUNICIPAL CODE CHAPTER 33
PROVISIONS REQUIRING PROHIBITION
BARRIERS AS PREREQUISITE.

A proposed order for the waiver of Chicago Municipal Code Chapter 33, Section 33-19.1 provisions requiring barriers as a prerequisite to prohibit ingress to and/or egress from parking facilities for Chatham Auto, located at 8533 through 8539 South State Street in the north-south alley, which was *Referred to the Committee on Streets and Alleys*.

Referred -- ISSUANCE OF SIGN PERMITS FOR
ERECTION OF SIGNS/SIGNBOARDS AT
SUNDRY LOCATIONS.

Also, three proposed orders for the issuance of sign permits to the organizations listed for the erection of specified signs/signboards, which were *Referred to the Committee on Zoning*, as follows:

All Sign Corporation -- sign/signboard at 753 East 79th Street for local advertisers c/o A and A Associates;

Grate Signs, Incorporated -- for erection of sign/signboard at 346 East 95th Street for Popeye's Famous Fried Chicken;

James D. Ahern Sign Company -- sign/signboard at 7459 South State Street for Shell Oil.

Presented by

ALDERMAN HUMES (8th Ward):

SALUTE AND BEST WISHES EXTENDED TO MR.
FRANK DARRAGH ON OCCASION OF HIS
70TH BIRTHDAY CELEBRATION.

A proposed resolution reading as follows:

WHEREAS, Fred Darragh has been honored by American Civil Liberties Union as Civil Libertarian of the year, and by the National Christians and Jews as Humanitarian of the Year; and

WHEREAS, Fred Darragh has been a supporter of the literacy program of Arkansas, a member of the White House Conference of Libraries, and recipient of the Arkansas Library Association's Distinguished Trustee Award; and

WHEREAS, As an Air Force Major, Fred Darragh flew the "Hump" in World War II, and received the Distinguished Flying Cross, and Pilot of the Year from the National Pilot's Association; and

WHEREAS, Fred Darragh's business acumen has been recognized as he served as past President -- Midwest Feed Association, Board of Directors, J. B. Hunt, and past President and Chairman of the Board -- Darragh Livestock and Feed; and

WHEREAS, Fred Darragh, member Board of Directors of the Intrepid Club, founder of Little Rock Council for International Visitors, Arkansas Chairman -- Friendship Force, and member of the Advisory Council for U.N.I.C.E.F. has a long history of fostering international relations; now, therefore,

Be It Resolved, That the Mayor and the Chicago City Council, along with State Representative Myra Jones of Little Rock, Arkansas salute Frank Darragh as he celebrates his 70th birthday in the City of Chicago.

Alderman Humes 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 Humes, the foregoing proposed resolution was *Adopted*, by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 48.

Nays -- None.

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

Presented by

ALDERMAN HUTCHINSON (9th Ward):

HONOR EXTENDED TO MR. WILBERT L. SMITH ON RECEIPT
OF SPECIAL RECOGNITION FOR COMMITMENT AND
CONTRIBUTIONS TO HUMANITY.

A proposed resolution reading as follows:

WHEREAS, The Tougaloo College National Alumni Association is granting special recognition to Wilbert L. Smith December 6, 1986, for his outstanding contributions to the organization and to humanity; and

WHEREAS, Wilbert L. Smith has held many offices in the Tougaloo College National Alumni Association, including President, Vice President and Member of the Board of Directors; he is also a former President and Treasurer of the Chicago Tougaloo Club and has performed widely and wisely in those high capacities; and

WHEREAS, Wilbert L. Smith was the first black President of the Illinois Hospital Public Relations Society, he is a member of the Public Relations Society of America and the Chicago Hospital Public Relations Society. He is also a member of the South Shore Council of Commerce and the Southeast Chapter of the Kiwanis. Among his many awards are the 87th St./Stony Island Business Association Service Award (1985), the South Shore Council of Churches Citizen's Award (1983) and the Xilambda Chapter, Alpha Phi Alpha Fraternity Service Award (1981); and

WHEREAS, The leaders of this great City remain proud in the acknowledgement of our most dedicated citizens; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this 13th day of November, 1986, do hereby offer our heartiest congratulations to Wilbert L. Smith on the Special Recognition granted him by the Tougaloo College National Alumni Association and join in honoring this fine citizen for his commitment and contributions to humanity; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Wilbert L. Smith.

Alderman Hutchinson 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 Hutchinson, the foregoing proposed resolution was *Adopted*, by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 48.

Nays -- None.

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

Presented by

**ALDERMAN HUTCHINSON (9th Ward) and
ALDERMAN SAWYER (6th Ward):**

Referred -- PAYMENT OF SPECIAL POLICE LICENSE FEE
BY SAINT JOHN DE LA SALLE IN COMPLIANCE
WITH MUNICIPAL CODE.

A proposed ordinance requiring Saint John De La Salle Church to pay a ten dollar license fee for each of the special police employed therein, pursuant to Chapter 173, Section 173-6 of the Chicago Municipal Code, which was *Referred to the Committee on Finance*.

Presented by

ALDERMAN VRDOLYAK (10th Ward):

Referred -- INSTALLATION OF IDENTIFICATION SIGNS IN SPECIAL
SERVICE AREA ALONG SOUTH COMMERCIAL AVENUE, EAST
91ST STREET AND EAST 92ND STREET.

A proposed order granting permission to the South Chicago Development Commission for the installation of identification signs in the Special Service Area along South Commercial Avenue, between East 87th and East 93rd Streets, on East 91st Street between South Houston Avenue and South Exchange Avenue, and on East 92nd Street between South Houston Avenue and South Exchange Avenue, which was *Referred to the Committee on Streets and Alleys*.

Presented by

ALDERMAN HUELS (11th 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 the south 150.75 feet of the north-south 16-foot public alley and providing for opening for the opening of an east-west 20-foot public alley running west to South Halsted Street from the north terminus of the north-south 16-foot public alley to be vacated in the block bounded by West 44th Place, West 45th Street, South Halsted Street and South Emerald Avenue; also the vacation of the north 84 feet of the north-south 16-foot public alley and providing for the opening of an east-west 16-foot public alley running west to South Halsted Street from the southern terminus of the north-south 16-

foot to be vacated in the block bounded by West 45th Street, West 46th Street, South Halsted Street and South Emerald Avenue for the Chicago Board of Education and the Chicago Park District (No. 4-11-86-1106); said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

On motion of Alderman Huels, the foregoing proposed order was *Passed*.

Presented by

ALDERMAN KELLAM (18th Ward):

CONGRATULATIONS EXTENDED TO OFFICER CORNELIUS J.
MORGAN ON OCCASION OF HIS RETIREMENT FROM
CHICAGO POLICE DEPARTMENT.

A proposed resolution reading as follows:

WHEREAS, Cornelius J. Morgan was born in the City of Chicago, to Hugh and Catherine Connaghan Morgan, fifty-one years ago, attended Visitation Grammar School, De La Salle H. S., and DePaul University and in 1956 joined the ranks of the Chicago Police Department; and

WHEREAS, Corney Morgan married Elizabeth Ezell and has five children, James, Mark, Kathryn, Maureen and Michael, and is now the grandfather of several children; and

WHEREAS, Officer Morgan served with distinction in many units of the Chicago Police Department, among them the Robbery Unit, Gambling Unit as an Undercover Investigator, and Task Force, as an Undercover Robbery Decoy, wearing various disguises. While serving in this unit Officer Morgan distinguished himself with an enviable record of arrests and most importantly convictions, and the reputation of this unit prompted a Television program to be made of this groups ploits; and

WHEREAS, Officer Morgan served for eight years on the Security Detail of the late Mayor Richard J. Daley and then distinguished himself as Coordinator of Movie Productions and has finished his career on the Chicago Police Department by serving in the Eighth Police District; now, therefore,

Be It Resolved, That the Mayor and the City Council of the City of Chicago thank and salute Officer Cornelius J. Morgan for his dedication to the Oath he swore on becoming a Police Officer, and congratulate him on the ninety plus Honorable Mentions he received during his service on the force, and wish him a long, happy retirement from the Police Department, and success and best wishes in whatever he endeavors to do in the future.

Alderman Kellam 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 Kellam, the foregoing proposed resolution was *Adopted*, by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuller, Volini, Orr, Stone -- 48.

Nays -- None.

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

Presented by

**ALDERMAN KELLEY (20th Ward) and
ALDERMAN SAWYER (6th Ward):**

HONOR EXTENDED TO MR. ZEDRICK T. BRADEN, JR. FOR HIS
YEARS OF DEDICATION AND HARD WORK AS PRESIDENT
OF PARK MANOR NEIGHBORHOODS
COMMUNITY COUNCIL.

A proposed resolution reading as follows:

WHEREAS, Zedrick T. Braden, Jr. is a native of Chicago, and a product of the Chicago Public School system, the University of Illinois and John Marshall Law School; and

WHEREAS, While at the University of Illinois he earned his undergraduate degree in Political Science, with minors in Economics and History; and

WHEREAS, In addition to the practice of law, Zedrick T. Braden, Jr. serves as a Deputy Commissioner for the Mayor's License Commission of the City of Chicago; and

WHEREAS, Zedrick T. Braden, Jr. has long been active in community organizations as President of the Park Manor Community Council, a charter member of Tanner Parent-Teacher Association, a charter member of Hirsch Dad's Club, a member of Chicago State University Community Organization and an organizer and charter member of Park Manor Business Association of Chicago; and

WHEREAS, Mr. Braden has been the honored recipient of the Chatham Business Association Achievement Award, Illinois House of Representatives Certificate of Recognition and the University of Illinois Black Alumni Association Achievement Award; and

WHEREAS, Zedrick T. Braden, Jr. is married to the former Mary Jane Connell and is the father of Zedrick T. Braden, III and Stanton Connell Braden; now, therefore,

Be It Resolved, By the Mayor and members of the Chicago City Council in meeting assembled this 13th day of November 1986, A.D., that we congratulate Zedrick T. Braden, Jr. as he is honored on November 29, 1986 by the Park Manor Neighbors Community Council for his years of dedication and hard work as their past President; and

Be It Further Resolved, That a suitable copy of this resolution be prepared and presented to Zedrick T. Braden, Jr.

Alderman Kelley 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 Kelley, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 48.

Nays -- None.

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

Presented by

ALDERMAN GARCIA (22nd Ward):

CONGRATULATIONS EXTENDED TO ADMIRALS SOCCER
TEAM OF FARRAGUT CAREER ACADEMY ON
WINNING CITY CHAMPIONSHIP.

A proposed resolution reading as follows:

WHEREAS, The Farragut Career Academy Admirals soccer team has recently captured the City championship by soundly defeating Roosevelt High School soccer team by a score of six to nothing; and

WHEREAS, The Farragut Career Academy Admirals soccer team coach, Clemente Ima, has been named as Coach of the Year; and

WHEREAS, The Farragut Career Academy Admirals have overcome great obstacles and misconceptions of inner-city students; and

WHEREAS, The Farragut Career Academy Admirals have proven that it is possible to succeed, excel, and accomplish goals seemingly beyond reach; and

WHEREAS, The youth of the 22nd Ward planned to succeed and did succeed; and

WHEREAS, The youth of Farragut Career Academy Admirals have disproved the myth that inner-city students are of little or no achievements; and

WHEREAS, The members of the Farragut Career Academy Admirals soccer team and their coach have demonstrated a will and desire to excel and win; now, therefore,

Be It Resolved, By the Mayor of the City of Chicago and the City Council in meeting assembled this the 13th day of November, 1986, do hereby commend the soccer team and coach for their outstanding achievement and shining example to the youth of the 22nd Ward and proudly join them in celebrating their recent victory.

Alderman Garcia 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 Garcia, the foregoing proposed resolution was *Adopted*, by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 48.

Nays -- None.

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

CONGRATULATIONS EXTENDED TO MANUEL PEREZ, JR. POST
1017 ON INSTALLATION OF NEWLY ELECTED OFFICERS.

A proposed resolution reading as follows:

WHEREAS, The Manuel Perez, Jr. post, #1017 formed 40 years ago to continue the live example set by Manuel Perez, Jr., who was a recipient of the Distinguished Medal of Honor, the highest congressional award given to military personnel; and

WHEREAS, The members of the Manuel Perez, Jr., post #1017 have recently come together to celebrate Veterans Day on November 11, 1986, commemorating the armistice of World War I in 1918; and

WHEREAS, American veterans of all races, creed, and ethnic backgrounds have sacrificed their lives defending our ideals and beliefs which are very dear to our hearts; and

WHEREAS, The Manuel Perez, Jr., post #1017 has come to represent the blood of American servicemen and women found throughout the hills and valleys of the world as a symbol of valor and fair ideals; and

WHEREAS, Manuel Perez, Jr., post #1017 is the only Mexican-American post in the City of Chicago; and

WHEREAS, The members of the Manuel Perez, Jr., post #1017 have recently elected new officers, who will continue on in the spirit of Manuel Perez, Jr.; now, therefore,

Be It Resolved, By the Mayor of the City of Chicago and the City Council in meeting assembled this 13th day of November, 1986, do hereby salute and congratulate the members of the Manuel Perez, Jr., post #1017, both past and present members, on the installation of the newly elected officers and ask that all residents of the City of Chicago join the members in celebration of their inauguration.

Alderman Garcia 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 Garcia, the foregoing proposed resolution was *Adopted*, by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 48.

Nays -- None.

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

Presented by

ALDERMAN SOLIZ (25th Ward):

Referred -- APPROVAL OF PROPERTY AT 1301 -- 1333 SOUTH
ROCKWELL STREET AS APPROPRIATE FOR COOK
COUNTY INCENTIVE ABATEMENT PURPOSES.

A proposed resolution to approve the property at 1301 -- 1333 South Rockwell Street as appropriate under the Cook County Real Property Assessment Classification Ordinance,

Class 6b, for incentive abatement, which was *Referred to the Committee on Economic Development*.

Presented by

ALDERMAN HAGOPIAN (30th 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 vacating all of the turn-a-round public alley located north of the east-west 16-foot public alley in the block bounded by North Kilbourn Avenue, West Grand Avenue and West North Avenue for North Grand Auto Wrecking (No. 34-30-86-1118); said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

On motion of Alderman Hagopian, the foregoing proposed order was *Passed*.

Presented by

ALDERMAN GABINSKI (32nd Ward):

**CONGRATULATIONS EXTENDED TO REVEREND MICHAEL
MURRAY, PASTOR OF SAINT BONAVENTURE AND
TO HIS CONGREGATION ON OCCASION OF
75TH ANNIVERSARY OF PARISH.**

A proposed resolution reading as follows:

WHEREAS, St. Bonaventure Parish, one of the most spiritually influential and active religious institutions on Chicago's great Northwest side, was established 75 years ago; and

WHEREAS, Located at 1641 W. Diversey Avenue, St. Bonaventure Church has throughout most of this century earned the respect, confidence and gratitude of the neighborhood which it has so diligently served; and

WHEREAS, Currently headed by the Rev. Michael Murray, Pastor, St. Bonaventure Parish remains a continuing source of inspiration to its parishioners and to the neighborhood which benefits so considerably from its presence; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this 13th day of November, 1986, A. D., do hereby congratulate

Father Michael Murray, Pastor, and all the members and friends of St. Bonaventure on the occasion of the Parish's 75th Anniversary, and extend to this great Parish our very best wishes for many more years of fulfillment and success; and

Be It Further Resolved, That a suitable copy of this resolution be presented to St. Bonaventure Parish.

Alderman Gabinski 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 Gabinski, the foregoing proposed resolution was *Adopted*, by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 48.

Nays -- None.

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

Presented by

ALDERMAN MELL (33rd 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 the Northwesterly 225 feet of the southeasterly 356.25 feet of the northwesterly-southeasterly 16-foot public alley and providing for the dedication of a northeasterly-southwesterly 25-foot public alley running northeasterly to W. Willetts Court at the west terminous of that part of the east-west alley to be vacated in the block bounded by N. Willetts Court, N. Milwaukee Avenue, W. Logan Boulevard, and N. Sacramento Avenue, for Nation Pizza Products (No. 25-33-86-1117); said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

On motion of Alderman Mell, the foregoing proposed order was Passed.

Presented by

**ALDERMAN KOTLARZ (35th Ward) and
ALDERMAN MELL (33rd Ward):**

Referred -- AMENDMENT OF MUNICIPAL CODE CHAPTER
98, SECTION 98-2 CONCERNING PET SHOPS.

A proposed ordinance amending Chapter 98, Section 98-2 of the Chicago Municipal Code concerning the definition of pet shops within the City of Chicago, which was *Referred to the Committee on Animal Care and Control*.

Presented by

ALDERMAN BANKS (36th Ward):

CONGRATULATIONS EXTENDED TO VERY REVEREND
JOSEPH KOBYLARZ ON OCCASION OF HIS
30TH ORDINATION ANNIVERSARY.

A proposed resolution reading as follows:

WHEREAS, The Very Reverend Joseph Kobylarz, Pastor of Sts. Cyril and Methodius Polish National Catholic Church on Chicago's great Northwest Side, is celebrating the 30th Anniversary of his ordination to the holy priesthood; and

WHEREAS, Father Senior Kobylarz has been pastor of Sts. Cyril and Methodius Parish, 5744 West Diversey Avenue, for some 28 years, aiding in the spiritual and physical growth of the parish in current times. His loving, caring and devoted administration has been an inspiration to the church's many grateful parishioners, who have arranged a special Mass and reception for their pastor Sunday, November 16, 1986; and

WHEREAS, The leaders of this great City are always aware of the great debt which we owe our spiritual leaders; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this 13th day of November, 1986, A.D., do hereby offer our heartiest congratulations to the Very Reverend Joseph Kobylarz, Pastor of Sts. Cyril and Methodius Parish, on the 30th Anniversary of his ordination, and extend to this fine citizen and spiritual leader our very best wishes for many more years of fulfillment and success; and

Be It Further Resolved, That a suitable copy of this resolution be presented to the Very Reverend Joseph Kobylarz.

Alderman Banks 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 Banks, the foregoing proposed resolution was *Adopted*, by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 48.

Nays -- None.

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

Referred -- CHICAGO TRANSIT AUTHORITY PETITIONED
TO INSTALL BUS PASSENGER SHELTER AT
WEST BELMONT AVENUE AND
NORTH OLCOTT AVENUE.

A proposed order petitioning the Chicago Transit Authority to consider the installation of a bus passenger shelter on the southwest corner of West Belmont Avenue and North Olcott Avenue, which was *Referred to the Committee on Local Transportation*.

Presented by

ALDERMAN O'CONNOR (40th Ward):

Referred -- ISSUANCE OF SIGN PERMIT TO JAMES D. AHERN
SIGN COMPANY FOR ERECTION OF SIGN/SIGNBOARD
AT 6116 NORTH WESTERN AVENUE.

A proposed order for the issuance of a sign permit to James D. Ahern Sign Company for the erection of a sign/signboard at 6116 North Western Avenue for Dave Miller Dodge City, Incorporated, which was *Referred to the Committee on Zoning*.

Presented by

ALDERMAN PUCINSKI (41st Ward):

Referred -- CHICAGO TRANSIT AUTHORITY PETITIONED TO
ERECT BUS PASSENGER SHELTER AT NORTH
HARLEM AVENUE AND WEST
PETERSON AVENUE.

A proposed order petitioning the Chicago Transit Authority to consider the erection of a bus passenger shelter on the northwest corner of North Harlem Avenue and West Peterson Avenue, which was *Referred to the Committee on Local Transportation*.

Referred -- INSTALLATION OF GUARD RAIL ON PORTION OF
WEST FOSTER AVENUE FOR SCHOOL PURPOSES.

Also, a proposed order for the installation of a guard rail on the north side of West Foster Avenue, from North Canfield Avenue to a point 400 feet west thereof, to allow for driveways and sidewalks for Saint Eugene Church and School, which was *Referred to the Committee on Streets and Alleys*.

Referred -- BOARD OF EDUCATION MEMORIALIZED TO RENAME
ANDREW JACKSON LANGUAGE ACADEMY AS "EDWIN
CUDECKI LANGUAGE ACADEMY."

Also, a proposed resolution memorializing the Chicago Board of Education to rename the Andrew Jackson Language Academy as the "Edwin Cudecki Language Academy," which was *Referred to the Committee on Intergovernmental Relations*.

Presented by

ALDERMAN NATARUS (42nd Ward) and OTHERS:

84TH AND 85TH ILLINOIS GENERAL ASSEMBLY PETITIONED TO
ALLOW PUBLIC HEARINGS FOR CHICAGO BOARD OF
EDUCATION BUDGET AND TO AUTHORIZE
CITY COUNCIL POWER OF
LEGISLATION OVER
SAME.

A proposed resolution, presented by Aldermen Natarus, Hagopian and Streeter, reading as follows:

WHEREAS, By state law the School Board of the City of Chicago is composed on non-elective members who have the power to incur debt payable from *ad valorem* property tax receipts and to establish budgets based on anticipated property tax receipts; and

WHEREAS, By state law the Board is required to submit their budget to the City Council of the City of Chicago while the law denies the City Council the ability and the right as duly-elected representatives of the City of Chicago to amend, reduce, eliminate, or

increase items of the budget which have a direct impact on the property taxes of the residents and corporations of Chicago; and

WHEREAS, The citizens of the City of Chicago are thereby denied their rights to have elected representations in matters of taxation; now, therefore,

Be It Resolved, That the City Council of the City of Chicago memorialize the 84th and 85th General Assembly of Illinois to enact legislation that would allow duly-elected aldermen of the City of Chicago to hold public hearings on the annual budget of the Board of Education of the City of Chicago and to authorize the Council to take necessary legislative action to amend, reduce, eliminate, or increase budget items of the annual school budget, or in the alternative to allow the Board to pass their own tax levy; and

Be It Further Resolved, That a copy of this adopted resolution be presented to the President and Minority Leader of the Illinois Senate, to the Speaker and Minority Leader of the Illinois House, and to the Chicago representatives of the General Assembly.

Alderman Natarus moved to *Suspend the Rules Temporarily* to permit immediate consideration of and action upon the foregoing proposed resolution. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 39.

Nays -- Aldermen Vrdolyak, Huels, Krystyniak, Banks -- 4.

Thereupon, on motion of Alderman Natarus, the foregoing proposed resolution was *Adopted*, by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 48.

Nays -- None.

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

Referred -- GRANT OF PRIVILEGE IN PUBLIC WAY EXTENDED
FOR AMERICAN NATIONAL BANK, UNDER TRUST 66353.

Also, a proposed ordinance to grant permission and authority to American National Bank, as trustee under Trust 66353, to construct, maintain, and use a grease basin below the grade on the Huron Street side of its property at 410 West Huron Street, which was *Referred to the Committee on Streets and Alleys*.

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:

LICENSE FEE EXEMPTIONS:

BY ALDERMAN SAWYER (6th Ward):

Topsy Turvy Nursery and Kindergarten, 723 E. 75th Street.

BY ALDERMAN GUTIERREZ (26th Ward):

Norwegian American Hospital, 1044 N. Francisco Avenue.

BY ALDERMAN OBERMAN (43rd Ward):

Augustana Hospital, 411 W. Dickens Avenue.

BY ALDERMAN HANSEN (44th Ward):

Illinois Masonic Medical Center, 836 W. Wellington Avenue.

BY ALDERMAN VOLINI (48th Ward):

Selfhelp Home for the Aged, Inc., 908 W. Argyle Street.

CANCELLATION OF WARRANTS FOR COLLECTIONS:

BY ALDERMAN MELL (33rd Ward):

Saint Pauls House/Grace Convalescent Home, 3831 N. Mozart Street -- sign and surcharge inspections.

BY ALDERMAN KOTLARZ (35th Ward):

St. Joseph Home of Chicago, Inc., 2650 N. Ridgeway Avenue -- elevator inspection.

BY ALDERMAN NATARUS (42nd Ward):

Northwestern Memorial Hospital, sundry locations -- building inspections.

BY ALDERMAN OBERMAN (43rd Ward):

Augustana Hospital, 2035 N. Lincoln Avenue -- sign inspection.

Little Sisters of the Poor, 2300 N. Racine Avenue -- building and elevator inspections (2).

BY ALDERMAN VOLINI (48th Ward):

Lakeview Learning Center, 4919 N. Clark Street -- sign and surcharge inspections.

WATER RATE EXEMPTIONS:

BY ALDERMAN SAWYER (6th Ward):

All Nations Mission, 9300 S. Cottage Grove Avenue.

BY ALDERMAN KOTLARZ (35th Ward):

St. Joseph Home of Chicago, Inc., 2630 -- 2658 N. Ridgeway Avenue.

**APPROVAL OF JOURNAL OF
PROCEEDINGS.**

JOURNAL (November 5, 1986).

The City Clerk submitted the printed Official Journal of the Proceedings of the regular meeting held on November 5, 1986 at 2:00 P.M., signed by him as such City Clerk.

Alderman Evans moved to *Approve* said printed Official Journal and to dispense with the reading thereof. The question being put, the motion *Prevailed*.

UNFINISHED BUSINESS.

***Re-Referred* -- AMENDMENT OF MUNICIPAL CODE CHAPTERS 82 AND 83 CONCERNING USE OF PLASTIC PIPE.**

On motion of Alderman Evans, the City Council took up for consideration the report of the Committee on Buildings, deferred and published in the Journal of the Proceedings of October 6, 1986, pages 34428 -- 34430, recommending that the City Council pass a proposed ordinance amending Chapters 82 and 83 of the Chicago Municipal Code concerning the use of plastic pipe.

Alderman Evans moved to *Re-refer* the said proposed ordinance to the Committee on Buildings. The motion *Prevailed* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Carter, Langford, Streeter, Kelley, Sherman, Garcia, Henry, Gutierrez, W. Davis, Smith, D. Davis, Frost, Giles, Natarus, Oberman, Volini, Orr -- 25.

Nays -- Aldermen Vrdolyak, Huels, Madrzyk, Burke, Kellam, Sheahan, Krystyniak, Soliz, Hagopian, Santiago, Gabinski, Mell, Kotlarz, Banks, Cullerton, Laurino, Pucinski, McLaughlin, Schulter, Stone -- 20.

Thereupon, the said proposed ordinance was *Re-referred* to the Committee on Buildings.

MISCELLANEOUS BUSINESS.

Time Fixed for Next Succeeding Regular Meeting.

By unanimous consent, Alderman Evans 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 succeeding regular meeting of the City Council of the City of Chicago to be held after the meeting held on Thursday, the thirteenth (13th) day of November, 1986, at 2:00 P.M., be and the same is hereby fixed to be held on Monday, the twenty-fourth (24th) day of November, 1986, at 12:00 P.M., in the Council Chamber in City Hall.

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

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, W. Davis, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Frost, Kotlarz, Banks, Giles, Cullerton, Laurino, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 48.

Nays -- None.

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

Adjournment.

Thereupon, Alderman Evans moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned* to meet in regular meeting on Monday, November 24, 1986, at 12:00 P.M., in the Council Chamber in City Hall.



WALTER S. KOZUBOWSKI,
City Clerk.

37032

JOURNAL--CITY COUNCIL--CHICAGO

11/13/86