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

Regular Meeting--Thursday, December 18, 1986

at 10:00 A.M.

(Council Chamber--City Hall--Chicago, Illinois)

OFFICIAL RECORD.

HAROLD WASHINGTON
Mayor

WALTER S. KOZUBOWSKI
City Clerk

Attendance at Meeting.

Present -- Honorable Harold Washington, Mayor, and Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone.

Absent -- Alderman W. Davis.

Call to Order.

On Thursday, December 18, 1986 at 10:50 A.M. (the hour appointed for the meeting was 10:00 A.M.) Honorable Harold Washington, Mayor, called the City Council to order. The clerk called the roll of members and it was found that there were present at that time: Aldermen Roti, Rush, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Schulter, Volini, Orr, Stone -- 44.

Quorum present.

The meeting commenced with a Tenth Anniversary Tribute to Mayor Richard J. Daley (1902 -- 1976). The Most Reverend Timothy J. Lyne, Auxiliary Bishop of Chicago, offered the invocation, stating:

... I would like to say that I am very honored to give the invocation, because about 20 years ago, Mayor Daley gave me some very good advice -- he said 'Father Tim, one of the good things to do is always give the invocation, that way you never have to stay for all the speeches.'

My prayer is Mayor Daley's prayer, one that was on his card that I have had in my prayer book for 10 years. It's the prayer of St. Francis and it's appropriate not only for the Christmas season but maybe also for all of us when politics gets a little testy.

Lord, make me an instrument of your peace. Where there is hatred, let me show love. Where there is injury, pardon. Where there is doubt, faith. Where there is despair, hope. Where there is darkness, light. Where there is sadness, joy. O Divine Master, grant that I may not so much seek to be consoled as to console. To be understood as to understand. To be loved as to love. It is in giving that we receive. It is in pardoning that we are pardoned and it is in dying that we are born to eternal life. Amen.

At this point in the proceedings, Franz Benteler and his Royal Strings (Earl Schwaller, Ki Joo Lee, Lou Ott, Betty Monahan and Ted Knight) delivered a rendition of 'The Minstrel Boy'.

The Honorable Walter S. Kozubowski, City Clerk, then read the following proposed resolution:

WHEREAS, God in his infinite wisdom called Mayor Richard J. Daley to his eternal reward on December 20, 1976; and

WHEREAS, December 20, 1986 marks the tenth anniversary of the death of Chicago's Mayor Richard J. Daley; and

WHEREAS, Richard J. Daley served as Mayor of Chicago from 1955 to 1976, having been elected an unparalleled six times as chief executive of the City he so dearly loved; and

WHEREAS, Mayor Richard J. Daley established a new standard for Chicago Mayors, serving for more years and with greater distinction than any of his predecessors; and

WHEREAS, Richard J. Daley was a lifelong resident of the Eleventh Ward of the City of Chicago and a lifelong member of the Eleventh Ward Regular Democratic Organization; and

WHEREAS, Richard J. Daley served with distinction as a member of the Illinois General Assembly from 1936 to 1946, as Director of Revenue for the State of Illinois from 1948 to 1950 and as Clerk of Cook County from 1950 to 1955; and

WHEREAS, His early life and family background inculcated in him a deep understanding of the problems of the City of Chicago; and

WHEREAS, In his whole life he was unswerving in his reverence toward God, love of family, his personal honor, devotion to duty and the continuous personal commitment of unlimited hours, months and years to the public good; and

WHEREAS, Through his skill in administration, and knowledge of the workings of government at all levels, he established the world wide reputation of Chicago as the 'City That Works' and the city of 'I Will Spirit'; and

WHEREAS, As Chairman, he unified the Democratic Party of Cook County, and made it a powerful democratic institution; and

WHEREAS, Richard J. Daley was a loving husband, dedicated to his wife of forty years, Eleanor 'Sis' Daley and the loving father of seven children, Patricia, Mary Carol, Eleanor, Richard, Michael, John and William, and, adoring grandfather; and

WHEREAS, As was said in ancient times, his virtues shall be testified not only by the inscription on stone at home, but in all lands wheresoever, in the unwritten record of the mind, which far beyond any monument will remain with all men everlastingly; now, therefore,

Be It Resolved, By the Mayor and members of the City Council of the City of Chicago assembled this eighteenth day of December, 1986, that the City of Chicago solemnly acknowledges its profound debt to the dedication and achievements of Mayor Richard J. Daley. His most fitting memorial is the great City of Chicago itself. He is enshrined in the hearts of Chicagoans for all history.

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

Alderman Evans next moved that the guests assembled on the Mayor's rostrum be granted the privilege of addressing the Council. The motion *Prevailed*.

The Honorable Abraham Lincoln Marovitz, Senior Judge of the United States District Court, then delivered the following remarks:

Mr. Mayor, Bishop Lyne, Rabbi Novick, my friend Dick, Mr. Dunne . . . One somber December afternoon ten years ago, that familiar smile that could take the edge off the coldest Chicago winter wind was gone. That impish leprechaun smile . . . was absent. That hearty rich laugh that roared up from resources so deep and traditions so ancient that adversity and antagonism could not obscure it was silenced. But for many of us, that laughter still echoes in our ears. That warmth still radiates in the chambers of our hearts. And that smile is forever indelibly imprinted in our collective memories.

With no disrespect intended, Dick Daley had two religions. Surely he was devoted to his church and attended mass every day, but his second religion was Chicago. The city also was his cathedral. It was precisely this devotion and enthusiasm that set him apart from other mayors and enabled him to govern more effectively and truly lead this city.

Richard Daley was a consummate public servant. He was a lawyer and he never forgot it. He had but one client, the City of Chicago. His tenure as Mayor was not unlike a long complex trial and always he pressed the case of his clients, the citizens of Chicago, before state and federal agencies. He had his reverses, but like all good lawyers he won more often than he lost. The only fee he ever saw was the appreciation of his constituents and the knowledge that his efforts were instrumental in making Chicago a better place in which to live. And the people of Chicago appreciated his efforts, electing him six times as their Mayor. And I had the privilege of administering his oath of office on each occasion.

The relationship between Dick Daley and the city reminds me of a quotation attributed to my namesake, Abraham Lincoln: 'I like to see a man proud of the place in which he lives and I like to see a man live so that his place will be proud of him.' I gave Mayor Daley a plaque with that quotation which he kept in his office. The love affair between Chicago and Mayor Daley did not die on December 20th, 1976. It lives on and will continue to live for many of us for as long as we remember the inspiration of his friendship, his guidance and his leadership.

What of the more private Richard Daley? The devoted husband, the proud father, father-in-law and grandfather. The dedicated and loyal friend. And a man of great religious faith. Dick Daley had the rare ability to keep his private life private, despite the great attention focused upon his everyday activities. It was my privilege to be counted

among Dick Daley's close friends for more than 40 years and his friendship is one that I will always cherish. I think back on our years together in the Illinois State Senate, beginning in 1938, when we were called the 'young turks'. A strange name for a Jew and an Irishman. I recall that even then, Dick Daley was a mover with a keen interest in social reform, long before civil rights and social equality were popular. He joined with me in supporting a fair employment practice act and a fair housing act. He had grown up in his own kind of tight-knit neighborhood and enjoyed the beauty and cheer of a warm family life. He strived at every level of his public service career to help guarantee the benefits and pleasures of those less fortunate than he. Our friendship was based on a strong mutual respect that allowed for differences of opinion, constructive criticism. And we had our differences on issues and people. Contrary to what some say or write, Dick Daley was receptive to constructive criticism. He respected the loyal opposition when that opposition was grounded in sincere disagreement. Unlike me, he was a man of few words, but when he spoke on any matter of public concern he was sure that he had done his homework and expected anyone who opposed his position to be equally well prepared and ready to offer some viable alternative, for that was his practice. In the State Senate and during his tenure as Mayor, Dick Daley gained a national reputation as an authority on municipal and state finance. The mere fact that he was able to keep Chicago from deficit spending during the term of his leadership attested to his financial expertise.

During most of our private meetings, I never heard him talk ill of other people, even those who spoke or wrote disparagingly about him. He had a great forgiving spirit inspired, I'm sure, by his religion. He remembered his humble origins. He remembered his people. And, above all, he remembered his family. There was rarely a conversation during the course of which his late beloved dad, Mike, and mother, Lill, were not mentioned with love, affection and gratitude.

I will take a final minute to say a few words about Mrs. Richard Daley--the universally beloved 'Sis'. She too has been my dear friend for many years. While the late Mayor had a great romance with the city and the city with him, there was no greater love in the man than for the wonderful woman he affectionately called Sis for over 40 years. Sis was the one he wanted to please most of all. She was the great inspiration in his life. She was the one upon whose strength and good sense he relied so heavily. She was the one who played such a vital role in raising the fine sons and daughters who today are so devoted to their parents and to each other.

Dick Daley was a father and friend to his children. He took them all into his confidence and they, in turn, took him into theirs. They enjoyed a most unique friendship and so too it was for those of us he took to his bosom. I, for one, will forever cherish the privilege to say Dick Daley was my friend. For his friends, may I say once in a while a friend is found who is a friend right from the start. Once in a while a friendship is made that really warms the heart. Once in a while a friendship is formed to last a whole life through. It really does happen once in a while and it happened to me and to many of you with our friend, Dick Daley. So let us continue, in his spirit, to do what we can as citizens for the city in which we live and the city Dick Daley so loved.

The Honorable George W. Dunne, President of the Cook County Board of Commissioners, next addressed the City Council and assembled guests, stating:

Bishop Lyne, Rabbi Novick, Mayor Washington, distinguished Judge of the Federal Court Marovitz, members of the judicial, legislative and administrative branches of government who are present here today, the Daley family, members of the City Council of the City of Chicago. We are here this morning, as you know, to commemorate the passing of one of the truly great political leaders and governmental officials that it has been our privilege to have known and worked with over the years. Your presence is a manifestation of your recognition and respect for those facts.

As has been stated, this man's entire life was the City of Chicago and the energy, dedication and devotion he applied in the roles of both Mayor and political leader stemmed from a genuine love and affection for the City of Chicago All of us are cognizant of the fact that his credo was 'good government is good politics and good politics is good government'. It develops in some quarters as somewhat of a cliché, but this was really his creed. Those of us who had been fortunate enough to have been associated with him sincerely hope that the age old adage that we acquire characteristics through association indeed applies to our association with this truly fine man. And if we are sincere and grateful for the heritage which is ours, then we will embrace that credo of 'good politics is good government and good government is good politics' to the end that it would permeate this generation and certainly the next generation. It will hopefully become the guiding light for subsequent generations to help preserve and to perpetuate our democracy in the manner in which it should be.

The Honorable Richard M. Daley, States Attorney of Cook County, then delivered the following remarks:

Bishop Lyne, Rabbi Novick, George Dunne, Abe Marovitz, known in our family as 'Uncle Abe'. I would like to extend my gratitude on behalf of the Daley family, some of whom are here this morning. I would like to recognize my wife, Maggie, my daughters, Elizabeth and Nora, my son, Patrick, my brother, Bill, my brother, John, my sister, Pat, her two children, Peter and Courtney, former Treasurer Marshall Korshak, Attorney General Neil Hartigan, Judge Curry, Judge Murray, Jim McDonough and other members of my father's administration over the years.

To the members of the City Council, to Mayor Washington, the city's administration and also Special Events Director Lois Weisberg and, of course, Moseley Clark, who worked very closely on this memorial event for this tribute to my father. Of all the tributes this week, I think this is the one he would have cherished the most. My father believed there was no greater honor than to serve the people of Chicago as Mayor of this great city. In presiding over the City Council, my father viewed each Alderman as representing the needs and hopes of the people of this city. To my father, every Alderman in this Council was equal, no matter what political differences there might have been, when it came to providing basic city services in the neighborhoods. For this reason, because he understood and worked for every citizen, Chicago became famous as the 'city that works'.

As . . . my brothers and sisters will recall, usually on a Saturday at eight o'clock, my father would be down at the second place he loved most --the fifth floor of City Hall, at his desk, whether it was a Saturday or a holiday, early in the morning from eight o'clock to 5:30. He truly loved his job as Mayor of this City of Chicago.

Of all of his accomplishments, the one he personally cherished the most and Senator Marovitz can recall from the days in the House and the Senate, was the University of Illinois Circle Campus. He started out years ago fighting for a full campus in the City of Chicago because it would give the young people of the city and the surrounding communities the opportunity for higher education and therefore give Chicago a great future.

No one understood better than my father that his achievements as Mayor of the City of Chicago were only possible thanks to the support of all the communities of Chicago, especially the members of the City Council. Not everyone agreed with my father, but I think that everyone knew that he was second to none in his great love for this city and its people. I know that I speak for the entire Daley family, including my mother, my brothers and sisters and their families, and all of us would personally like to thank the members of the City Council and the Mayor of the City of Chicago and his staff and the people of the City of Chicago for remembering my father with some of that same affection and love.

After the delivery of 'The Days of the Kerry Dancing' by Franz Benteler and His Royal Strings, Mayor Harold Washington then addressed the City Council and assembled guests, stating:

To State's Attorney Daley, to President of the Cook County Board George Dunne, to Judge Marovitz, to Bishop Lyne, to Rabbi Novick, to the distinguished members of the Daley family who are present, to members of the City Council, ladies and gentlemen, when I say ladies and gentlemen, I mean all of Chicago and all of the world who knew Richard J. Daley and loved and admired him and held him in high esteem as the consummate public servant that he was. Not a day goes by as I sit at my desk, a massive, well carved but not ornate desk which served the late Richard J. Daley for so many years; not a day goes by that I don't reminisce about not just the nature of the office which he served but also the nature of the man who sat at that desk and who, more than any other person in the world, has made Chicago a world class city, a first rate city, a city which everyone in the world is familiar with. Clearly, he stood astride the city like a giant, like a father, like an uncle, like a brother, like a shepherd, over all those years. And, in so doing, carved this city into a mold which I think is recognizable to all and made it truly a famous city. It's such a famous city, it's such a marvelous city that I think it would take a lot of doing to even begin to erode some of the fineness of it. Richard J. Daley was, as I said before, a consummate politician. We know that. He took a Cermak idea and carved it into one of the most finely tuned political machines in the world. He took a government and brought it into the modern age in terms of fiscal responsibility and management techniques. He surrounded himself with excellence. He did a marvelous job. He was a singular kind of individual, but in a sense also a prototype, vintage Chicago, an individual who exuded the wellspring of this city, powerful, sometimes boastful, sometimes quiet, as Sandburg said, moving like a fog on little cat feet, but always omnipresent, always involved in everything that went on in this city. A ubiquitous sort of a man whose presence was felt and felt everywhere. His influence will go on and on and on. Not a week goes by that one of the press doesn't ask me how Daley would have done this or done that, or tell me how Daley would have done it, in no uncertain terms.

For the past three weeks I have been literally bombarded with reporters from all over the country trying to get a mind-set on that great man. I'm not really the person to ask.

You need a retinue of people, you need a coterie of people, you need a train of people, you need his family and friends as you see here today to try to describe that intricate but very simple man. For certain things just stand out in very sharp relief and I think everyone could see them, if they didn't they were blind. He was a proud man, there was no question about it. He was proud of his ethnicity and should have been and was. Probably the most famous Irishman in the country, bar none, including the President. He was proud of his background. You could see it in his music, you could see it in his walk and his flavor, not a brogue, but you could tell he was an Irishman, there was no question about it. He was proud of his family and justifiably so.

He was proud of his privacy and woe be unto anyone who tried even remotely to infringe upon that privacy; it was his and he hugged it to his breast as though it were gold and I don't blame him. When you confront this mad, crazy world you better have something to hold closely to your breast when you leave because without that you go stone, stark, raving mad. His privacy was transcendently important to him and he maintained it. He loved his neighborhood. He stayed in Bridgeport all his life and loved his home on Lowe Avenue. He loved the city. I guess everyone knows that. It exuded from him, it radiated from him. I understand that everybody who came to visit him, as they got off the plane and walked into his office, the first thing he would say was 'Is my city clean?' If they said yes, I gather his day was made. He has influenced me in that respect. You can't match him, you can't imitate him, all you can do is respect and admire and be goaded and motivated by truly a first rate public servant. He loved the City of Chicago. He loved the buildings. I don't know what he would say about that Taj Mahal across the street that the Governor built.

He'd probably say 'how dare you shadow my City Hall with that monster,' but there it is and I'm certain his sense of humor would have permitted him to accept even that with a certain degree of equanimity.

He will always be used as a standard to judge public servants and that's not bad, that's good, because he truly was a marvelous individual who set a standard in so many ways and I've said before, let me just repeat: consummate politician, none better. I've often wondered how he would respond to some of the modern day problems. I don't know, you don't know, the one thing we do know, he would be supreme, he'd run it; first-rate Mayor, no question about it. As I move around this country I am the recipient of some of his good will because many people treat me better because he was Mayor, it's just that simple. I accept it. I think he would have wanted it that way. Yes, a great man stood here. A great man ran this City for twenty-two years. A great man set a standard for all of us to follow; I think it behooves us to try to do so. We think nostalgically about the days, the years when he was Mayor. I hope they would enable us to be better. I hope he could be a centralizing and a healing force to try to bring things together. Not that he was a perfect man, but he was about as good as they get in this imperfect world. I think, I wish we could use him as a rallying point, sort of a center point, godfather, avuncular uncle, an individual who was always there with advice, concern, strength, so forth. It's with deep regret we see him pass the scene, but his legacy is a great one, a truly great one. He has made Chicago great, it's our responsibility to continue to keep it so.

Mayor Washington next recognized Alderman Burke, who offered the following amendment to the proposed resolution:

Be It Further Resolved. That the Directors of the Chicago Public Library are memorialized to set aside a sufficient area in the new Chicago Public Library to be known as the Richard J. Daley Hall for the purpose of preserving the books, records, papers and memorabilia of the Honorable Richard J. Daley.

The amendment was *Adopted* by a viva voce vote. Thereupon, on motion of Alderman Evans, seconded by Aldermen Burke, Vrdolyak, Natarus, Mell, Roti, Stone, Pucinski, Huels and Hagopian, the resolution, as amended, was *Adopted* by a rising vote.

Rabbi William Z. Novick, National Coordinator for the Weizmann Institute of Science, then delivered the following benediction:

Mr. Mayor, distinguished guests on the dais, Mr. Korshak, Mr. Neil Hartigan, distinguished members of this body, dear friends. A generation is fortunate if it can add to legendary figures whose memories loom larger than life. In the previous decades, two such distinguished personalities emerged giant like and added to the quality of our society. They both rose to the challenge of public preeminence and despite relentless political and public scrutiny, emerged triumphant as respected and admired leaders. One was Harry S. Truman and the other, our equally beloved and cherished Richard J. Daley in whose memory we have gathered here today. These two leaders of men were very much alike. They both had a belief in the American people, a love for the common man, an overwhelming devotion to their wives, their children and their families and an unbounded commitment to the well being of their constituencies.

In Mayor Richard J. Daley, we remember a special devotion to the faith of his childhood. Values to which he adhered all through his adult life and which he transmitted to his children.

We are richer for his having been part of our collective and individual lives and we have been diminished in his passing. Surely, his memory as a roll model, as a political leader, as a husband, a father and an ardent believer in his faith will long continue to inspire us. May his memory continue to be a blessing. Amen.

The Tenth Anniversary Tribute to Mayor Richard J. Daley then concluded with the strains of 'My Way', 'Chicago' and an Irish jig performed by Franz Benteler and His Royal Strings.

REPORTS AND COMMUNICATIONS FROM CITY OFFICERS.

Referred -- APPOINTMENT OF MR. STANLEY J. HALLETT
TO COMMUTER RAIL SERVICE
BOARD.

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COMMUNICATIONS, ETC.

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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 Local Transportation:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 18, 1986.

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

LADIES AND GENTLEMEN -- I herewith appoint Stanley J. Hallett to the Commuter Rail Service Board, to complete the term of Edward Brabec, deceased.

Your favorable consideration of this appointment will be appreciated.

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

Referred -- EXECUTION AND DELIVERY OF FIRST SUPPLEMENTAL
INDENTURE WITH IRVING TRUST COMPANY IN RESPECT
TO CHICAGO-O'HARE INTERNATIONAL AIRPORT
SPECIAL FACILITY REVENUE BONDS,
SERIES 1984-A THROUGH 1984-D
(AMERICAN AIRLINES
INCORPORATED
PROJECT).

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

OFFICE OF THE MAYOR
CITY OF CHICAGO

December 18, 1986.

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

LADIES AND GENTLEMEN -- I transmit herewith an ordinance authorizing with respect to each series of Chicago-O'Hare International Airport Special Facility Revenue Bonds, Series 1984-A through 1984-D (American Airlines, Inc. Project), the execution and delivery of a first supplemental indenture between the City of Chicago and Irving Trust Company, as Trustee.

Your favorable consideration of this ordinance will be appreciated.

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

Referred -- APPROVAL AND EXECUTION OF BUILDING SITE
LEASE WITH EL AL ISRAEL AIRLINES LIMITED 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

December 18, 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 the approval and execution of a building site lease between the City of Chicago and El Al Israel Airlines Ltd. for premises located in the southwest cargo area at Chicago O'Hare International Airport.

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

Referred -- APPROVAL AND EXECUTION OF GROUND HANDLING
AND FUELING PRIVILEGE PERMIT WITH A.M.R.
CORPORATION 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

December 18, 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 the approval and execution of a

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COMMUNICATIONS, ETC.

38059

ground handling and fueling privilege permit with A.M.R. Corporation at Chicago O'Hare International Airport.

Your favorable consideration of this ordinance will be appreciated.

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

Referred -- APPROVAL AND EXECUTION OF GROUND HANDLING
PRIVILEGE PERMIT WITH A.R.A. GROUND SERVICES,
INCORPORATION 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

December 18, 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 the approval and execution of a ground handling privilege permit with A.R.A. Ground Services, Inc. at Chicago O'Hare International Airport.

Your favorable consideration of this ordinance will be appreciated.

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

Referred -- APPROVAL AND EXECUTION OF GROUND HANDLING AND
FUELING PRIVILEGE PERMIT WITH HUDSON GENERAL,
INCORPORATED 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

December 18, 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 the approval and execution of a ground handling and fueling privilege permit with Hudson General, Inc. at Chicago O'Hare International Airport.

Your favorable consideration of this ordinance 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 -- OATH OF OFFICE.

The oath of office of Mr. Odell Hicks as a member of the Retirement Board of the Policemen's Annuity and Benefit Fund; filed on December 16, 1986.

*Placed on File -- WRITTEN ACCEPTANCE FROM A.T.&T.
COMMUNICATIONS CONCERNING OPERATION OF
TELECOMMUNICATIONS SYSTEM IN CITY.*

Also, the written acceptance of A.T. & T. Communications of Illinois, Inc., under an ordinance passed on November 24, 1986 (telecommunications system); filed on December 16, 1986.

*Placed on File -- STATEMENT OF RESULTS OF CANVASS
OF ELECTION RETURNS.*

Also, a statement of the Canvassing Board (received on December 12, 1986), showing the results of the canvass of the election returns for the elections held on November 4, 1986.

*Placed on File -- APPROVAL BY CHICAGO PLAN COMMISSION
AND DEPARTMENT OF PLANNING OF CERTAIN
PROPOSALS.*

Also, copies of resolutions adopted by the Chicago Plan Commission on December 15, 1986, and reports of the Department of Planning, approving the following proposals, which were *Placed on File*:

Department of Housing, City Real Estate Section.

Disposition of Vacant City-Owned Properties.

Referral Number	Address
86-168-02	4619 -- 4633 West Madison Street
86-248-02	1059 West Cornelia Avenue
86-249-02	1306 North Cleveland Avenue
86-250-02	1271 North Hermitage Avenue
86-251-02	923 North Central Avenue
86-252-02	664 -- 668 North Carpenter Street
86-253-02	16 -- 18 North Kedzie Avenue
86-254-02	1608 -- 1610 South Carpenter Street
86-255-02	4725 South Langley Avenue
86-256-02	6359 South Ellis Avenue
86-257-02	6363 -- 6365 South Ellis Avenue
86-258-02	6427 -- 6433 South Harvard Avenue
86-259-02	420 West 65th Street
86-260-02	1715 -- 1719 East 71st Street
86-261-02	11 Vacant Properties to be disposed under Phase IX of the Adjacent Neighbors Land Acquisition Program

Referral Number

Proposal

86-273-02 1232 -- 1234 North Hoyne Avenue/2100 -- 2112
 West Crystal Street

86-274-02 2425 West Madison Street

86-275-02 2448 -- 2450 West Grenshaw Street

86-277-02 643 East Oakwood Boulevard

Department of Public Works.

Referral Number

Proposal

86-269-06 Intersection Improvements of Irving Park Road at
 Kimball, Kedzie, and California Avenues and
 Belmont Avenue at Elston and California Avenues;

86-270-06 Kostner Avenue Improvement, Flournoy Street to
 Washington Boulevard;

86-271-06 Kostner Avenue Viaduct Reconstruction, Ogden
 Avenue to 26th Street.

Department of Urban Renewal.

Referral Number

Proposal

86-267-08 Amendment No. 19 to the Hyde Park -- Kenwood
 Conservation Plan;

86-268-08 Amendment No. 5 to the Chicago -- Orleans
 Redevelopment Plan.

Department of Economic Development.

Referral Number

Proposal

86-280-20 Amendment No. 1 to the Garfield -- LaSalle
 Blighted Commercial Area Redevelopment
 Project.

Department of Planning.

Referral Number

Proposal

86-279-21

Title Transfers among the City of Chicago, the Chicago Board of Education, and the Chicago Park District at West 45th Street and South Emerald Avenue (Graham Elementary School and McInerney Park).

Placed on File -- REPORT OF VOUCHER PAYMENTS FOR
PERSONAL SERVICES FOR MONTH OF
NOVEMBER, 1986.

The City Clerk transmitted the following report received from Mr. Ronald D. Picur, City Comptroller, which was *Placed on File* and ordered published:

[Voucher payments printed on page 38064 of this Journal.]

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 December 10, 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 December 18, 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 December 10, 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 December 16, 1986, ordinances passed by the City Council on the dates noted:

October 27, 1986.

Ordinance authorizing Fiscal Year 1986 -- 1987 Board of Education Tax Levy;

(Continued on page 38065)

PERSONAL SERVICES PAID BY VOUCHER FOR NOVEMBER 1986

NAME	ADDRESS	DEPARTMENT	TITLE	ACCOUNT	RATE	P/H	NOV. 1986
Cottle, Charles	6034 N. Fairfield	Consumer Services	Farmer's Mkt Asst. Mgr.	100	4.50	"	157.50
Francis, Sherese	5537 N. Glenwood	"	"	"	4.50	"	126.00
McGowan, Clinton	837 E. 101st Street	"	"	"	4.50	"	157.50
Phillips, Jeffery	8240 S. Colfax	"	"	"	6.00	"	174.00
Sargent, Darryl	1545 N. Long	"	"	"	4.50	"	18.00
Thornton, Richard	4831 W. Van Buren	"	"	"	4.50	"	220.50
Trevison, Catherine	303 E. Chicago Av.	"	"	"	4.50	"	50.63
Bailey, Robert	1400 E. 55th Place	"	"	"	141.54	Settlement	141.54
Lawson, Vernon	10733 Ave N	"	"	"	3,768.92	"	3,768.92
Holtz, James	5954 S. California	Fire	Fireman	"	229.98	"	229.98
Hurter, Mary Ann	6965 W. Berwyn	"	"	"	3,755.16	"	3,755.16
Koznecki, Raymond	2415 N. Oak Park	"	"	"	5,731.92	"	5,731.92
McCormick, Albert	9616 S. Prairie	"	"	"	161.52	"	161.52
Simmons, Mark	333 N. 42nd	"	"	"	469.25	"	469.25
Smith, Thomas	11142 S. Trumbull	"	"	"	4,798.20	"	4,798.20
Whelan, Warren	21 White Pine Dr.	"	"	"	802.50	"	802.50
Blackwell, Mable	8034 S. Woodlawn	"	"	"	15,631.35	"	15,631.35
Wenzel, Mary	3730 N. Lake Shore	Health	Med. Ser. Pro.	"	10,004.00	"	10,004.00
Benneth, Ken Williams	17 W. 109th St.	Mayor's Ofc.	Clerk	"	5.59	P/H	804.96
Clark, Kimberly O.	719 E. 84th	"	Staff Assistant	"	9.04	P/H	1,292.72
Woodard, Helen T.	6920 S. Crandon	"	Word Processing Coord.	"	9.96	P/H	1,434.24
Dixon, Milton	7929 S. Wood	Police	Policeman	"	23,109.37	B/P	23,109.37
Lewis, Narvell	1212 S. Michigan	"	"	"	17,523.50	"	17,523.50
Preston, Jody	4029 N. Parkside	"	"	"	5,271.42	"	5,271.42
Simpson, Michael	5901 W. Henderson	"	"	"	18,021.69	"	18,021.69

RECEIVED
DEC 11 PM 12:05
CITY CLERK'S OFFICE

(Continued from page 38063)

November 24, 1986.

Ordinance authorizing issuance of \$250,000,000 in City of Chicago 1987 General Obligation Tender Notes;

Ordinance authorizing 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.

**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 RECLASSIFICATION OF PARTICULAR AREA.

Application (in duplicate) together with the proposed ordinance for amendment of the Chicago Zoning Ordinance, as amended, for the purpose of reclassifying a particular area, which was *Referred to the Committee on Zoning*, as follows:

Stephen R. Ballis -- to classify as an R4 General Residence District instead of an M1-2 Restricted Manufacturing District the area shown on Map No. 5-G bounded by

a line 429 feet south of and parallel to West Dickens Avenue; the alley next east of and parallel to North Magnolia Avenue; a line 299 feet south of and parallel to West Dickens Avenue; North Racine Avenue; a line 503 feet south of and parallel to West Dickens Avenue; the alley next west of and parallel to North Racine Avenue; the alley 489 feet south of and parallel to West Dickens Avenue; and North Magnolia 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:

Allstate Ins. Co. (2) Martha Jaime and Frank P. DiCosola, Archdiocese of Chicago (Providence of God);

Ballard Abyssinia, Bennett Mercedes S., Bowler Robert S.;

Canfield Myrna, Cruz Patricia Ann;

Donnelly James, Droba Dolores, Drug Enforcement Administration;

Fu Peter W.;

Gospoda Inc.;

Hager Cassandra Renee, Hochberg Ira;

Illinois Bell Telephone Co., Illinois Department of Transportation (File 456050),
Ingraffia Tony;

Leahey Sandra;

McCall Henry, Medina Victor, Mora Carol, Muhammad Shirley;

Northeast Illinois Railroad Corp.;

Prudential Property and Cas. Co. and Walter Berg Jr.;

Ritchie James E.;

Sadler Wendy, Scaletta Frank Jr., Smith Rudolph and Dorrie (3), Smolynczak Michael;

Toback Alan;

Victor Dental Laboratory Inc.

Referred -- RECOMMENDATION BY BOARD OF LIBRARY TRUSTEES
CONCERNING SITE FOR NEW CENTRAL LIBRARY.

Also, a communication from J. S. Fuerst, Secretary, Board of Directors of the Chicago Public Library, transmitting a resolution and recommendation that the City Council approve the site designated for a new central library facility, which was *Referred to the Committee on Finance*.

Referred -- REQUEST FOR HONORARY STREET NAME SIGNS
ON PORTION OF WEST 26TH STREET.

Also, a communication from various Mexican-American veterans requesting that a portion of West 26th Street be given the honorary name of Manuel Perez, Jr. and that honorary street signs be erected, which was *Referred to the Committee on Streets and Alleys*.

REPORTS OF COMMITTEES.**COMMITTEE ON FINANCE.**

**INCENTIVE ABATEMENT UNDER CLASS 6(b) OF COOK COUNTY
REAL PROPERTY ASSESSMENT CLASSIFICATION
ORDINANCE FOR PROPERTY LOCATED AT
3555 SOUTH NORMAL AVENUE.**

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

WHEREAS, The County of Cook amended its Real Property Assessment Class ordinance, effective October 1, 1984; and

WHEREAS, By virtue of this amendment, a new class known as 6(b) was added to said ordinance for incentive abatement purposes; and

WHEREAS, Class 6(b) of this ordinance requires that the municipality in which such real property estate, proposed for Class 6b designation, is located by lawful resolution approve such real estate to be appropriate for incentive abatement; and

WHEREAS, Substantial rehabilitation has been proposed for the real estate located at 3555 South Normal Avenue, Chicago, Illinois (parcel 17-33-306-010); and

WHEREAS, The building located at the 3555 South Normal Avenue site has been vacant and qualifies and is proposed for substantial reoccupancy; and

WHEREAS, The City Council of the City of Chicago is desirous of assisting industrial development throughout the City of Chicago; now, therefore,

Be It Resolved, That the real estate located at 3555 South Normal Avenue (parcel 17-33-306-010) is hereby approved as appropriate for incentive abatement under Class 6(b) of the Cook County Real Property Assessment Classification Ordinance that had become effective October 1, 1984.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 42.

Nays -- None.

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

TAX INCREMENT REDEVELOPMENT PLAN AND PROJECT
FOR EDGEWATER REDEVELOPMENT
PROJECT AREA.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, approving a tax increment redevelopment plan and redevelopment project for the Edgewater Redevelopment Project Area.

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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 41.

Nays -- Alderman Stone -- 1.

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

The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan" and "Project") within the municipal boundaries of the Municipality and within a proposed redevelopment project area (the "Area") described in Section 1(a) of this ordinance, which area constitutes in the aggregate more than 1 and 1/2 acres; and

WHEREAS, Pursuant to Section 11-74.4-5 of the Act, the Commercial District Development Commission of the Municipality, by authority of the City Council of the Municipality (the "Corporate Authorities"), called a public hearing relative to the Plan and Project and the designation of the Area as a redevelopment project area under the Act for November 24, 1986, in Room 2800 at 20 North Clark Street, Chicago, Illinois; and

WHEREAS, Due notice in respect to such hearing was given pursuant to Section 11-74.4-5 of the Act, said notice being given to taxing districts and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on October 24, 1986, by publication on November 12, 1986, and November 19, 1986, and by certified mail to taxpayers within the Area on November 13, 1986; and

WHEREAS, The Plan and Project set forth the factors which could cause the proposed Area to become blighted, and the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies and are generally informed of the conditions in the proposed Area which could cause such area to be a "conservation area" as said term is used in the Act; and

WHEREAS, The Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Plan; and

WHEREAS, The Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would be substantially benefited by the proposed Project improvements; and

WHEREAS, The Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the Municipality as a whole to determine whether the proposed Plan and Project conform to the such comprehensive plan of the Municipality; now, therefore,

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

SECTION 1. Findings. The Corporate Authorities hereby make the following findings:

(a) The Area is described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

(b) There exist conditions which cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a conservation area as defined in Section 11-74.4-3(b) of the Act.

(c) The proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan.

(d) The Plan and Project conform to the comprehensive plan for the development of the Municipality as a whole.

(e) As set forth in the Plan and in the testimony at the public hearing, the estimated date of completion of the Project is December 1, 2009, and the estimated date of the retirement of all obligations incurred to finance redevelopment project costs as defined in the Plan is December 1, 2009.

(f) The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon which will be

substantially benefited by the proposed Project improvements are included in the proposed Area.

(g) The Area would not reasonably be developed without the use of incremental revenues pursuant to Section 11-74.4-8(a)(1) of the Act (the "Incremental Sales Tax Revenues").

(h) The Incremental Sales Tax Revenues will be exclusively utilized for the redevelopment of the Area.

SECTION 2. Exhibits Incorporated by Reference. The Plan and Project which were the subject matter of the public hearing held November 24, 1986, are hereby adopted and approved. A copy of the Plan and Project is set forth in Exhibit D attached hereto and incorporated herein as if set out in full by this reference.

SECTION 3. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 4. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Exhibits A, B, C and D omitted for printing purposes
but on file and available for public inspection
in the Office of the City Clerk.]

**EDGEWATER AREA DESIGNATED AS "REDEVELOPMENT
PROJECT AREA" PURSUANT TO TAX INCREMENT
ALLOCATION REDEVELOPMENT
PROJECT ACT.**

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, designating the Edgewater area as a "Redevelopment Project Area" pursuant to the Tax Increment Allocation Redevelopment Project Act.

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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr -- 41.

Nays -- Alderman Stone -- 1.

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

The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan" and "Project") within the municipal boundaries of the Municipality and within a proposed redevelopment project area (the "Area") described in Section 1 of this ordinance: and

WHEREAS, The Corporate Authorities have heretofore by ordinance adopted and approved the Plan and Project, which Plan and Project were identified in such ordinance and were the subject, along with the Area designation hereinafter made, of a public hearing held on November 24, 1986, and it is now necessary and desirable to designate the Area as a redevelopment project area pursuant to the Act; now, therefore,

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

SECTION 1. Area Designated. The Area, as described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference, is hereby designated as a redevelopment project area pursuant to Section 11-74.4-4 of the Act. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

SECTION 2. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 3. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Exhibits A, B and C omitted for printing purposes but on file and
available for public inspection in the Office of
the City Clerk.]

TAX INCREMENT ALLOCATION FINANCING ADOPTED IN
CONNECTION WITH EDGEWATER REDEVELOPMENT
TAX INCREMENT FINANCING PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, adopting tax increment allocation financing in connection with the Edgewater redevelopment tax increment financing 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 41.

Nays -- Alderman Stone -- 1.

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

The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to adopt tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"); and

WHEREAS, The Municipality has heretofore adopted a redevelopment plan and project (the "Plan" and "Project") as required by the Act by passage of an ordinance and has heretofore designated a redevelopment project area (the "Area") as required by the Act by the passage of an ordinance and has otherwise complied with all other conditions precedent required by the Act; now, therefore,

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

SECTION 1. Tax Increment Financing Adopted. Tax increment allocation financing is hereby adopted to pay redevelopment project costs as defined in the Act and as set forth in the Plan and Project within the Area as described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

SECTION 2. Allocation of *Ad Valorem* Taxes. Pursuant to the Act, the *ad valorem* taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 11-74.4-9(c) of the Act each year after the effective date of this Ordinance until the Project costs and obligations issued in respect thereto have been paid shall be divided as follows:

(a) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the

initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

(b) That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each lot, block, tract or parcel of real property in the Area over and above the initial equalized assessed value of each property in the Area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said taxes into a special fund, hereby created, and designated the "1986 Edgewater Redevelopment Project Area Special Tax Allocation Fund" of the Municipality and such taxes be used for the purpose of paying Project costs and obligations incurred in the payment thereof.

SECTION 3. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 4. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Exhibits A, B and C omitted for printing purposes but on file
and available for public inspection in the Office of the
City Clerk.]

DEPARTMENT OF REVENUE AUTHORIZED TO CERTIFY AMOUNTS
OF INCREASED TAX REVENUES RELATING TO
EDGEWATER REDEVELOPMENT TAX
INCREMENT FINANCING
PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the Department of Revenue to certify amounts of increased tax revenues relating to the Edgewater redevelopment tax increment financing 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr -- 41.

Nays -- Alderman Stone -- 1.

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

The following is said ordinance as passed:

WHEREAS, Pursuant to the Tax Increment Allocation Redevelopment Act, as supplemented and amended (the "Act"), the City of Chicago, Illinois (the "Municipality"), has heretofore determined that it is necessary and in the best interests of the Municipality that a portion of the Municipality known generally as the Edgewater Redevelopment Project Area be redeveloped; and

WHEREAS, The City Council (the "Corporate Authorities") of the Municipality has heretofore adopted certain ordinances, which ordinances, respectively, approved a redevelopment project and plan (the "Plan"), designated the Edgewater Redevelopment Project Area (the "Area"), and adopted tax increment allocation financing, and pursuant thereto established a special tax allocation fund (the "Fund"), all in accordance with the provisions of the Act; and

WHEREAS, The Corporate Authorities have heretofore and it hereby is determined that the implementation of the Plan and the redevelopment of the Area are necessary and in the best interest of the Municipality; and

WHEREAS, Pursuant to the Act, a municipality which has adopted tax increment financing prior to January 1, 1987, and which imposes the maximum tax allowed by law under the Municipal Retailers' Occupation Tax Act, the Municipal Use Tax Act, and the Municipal Service Occupation Tax Act may by ordinance authorize the Department of Revenue to annually certify and cause to be paid to such municipality an amount equal to the increase in the aggregate amount of taxes paid by retailers and servicemen on transactions at places of businesses located within the associated redevelopment project area pursuant to the Municipal Retailers' Occupation Tax Act, the Municipal Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act for as long as the redevelopment project area exists, over and above the aggregate amount of such taxes as certified by the Illinois Department of Revenue and paid under those Acts by retailers and servicemen on transactions at places of business located in the redevelopment project area during the base year which shall be the calendar year immediately prior to the year in which the municipality adopted tax increment allocation financing, less 1.6% of such amounts generated under the Retailers' Occupation Tax Act, Use Tax Act and Service Use Tax Act and the Service Occupation Tax Act, which sum shall be retained by the State Treasurer to cover administrative and enforcement costs incurred by the Department of Revenue; and

WHEREAS, A municipality shall not receive from the State the incremental revenues from the Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax Act, and the Service Occupation Tax Act and local incremental real estate tax revenues as provided in the Act unless such municipality deposits all incremental revenues from the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act and the local

incremental real property tax revenues, as provided in the Act, into the appropriate special tax allocation fund; and

WHEREAS, The Municipality does impose the maximum tax allowed by law under the Municipal Retailers' Occupation Tax Act, the Municipal Use Tax Act, and the Municipal Service Occupation Tax Act and shall deposit all incremental revenues from the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act and the local incremental real property tax revenues into the Fund; and

WHEREAS, The redevelopment projects described in the Plan would not be completed without the use of State incremental revenues pursuant to the Act, the Municipality will pursue the implementation of the Plan in the expeditious manner, and the incremental revenues created pursuant to Section 8a(1) of the Act will be exclusively utilized for the development of the Area and to pay redevelopment project costs as defined in the Act; now, therefore,

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

SECTION 1. Incorporation of Preambles. The preambles to this ordinance be, and the same hereby are, incorporated herein by this reference as if set out herein in full.

SECTION 2. Department of Revenue Authorized. The Department of Revenue be, and the same hereby is, authorized to annually certify and cause to be paid to the Municipality an amount equal to the increase in the aggregate amount of taxes paid by retailers and servicemen on transactions at places of businesses located within the Area pursuant to the Municipal Retailers' Occupation Act, the Municipal Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act for as long as the Area exists, over and above the aggregate amount of such taxes as certified by the Illinois Department of Revenue and paid under those acts by retailers and servicemen on transactions at places of business located in the Area during the calendar year 1985.

SECTION 3. Revenues to be Deposited. All incremental revenues received by the Municipality from the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act be, and the same hereby are authorized to be, deposited upon receipt to the Fund in accordance with the Act.

SECTION 4. Invalidity of any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 5. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

APPROVAL OF TAX INCREMENT REDEVELOPMENT PLAN
FOR RYAN GARFIELD REDEVELOPMENT
PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, approving a tax increment redevelopment plan and redevelopment project for the Ryan Garfield redevelopment tax increment financing 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan" and "Project") within the municipal boundaries of the Municipality and within a proposed redevelopment project area (the "Area") described in Section 1(a) of this ordinance, which area constitutes in the aggregate more than 1 and 1/2 acres; and

WHEREAS, Pursuant to Section 11-74.4-5 of the Act, the Commercial District Development Commission of the Municipality, by authority of the City Council of the Municipality (the "Corporate Authorities"), called a public hearing relative to the Plan and Project and the designation of the Area as a redevelopment project area under the Act for November 24, 1986, in Room 2800 at 20 North Clark Street, Chicago, Illinois; and

WHEREAS, Due notice in respect to such hearing was given pursuant to Section 11-74.4-5 of the Act, said notice being given to taxing districts and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on October 24, 1986, by publication on November 10, 1986, and November 12, 1986, and by certified mail to taxpayers within the Area on November 10, 1986; and

WHEREAS, The Plan and Project set forth the factors which could cause the proposed Area to become blighted, and the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies

and are generally informed of the conditions in the proposed Area which could cause such area to be a "blighted area" as said term is used in the Act; and

WHEREAS, The Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Plan; and

WHEREAS, The Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would be substantially benefited by the proposed Project improvements; and

WHEREAS, The Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the Municipality as a whole to determine whether the proposed Plan and Project conform to such comprehensive plan of the Municipality; now, therefore,

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

SECTION 1. Findings. The Corporate Authorities hereby make the following findings:

(a) The Area is described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

(b) There exist conditions which cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a blighted area as defined in Section 11-74.4-3(a) of the Act.

(c) The proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan.

(d) The Plan and Project conform to the comprehensive plan for the development of the Municipality as a whole.

(e) The estimated date of completion of the Project is December 31, 1988, and the estimated date of the retirement of all obligations incurred to finance redevelopment project costs as defined in the Plan is December 1, 2009.

(f) The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon which will be substantially benefited by the proposed Project improvements are included in the proposed Area.

(g) The Area would not reasonably be developed without the use of incremental revenues pursuant to Section 11-74.4-8(a)(1) of the Act (the "Incremental Sales Tax Revenues").

(h) The Incremental Sales Tax Revenues will be exclusively utilized for the redevelopment of the Area.

SECTION 2. Exhibits Incorporated by Reference. The Plan and Project which were the subject matter of the public hearing held November 24, 1986, are hereby adopted and approved. A copy of the Plan and Project is set forth in Exhibit D attached hereto and incorporated herein as if set out in full by this reference.

SECTION 3. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 4. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Exhibits A, B, C and D omitted for printing purposes but on file
and available for public inspection in the Office of
the City Clerk.]

RYAN GARFIELD AREA DESIGNATED AS "REDEVELOPMENT
PROJECT AREA" PURSUANT TO TAX INCREMENT
ALLOCATION REDEVELOPMENT PROJECT ACT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, designating the Ryan Garfield area as a "Redevelopment Project Area" pursuant to the Tax Increment Allocation Redevelopment Project Act.

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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan" and "Project") within the municipal boundaries of the Municipality and within a proposed redevelopment project area (the "Area") described in Section 1 of this ordinance; and

WHEREAS, The Corporate Authorities have heretofore by ordinance adopted and approved the Plan and Project, which Plan and Project were identified in such ordinance and were the subject, along with the Area designation hereinafter made, of a public hearing held on November 24, 1986, and it is now necessary and desirable to designate the Area, as a redevelopment project area pursuant to the Act; now, therefore,

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

SECTION 1. Area Designated. The Area, as described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference, is hereby designated as a redevelopment project area pursuant to Section 11-74.4-4 of the Act. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

SECTION 2. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 3. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Exhibits A, B and C omitted for printing purposes
but on file and available for public inspection
in the Office of the City Clerk.]

TAX INCREMENT ALLOCATION FINANCING ADOPTED FOR
RYAN GARFIELD REDEVELOPMENT TAX INCREMENT
FINANCING PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, adopting tax increment allocation financing for the Ryan Garfield redevelopment tax increment financing 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to adopt tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"); and

WHEREAS, The Municipality has heretofore adopted a redevelopment plan and project (the "Plan" and "Project") as required by the Act by passage of an ordinance and has heretofore designated a redevelopment project area (the "Area") as required by the Act by the passage of an ordinance and has otherwise complied with all other conditions precedent required by the Act; now, therefore,

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

SECTION 1. Tax Increment Financing Adopted. Tax increment allocation financing is hereby adopted to pay redevelopment project costs as defined in the Act and as set forth in the Plan and Project within the Area as described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

SECTION 2. Allocation of *Ad Valorem* Taxes. Pursuant to the Act, the *ad valorem* taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 11-74.4-9(c) of the Act each year after the effective date of this Ordinance until the Project costs and obligations issued in respect thereto have been paid shall be divided as follows: . . .

(a) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

(b) That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each lot, block, tract or parcel of real property in the Area over and above the initial equalized assessed value of each property in the Area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said taxes into a special fund, hereby created, and designated the "1986 Ryan Garfield Community Redevelopment Project Area Special Tax Allocation Fund" of the Municipality and such taxes be used for the purpose of paying Project costs and obligations incurred in the payment thereof.

SECTION 3. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 4. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Exhibits A, B and C omitted for printing purposes but
on file and available for public inspection in the
Office of the City Clerk.]

DEPARTMENT OF REVENUE AUTHORIZED TO CERTIFY AMOUNTS
OF INCREASED TAX REVENUES RELATING TO RYAN
GARFIELD REDEVELOPMENT TAX INCREMENT
FINANCING PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the Department of Revenue to certify amounts of increased tax revenues relating to the Ryan Garfield redevelopment tax increment financing 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, Pursuant to the Tax Increment Allocation Redevelopment Act, as supplemented and amended (the "Act"), the City of Chicago, Illinois (the "Municipality"), has heretofore determined that it is necessary and in the best interests of the Municipality that a portion of the Municipality known generally as the Ryan Garfield Community Redevelopment Project Area be redeveloped; and

WHEREAS, The City Council (the "Corporate Authorities") of the Municipality has heretofore adopted certain ordinances, which ordinances, respectively, approved a redevelopment project and plan (the "Plan"), designated the Ryan Garfield Community Redevelopment Area (the "Area"), and adopted tax increment allocation financing, and pursuant thereto established a special tax allocation fund (the "Fund"), all in accordance with the provisions of the Act; and

WHEREAS, The Corporate Authorities have heretofore and it hereby is determined that the implementation of the Plan and the redevelopment of the Area are necessary and in the best interests of the Municipality; and

WHEREAS, Pursuant to the Act, a municipality which has adopted tax increment financing prior to January 1, 1987, and which imposes the maximum tax allowed by law under the Municipal Retailers' Occupation Tax Act, the Municipal Use Tax Act, and the Municipal Service Occupation Tax Act may by ordinance authorize the Department of Revenue to annually certify and cause to be paid to such municipality an amount equal to the increase in the aggregate amount of taxes paid by retailers and servicemen on transactions at places of businesses located within the associated redevelopment project area pursuant to the Municipal Retailers' Occupation Tax Act, the Municipal Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act for as long as the redevelopment project area exists, over and above the aggregate amount of such taxes as certified by the Illinois Department of Revenue and paid under those Acts by retailers and servicemen on transactions at places of business located in the redevelopment project area during the base year which shall be the calendar year immediately prior to the year in which the municipality adopted tax increment allocation financing, less 1.6% of such amounts generated under the Retailers' Occupation Tax Act, Use Tax Act and Service Use Tax Act and the Service Occupation Tax Act, which sum shall be retained by the State Treasurer to cover administrative and enforcement costs incurred by the Department of Revenue; and

WHEREAS, A municipality shall not receive from the State the incremental revenues from the Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax Act, and the Service Occupation Tax Act and local incremental real estate tax revenues as provided in the Act unless such municipality deposits all incremental revenues from the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act and the local incremental real property tax revenues, as provided in the Act, into the appropriate special tax allocation fund; and

WHEREAS, The Municipality does impose the maximum tax allowed by law under the Municipal Retailers' Occupation Tax Act, the Municipal Use Tax Act, and the Municipal Service Occupation Tax Act and shall deposit all incremental revenues from the Municipal

Retailer's Occupation Tax Act and the Municipal Service Occupation Tax Act and the local incremental real property tax revenues into the Fund; and

WHEREAS, The redevelopment projects described in the Plan would not be completed without the use of State incremental revenues pursuant to the Act, the Municipality will pursue the implementation of the Plan in an expeditious manner, and the incremental revenues created pursuant to Section 8a(1) of the Act will be exclusively utilized for the development of the Area and to pay redevelopment project costs as defined in the Act; now, therefore,

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

SECTION 1. Incorporation of Preambles. The preambles to this ordinance be, and the same hereby are, incorporated herein by this reference as if set out herein in full.

SECTION 2. Department of Revenue Authorized. The Department of Revenue be, and the same hereby is, authorized to annually certify and cause to be paid to the Municipality an amount equal to the increase in the aggregate amount of taxes paid by retailers and servicemen on transactions at places of businesses located within the Area pursuant to the Municipal Retailers' Occupation Act, the Municipal Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act for as long as the Area exists, over and above the aggregate amount of such taxes as certified by the Illinois Department of Revenue and paid under those acts by retailers and servicemen on transactions at places of business located in the Area during the calendar year 1985.

SECTION 3. Revenues to be Deposited. All incremental revenues received by the Municipality from the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act be, and the same hereby are authorized to be, deposited upon receipt to the Fund in accordance with the Act.

SECTION 4. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 5. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

AUTHORITY GRANTED FOR ADOPTION OF AMENDMENT
NUMBER 1 TO REDEVELOPMENT PLAN FOR
BLIGHTED COMMERCIAL AREA
GARFIELD-LA SALLE.

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

WHEREAS, The Commercial District Development Commission of the City of Chicago, hereinafter referred to as the "Commission", has approved Amendment No. 1 to the Redevelopment Plan for Blighted Commercial Area Garfield- LaSalle, hereinafter referred to as the "Amendment"; and

WHEREAS, The City Council of the City of Chicago, hereinafter referred to as the "Council", has studied said Amendment and finds it to be in conformance with the requirements of Section 15.1 of the Municipal Code of the City of Chicago and in accord with sound planning principles; and

WHEREAS, The Council wishes to evidence its approval of said Amendment; now, therefore,

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

SECTION 1. Amendment No. 1 to the Redevelopment Plan for Blighted Commercial Area Garfield-LaSalle is hereby approved.

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

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

APPROVAL OF TAX INCREMENT REDEVELOPMENT PLAN
FOR CHATHAM RIDGE REDEVELOPMENT TAX
INCREMENT FINANCING PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, approving a tax increment redevelopment plan for the Chatham Ridge redevelopment tax increment financing 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan" and "Project") within the municipal boundaries of the Municipality and within a proposed redevelopment project area (the "Area") described in Section 1(a) of this ordinance, which area constitutes in the aggregate more than 1 and 1/2 acres; and

WHEREAS, Pursuant to Section 11-74.4-5 of the Act, the Commercial District Development Commission of the Municipality, by authority of the City Council of the Municipality (the "Corporate Authorities"), called a public hearing relative to the Plan and Project and the designation of the Area as a redevelopment project area under the Act for November 24, 1986, in Room 2800 at 20 North Clark Street, Chicago, Illinois; and

WHEREAS, Due notice in respect to such hearing was given pursuant to Section 11-74.4-5 of the Act, said notice being given to taxing districts and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on October 24, 1986, by publication on November 12, 1986, and November 19, 1986, and by certified mail to taxpayers within the Area on November 13, 1986; and

WHEREAS, The Plan and Project set forth the factors which could cause the proposed Area to become blighted, and the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies and are generally informed of the conditions in the proposed Area which could cause the improved portions of such area to be a "conservation area" and the vacant portions to "blighted area" as said terms are used in the Act; and

WHEREAS, The Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Plan; and

WHEREAS, The Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would be substantially benefited by the proposed Project improvements; and

WHEREAS, The Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the Municipality as a whole to determine whether the proposed Plan and Project conform to the such comprehensive plan of the Municipality; now, therefore,

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

SECTION 1. Findings. The Corporate Authorities hereby make the following findings:

(a) The Area is described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

(b) There exist conditions which cause the Area to be subject to designation as a redevelopment project area under the Act and the improved portions of the Area to be classified as a conservation area, and the vacant portions of the Area to be classified as a blighted area as defined in Section 11-74.4-3(b) of the Act.

(c) The proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan.

(d) The Plan and Project conform to the comprehensive plan for the development of the Municipality as a whole.

(e) As set forth in the Plan and in the testimony at the public hearing, the estimated date of completion of the Project is December 1, 2009, and the estimated date of the retirement of all obligations incurred to finance redevelopment project costs as defined in the Plan is December 1, 2009.

(f) The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon which will be substantially benefited by the proposed Project improvements are included in the proposed Area.

(g) The Area would not reasonably be developed without the use of incremental revenues pursuant to Section 11-74.4-8(a)(1) of the Act (the "Incremental Sales Tax Revenues").

(h) The Incremental Sales Tax Revenues will be exclusively utilized for the redevelopment of the Area.

SECTION 2. Exhibits Incorporated by Reference. The Plan and Project which were the subject matter of the public hearing held on November 25, 1986, are hereby adopted and approved. A copy of the Plan and Project is set forth in Exhibit D attached hereto and incorporated herein as if set out in full by this reference.

SECTION 3. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provisions shall not affect any of the remaining provisions of this ordinance.

SECTION 4. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Exhibits A, B, C and D omitted for printing purposes
but on file and available for public inspection
in the Office of the City Clerk.]

CHATHAM RIDGE AREA DESIGNATED AS "REDEVELOPMENT
PROJECT AREA" PURSUANT TO TAX INCREMENT
ALLOCATION REDEVELOPMENT
PROJECT ACT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, designating the Chatham Ridge area as a "Redevelopment Project Area" pursuant to the Tax Increment Allocation Redevelopment Project Act.

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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuster, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan" and "Project") within the municipal boundaries of the Municipality and within a proposed redevelopment project area (the "Area") described in Section 1 of this ordinance; and

WHEREAS, The Corporate Authorities have heretofore by ordinance adopted and approved the Plan and Project, which Plan and Project were identified in such ordinance and were the subject, along with the Area designation hereinafter made, of a public hearing held on November 24, 1986, and it is now necessary and desirable to designate the Area as a redevelopment project area pursuant to the Act; now, therefore,

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

SECTION 1. Area Designated. The Area, as described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference, is hereby designated as a redevelopment project area pursuant to Section 11-74.4-4 of the Act. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

SECTION 2. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 3. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Exhibits A, B and C omitted for printing purposes but on
file and available for public inspection in
the Office of the City Clerk.]

TAX INCREMENT ALLOCATION FINANCING ADOPTED FOR
CHATHAM RIDGE REDEVELOPMENT TAX
INCREMENT FINANCING PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, adopting tax increment allocation financing for the Chatham Ridge redevelopment tax increment financing 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, It is desireable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to adopt tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"); and

WHEREAS, The Municipality has heretofore adopted a redevelopment plan and project (the "Plan" and "Project") as required by the Act by passage of an ordinance and has heretofore designated a redevelopment project area (the "Area") as required by the Act by the passage of an ordinance and has otherwise complied with all other conditions precedent required by the Act; now, therefore,

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

SECTION 1. Tax Increment Financing Adopted. Tax increment allocation financing is hereby adopted to pay redevelopment project costs as defined in the Act and as set forth in Plan and Project within the Area as described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

SECTION 2. Allocation of *Ad Valorem* Taxes. Pursuant to the Act, the *ad valorem* taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 11-74.4-9(c) of the Act each year after the effective date of this ordinance until the Project costs and obligations issued in respect thereto have been paid shall be divided as follows:

(a) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

(b) That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each lot, block, tract or parcel of real property in the Area over and above the initial equalized assessed value of each property in the Area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said taxes into a special fund, hereby created, and designated the "1986 Chatham Ridge Redevelopment Project Area Special Tax Allocation Fund" of the Municipality and such taxes be used for the purpose of paying Project costs and obligations incurred in the payment thereof.

SECTION 3. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 4. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Exhibits A, B and C omitted for printing purposes but
on file and available for public inspection in the
Office of the City Clerk.]

DEPARTMENT OF REVENUE AUTHORIZED TO CERTIFY AMOUNTS
OF INCREASED TAX REVENUES RELATING TO CHATHAM
RIDGE REDEVELOPMENT TAX INCREMENT
FINANCING PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the Department of Revenue to certify amounts of increased tax revenues relating to the Chatham Ridge redevelopment tax increment financing 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, Pursuant to the Tax Increment Allocation Redevelopment Act, as supplemented and amended (the "Act"), the City of Chicago, Illinois (the "Municipality"), has heretofore determined that it is necessary and in the best interests of the Municipality that a portion of the Municipality known generally as the Chatham Ridge Redevelopment Project Area be redeveloped; and

WHEREAS, The City Council (the "Corporate Authorities") of the Municipality has heretofore adopted certain ordinances, which ordinances, respectively, approved a

redevelopment project and plan (the "Plan"), designated as the Chatham Ridge Redevelopment Project Area (the "Area"), and adopted tax increment allocation financing, and pursuant thereto established a special tax allocation fund (the "Fund"), all in accordance with the provisions of the Act; and

WHEREAS, The Corporate Authorities have heretofore and it hereby is determined that the implementation of the Plan and the redevelopment of the Area are necessary and in the best interests of the Municipality; and

WHEREAS, Pursuant to the Act, a municipality which has adopted tax increment financing prior to January 1, 1987, and which imposes the maximum tax allowed by law under the Municipal Retailers' Occupation Tax Act, the Municipal Use Tax Act, and the Municipal Service Occupation Tax Act may by ordinance authorize the Department of Revenue to annually certify and cause to be paid to such municipality an amount equal to the increase in the aggregate amount of taxes paid by retailers and servicemen on transactions at places of businesses located within the associated redevelopment project area pursuant to the Municipal Retailers' Occupation Tax Act, the Municipal Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act for as long as the redevelopment project area exists, over and above the aggregate amount of such taxes as certified by the Illinois Department of Revenue and paid under those Acts by retailers and servicemen on transactions at places of business located in the redevelopment project area during the base year which shall be the calendar year immediately prior to the year in which the municipality adopted tax increment allocation financing, less 1.6% of such amounts generated under the Retailers' Occupation Tax Act, Use Tax Act and Service Use Tax Act and the Service Occupation Tax Act, which sum shall be retained by the State Treasurer to cover administrative and enforcement costs incurred by the Department of Revenue; and

WHEREAS, A municipality shall not receive from the State the incremental revenues from the Retailers' Occupation Tax Act, Use Tax Act, Service Use Tax Act, and the Service Occupation Tax Act and local incremental real estate tax revenues as provided in the Act unless such municipality deposits all incremental revenues from the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act and the local incremental real property tax revenues, as provided in the Act, into the appropriate special tax allocation fund; and

WHEREAS, The Municipality does impose the maximum tax allowed by law under the Municipal Retailers' Occupation Tax Act, the Municipal Use Tax Act, and the Municipal Service Occupation Tax Act and shall deposit all incremental revenues from the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act and the local incremental real property tax revenues into the Fund; and

WHEREAS, The redevelopment projects described in the Plan would not be completed without the use of State incremental revenues pursuant to the Act, the Municipality will pursue the implementation of the Plan in the expeditious manner, and the incremental revenues created pursuant to Section 8a(1) of the Act will be exclusively utilized for the development of the Area and to pay redevelopment project costs as defined in the Act; now, therefore,

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

SECTION 1. Incorporation of Preambles. The preambles to this ordinance be, and the same hereby are, incorporated herein by this reference as if set out herein in full.

SECTION 2. Department of Revenue Authorized. The Department of Revenue be, and the same hereby is, authorized to annually certify and cause to be paid to the Municipality an amount equal to the increase in the aggregate amount of taxes paid by retailers and servicemen on transactions at places of business located within the Area pursuant to the Municipal Retailers' Occupation Act, the Municipal Service Occupation Tax Act, the Retailers' Occupation Tax Act, the Use Tax Act, the Service Use Tax Act, and the Service Occupation Tax Act for as long as the Area exists, over and above the aggregate amount of such taxes as certified by the Illinois Department of Revenue and paid under those acts by retailers and servicemen on transactions at places of business located in the Area during the calendar year 1985.

SECTION 3. Revenues to be Deposited. All incremental revenues received by the Municipality from the Municipal Retailers' Occupation Tax Act and the Municipal Service Occupation Tax Act be, and the same hereby are authorized to be, deposited upon receipt to the Fund in accordance with the Act.

SECTION 4. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 5. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Signature forms omitted for printing purposes.]

APPROVAL OF TAX INCREMENT REDEVELOPMENT PLAN
FOR CHINATOWN REDEVELOPMENT TAX
INCREMENT FINANCING PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, approving a tax increment redevelopment plan for the Chinatown redevelopment tax increment financing 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuller, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan" and "Project") within the municipal boundaries of the Municipality and within a proposed redevelopment project area (the "Area") described in Section 1(a) of this ordinance, which area constitutes in the aggregate more than 1 and 1/2 acres; and

WHEREAS, Pursuant to Section 11-74.4-5 of the Act, the Commercial District Development Commission of the Municipality, by authority of the City Council of the Municipality (the "Corporate Authorities"), called a public hearing relative to the Plan and Project and the designation of the Area as a redevelopment project area under the Act for November 24, 1986, in Room 2800 at 20 North Clark Street, Chicago, Illinois; and

WHEREAS, Due notice in respect to such hearing was given pursuant to Section 11-74.4-5 of the Act, said notice being given to taxing districts and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on October 21, 1986, by publication on November 13, 1986, and November 20, 1986, and by certified mail to taxpayers within the Area on November 10, 1986, and November 14, 1986; and

WHEREAS, The Plan and Project set forth the factors which could cause the proposed Area to become blighted, and the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies and are generally informed of the conditions in the proposed Area which could cause such area to be a "blighted area" as said term is used in the Act; and

WHEREAS, The Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Plan; and

WHEREAS, The Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would be substantially benefited by the proposed Project improvements; and

WHEREAS, The Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the Municipality as a whole to determine whether the proposed Plan and Project conform to the such comprehensive plan of the Municipality; now, therefore,

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

SECTION 1. Findings. The Corporate Authorities hereby make the following findings:

(a) The Area is described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

(b) There exist conditions which cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a blighted area as defined in Section 11-74.4-3(a) of the Act.

(c) The proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan.

(d) The Plan and Project conform to the comprehensive plan for the development of the Municipality as a whole.

(e) As set forth in the Plan and in the testimony at the public hearing, the estimated date of completion of the Project is August 1, 2009, and the estimated date of the retirement of all obligations incurred to finance redevelopment project costs as defined in the Plan is January 1, 2009.

(f) The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon which will be substantially benefited by the proposed Project improvements are included in the proposed Area.

(g) The Area would not reasonably be developed without the use of incremental revenues pursuant to Section 11-74.4-8(a)(1) of the Act (the "Incremental Sales Tax Revenues").

(h) The Incremental Sales Tax Revenues will be exclusively utilized for the redevelopment of the Area.

SECTION 2. Exhibits Incorporated by Reference. The Plan and Project which were the subject matter of the public hearing held November 24, 1986, are hereby adopted and approved. A copy of the Plan and Project is set forth in Exhibit D attached hereto and incorporated herein as if set out in full by this reference.

SECTION 3. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 4. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Exhibits A, B, C and D omitted for printing purposes but on
file and available for public inspection in the
Office of the City Clerk.]

CHINATOWN AREA DESIGNATED AS "REDEVELOPMENT
PROJECT AREA" PURSUANT TO TAX INCREMENT
ALLOCATION REDEVELOPMENT
PROJECT ACT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, designating the Chinatown Area as a "Redevelopment Project Area" pursuant to the Tax Increment Allocation Redevelopment Project Act.

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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to implement tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"), for a proposed redevelopment plan and redevelopment project (the "Plan" and "Project") within the municipal boundaries of the Municipality and within a proposed redevelopment project area (the "Area") described in Section 1(a) of this ordinance, which area constitutes in the aggregate more than 1 and 1/2 acres; and

WHEREAS, Pursuant to Section 11-74.4-5 of the Act, the Commercial District Development Commission of the Municipality, by authority of the City Council of the Municipality (the "Corporate Authorities"), called a public hearing relative to the Plan and Project and the designation of the Area as a redevelopment project area under the Act for November 24, 1986, in Room 2800 at 20 North Clark Street, Chicago, Illinois; and

WHEREAS, Due notice in respect to such hearing was given pursuant to Section 11-74.4-5 of the Act, said notice being given to taxing districts and to the Department of Commerce and Community Affairs of the State of Illinois by certified mail on October 21, 1986, by publication on November 13, 1986, and November 20, 1986, and by certified mail to taxpayers within the Area on November 10, 1986, and November 14, 1986; and

WHEREAS, The Plan and Project set forth the factors which could cause the proposed Area to become blighted, and the Corporate Authorities have reviewed the information concerning such factors presented at the public hearing and have reviewed other studies and are generally informed of the conditions in the proposed Area which could cause such area to be a "blighted area" as said term is used in the Act; and

WHEREAS, The Corporate Authorities have reviewed the conditions pertaining to lack of private investment in the proposed Area to determine whether private development would take place in the proposed Area as a whole without the adoption of the proposed Plan; and

WHEREAS, The Corporate Authorities have reviewed the conditions pertaining to real property in the proposed Area to determine whether contiguous parcels of real property and improvements thereon in the proposed Area would be substantially benefited by the proposed Project improvements; and

WHEREAS, The Corporate Authorities have reviewed the proposed Plan and Project and also the existing comprehensive plan for development of the Municipality as a whole to determine whether the proposed Plan and Project conform to the such comprehensive plan of the Municipality; now, therefore,

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

SECTION 1. Findings. The Corporate Authorities hereby make the following findings:

(a) The Area is described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

(b) There exist conditions which cause the Area to be subject to designation as a redevelopment project area under the Act and to be classified as a blighted area as defined in Section 11-74.4-3(a) of the Act.

(c) The proposed Area on the whole has not been subject to growth and development through investment by private enterprise and would not be reasonably anticipated to be developed without the adoption of the Plan.

(d) The Plan and Project conform to the comprehensive plan for the development of the Municipality as a whole.

(e) As set forth in the Plan and in the testimony at the public hearing, the estimated date of completion of the Project is August 1, 2009, and the estimated date of the retirement of all obligations incurred to finance redevelopment project costs as defined in the Plan is January 1, 2009.

(f) The parcels of real property in the proposed Area are contiguous, and only those contiguous parcels of real property and improvements thereon which will be substantially benefited by the proposed Project improvements are included in the proposed Area.

SECTION 2. Exhibits Incorporated by Reference. The Plan and Project which were the subject matter of the public hearing held on November 24, 1986, are hereby adopted and approved. A copy of the Plan and Project is set forth in Exhibit D attached hereto and incorporated herein as if set out in full by this reference.

SECTION 3. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 4. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Exhibits A, B, C and D omitted for printing purposes
but on file and available for public inspection
in the Office of the City Clerk.]

TAX INCREMENT ALLOCATION FINANCING ADOPTED FOR
CHINATOWN REDEVELOPMENT TAX INCREMENT
FINANCING PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, adopting tax increment allocation financing for the Chinatown redevelopment tax increment financing 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, It is desirable and for the best interests of the citizens of the City of Chicago, Illinois (the "Municipality"), for the Municipality to adopt tax increment allocation financing pursuant to the Tax Increment Allocation Redevelopment Act, Division 74.4 of Article 11 of the Illinois Municipal Code, as amended (the "Act"); and

WHEREAS, The Municipality has heretofore adopted a redevelopment plan and project (the "Plan" and "Project") as required by the Act by passage of an ordinance and has heretofore designated a redevelopment project area (the "Area") as required by the Act by the passage of an ordinance and has otherwise complied with all other conditions precedent required by the Act; now, therefore,

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

SECTION 1. Tax Increment Financing Adopted. Tax increment allocation financing is hereby adopted to pay redevelopment project costs as defined in the Act and as set forth in Plan and Project within the Area as described in Exhibit A attached hereto and incorporated herein as if set out in full by this reference. The street location (as near as practicable) for the Area is described in Exhibit B attached hereto and incorporated herein as if set out in full by this reference. The map of the Area is depicted on Exhibit C attached hereto and incorporated herein as if set out in full by this reference.

SECTION 2. Allocation of *Ad Valorem* Taxes. Pursuant to the Act, the *ad valorem* taxes, if any, arising from the levies upon taxable real property in the Area by taxing districts and tax rates determined in the manner provided in Section 11-74.4-9(c) of the Act each year after the effective date of this Ordinance until the Project costs and obligations issued in respect thereto have been paid shall be divided as follows:

(a) That portion of taxes levied upon each taxable lot, block, tract or parcel of real property which is attributable to the lower of the current equalized assessed value or the initial equalized assessed value of each such taxable lot, block, tract or parcel of real property in the Area shall be allocated to and when collected shall be paid by the county collector to the respective affected taxing districts in the manner required by law in the absence of the adoption of tax increment allocation financing.

(b) That portion, if any, of such taxes which is attributable to the increase in the current equalized assessed valuation of each lot, block, tract or parcel of real property in

the Area over and above the initial equalized assessed value of each property in the Area shall be allocated to and when collected shall be paid to the municipal treasurer who shall deposit said taxes into a special fund, hereby created, and designated the "1986 Chinatown Basin Tax Increment Redevelopment Area Special Tax Allocation Fund" of the Municipality and such taxes be used for the purpose of paying Project costs and obligations incurred in the payment thereof.

SECTION 3. Invalidity of Any Section. If any section, paragraph or provision of this ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this ordinance.

SECTION 4. Superseder and Effective Date. All ordinances, resolutions, motions or orders in conflict herewith be, and the same hereby are, repealed to the extent of such conflict, and this ordinance shall be in full force and effect immediately upon its passage by the Corporate Authorities and approval as provided by law.

[Exhibits A, B and C omitted for printing purposes but
on file and available for public inspection in the
Office of the City Clerk.]

EXECUTION OF LOAN AND SECURITY AGREEMENT WITH KNICKERBOCKER-LOWENTHAL CORPORATION.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a loan and security agreement in the amount of \$100,000.00 with the Knickerbocker-Lowenthal Corporation whereby revolving loan funds will be loaned to assist in the purchase of inventory for use in the facility located at 2076 North Elston Avenue.

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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, The Department of Economic Development of the City of Chicago has as its primary purpose the creation of additional employment opportunities in the City of

Chicago through the attraction and expansion of economic development activity in the City; and

WHEREAS, The United States Department of Commerce, Economic Development Administration has made funds available to the City of Chicago in the original amount of \$2,200,000 for a Revolving Loan Fund Program under Title IX of the Public Works and Economic Development Act of 1971; and

WHEREAS, The United States Department of Housing and Urban Development has made supplementary funds available to the City of Chicago for a Revolving Loan Fund Program; and

WHEREAS, Knickerbocker-Lowenthal Corp. has made application to the Department of Economic Development to borrow \$100,000 to purchase existing inventory; and

WHEREAS, By resolution dated October 13, 1985, the Department of Economic Development of the City of Chicago has approved a Revolving Loan Fund loan to Knickerbocker-Lowenthal Corp; now, therefore,

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

SECTION 1. The Commissioner of Economic Development is authorized to enter into and execute a Loan and Security Agreement with Knickerbocker- Lowenthal Corp. pursuant to which the City will loan \$100,000 to Knickerbocker- Lowenthal Corp. for the purpose of purchasing inventory, said Loan and Security Agreement to be in substantially the form attached hereto as Exhibit A.

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

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

Exhibit A (Loan and Security Agreement) attached to this ordinance reads as follows:

Exhibit A.

Security and Loan Agreement.

This Agreement is entered into and executed as of this _____ day of _____, 19____, by and between the City of Chicago, an Illinois municipal corporation ("Lender"), by and through its Department of Economic Development ("D.E.D."), having its offices at 20 North Clark Street, Chicago, Illinois, 60602; and Knickerbocker-Lowenthal Corp., an Illinois corporation with principal offices at 2076 North Elston, Chicago, Illinois 60614 ("Borrower").

Recitals:

Whereas, D.E.D. was established on 10 February 1982 by ordinance of the City Council of the City of Chicago; and

Whereas, D.E.D. has as its primary purpose the creation of additional employment opportunities in the City of Chicago through the attraction and expansion of industrial and commercial development in the City; and

Whereas, D.E.D. has funds available to it from the United States Department of Commerce, Economic Development Administration in the original amount of \$2,200,000 for a Revolving Loan Fund Program; and

Whereas, Borrower desires to borrow and Lender desires to lend the sum of \$100,000 ("Loan") for the purpose of purchasing inventory;

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

Section 1. The Above Recitals Are Incorporated Herein And Made A Part Hereof By Reference.

Section 2. Definitions.

2.01 "Borrower's Liabilities" shall mean all obligations and liabilities of Borrower to Lender (including without limitation all debts, claims and indebtedness) whether primary, secondary, direct, contingent, fixed or otherwise heretofore, now and/or from time to time hereafter owing, due or payable, however evidenced, created, incurred, acquired or owing and however arising whether under this Agreement or the "Other Agreements" (hereinafter defined).

2.02 "Charges" shall mean all national, federal, state, county, city, municipal and/or other governmental (or any instrumentality, division, agency, body or department thereof), taxes, levies, assessments, charges, liens, claims or encumbrances upon and/or relating to the "Collateral" (hereinafter defined), Borrower's liabilities, Borrower's business, Borrower's ownership and/or use of any of its assets, and/or Borrower's income and/or gross receipts.

2.03 "Collateral" shall mean those assets of Borrower (individually or collectively), now owned or hereafter acquired in which Borrower has granted Lender a security interest as set forth in Section 4 of this Agreement as security for the Loan.

2.04 "Financials" shall mean those financial statements provided to D.E.D. at the time of application for the Loan and financial statements hereinafter provided to D.E.D. pursuant to the terms of this Agreement.

2.05 "Indebtedness" shall mean all obligations and liabilities of Borrower to any Person (other than Lender), heretofore, now and/or from time to time hereafter owed, whether under written or oral agreement, operation of law, or otherwise.

2.06 "Other Agreements" shall mean all agreements, instruments and documents heretofore, now, and/or from time to time hereafter executed by and/or on behalf of Borrower and delivered to Lender by Borrower.

2.07 "Property" shall mean that certain real estate located at 1609 North Wolcott, Chicago, Illinois, and all buildings, facilities and structures now existing or hereafter erected thereon.

2.08 "Project" shall mean all activities of Borrower on the Property using the proceeds of the Loan or other Indebtedness.

2.09 "Senior Lender" shall mean the Marina Bank in Chicago, Illinois 60602.

Section 3. Loan.

The Loan shall be made upon the following terms and conditions:

3.01 The principal sum of the Loan shall be \$100,000.

3.02 The term of the Loan shall be 5 years.

3.03 The rate of interest charged on the Loan, per annum, shall be seventy-five percent (75%) of the rate of interest charged by the First National Bank of Chicago to its most credit-worthy customers upon ninety (90) day unsecured loans in effect from time to time ("Prime Rate"), payable in equal monthly installments in the amount set forth on Lender statement(s) provided to Borrower on or before the 10th day of January, April, July and October of each year the Loan remains outstanding. The aforesaid interest rate shall be established as of the date this Agreement is executed and shall be adjusted as of the first day of January, April, July and October of each year the Loan remains outstanding. The first such interest adjustment shall be _____, 19_____.

3.04 Repayment of Loan shall be in 60 equal monthly installments of principal (plus interest thereon as adjusted from time to time pursuant to paragraph 3.03 above.) Payments shall be made on or before the _____ day of the month commencing on the _____ day of the first full month after disbursement of the Loan proceeds in the amount(s) set forth on Lender's statement to Borrower.

3.05 Borrower expressly agrees the Loan proceeds shall be used only for purposes of purchasing inventory as part of its business expansion program and that said inventory will be used only at the Property.

Section 4. Grant of Security Interest.

4.01 To secure the prompt payment to Lender of and the prompt, full and faithful performance of Borrower's Liabilities, Borrower hereby grants, or causes to be granted, to Lender a security interest in and to all of the following:

(a) the Property and

(b) inventory receivables, equipment, machinery, vehicles and fixtures, and other fixed business assets located 2076 North Elston, Chicago, Illinois, including all replacements, additions, accessions, and/or substitutions thereto and therefore; and all products and proceeds of the foregoing, including without limitation proceeds of insurance policies insuring the collateral.

4.02 Borrower at its sole cost and expense, shall keep and maintain the Collateral insured for its full replacement value against loss or damage by fire, theft, explosion, floods and all other hazards and risks ordinarily insured against by other owners or users of such properties in similar businesses with insurers and in amounts as may be reasonably satisfactory to Lender. Borrower shall deliver to Lender an original copy of each policy of insurance, and evidence of payment of all premiums therefor so long as the Loan is outstanding. Such policies of insurance shall contain an endorsement showing Lender as an additional insured as its interest may appear. In addition, such policies and/or endorsement shall provide that the insurers shall give Lender not less than 30 days written notice of any alteration or cancellation thereof. In the event Borrower at any time or times hereafter shall fail to obtain or maintain any of the policies of insurance required under this Agreement or to pay any premium in whole or in part when due, then Lender without waiving or releasing any obligation or default by Borrower hereunder, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premium and take any other action with respect thereto which Lender deems advisable to protect its interest in the Loan. All sums so disbursed by Lender, including reasonable attorney's fees, court costs, expenses and other charges relating thereto, shall be payable by Borrower to Lender.

4.03 Borrower shall execute such financing statements and security agreements as Lender may request, which statements and agreements shall be recorded at such locations as the Lender designates to perfect its security interest in the Collateral.

4.04 All Borrower's Liabilities shall constitute one loan secured by Lender's security in the Collateral and by all other security interest, liens, claims and encumbrances now and/or from time to time hereafter granted by Borrower to Lender; and the Loan may be subordinated to the loan of the Senior Lender and only the Senior Lender in an amount not to exceed \$625,000.00 plus additional amounts actually advanced by the Senior Lender upon Borrower's failure to perform its obligations under the Senior Loan.

4.05 Borrower agrees that Julian Gollay and Elaine Gollay shall personally guarantee the Loan.

Section 5. Conditions Precedent.

The following, some of which may already have been accomplished shall be required of Borrower as conditions precedent to disbursement of Loan proceeds:

5.01 Borrower shall certify to Lender that Borrower has sufficient funds on hand or irrevocably available to it to complete its obligations under the Agreement and has identified the sources of said funds.

5.02 Borrower shall have furnished to Lender duly executed financing statements to be filed at Borrower's expense by the Lender at such locations as the Lender designates.

5.03 Borrower shall have furnished to Lender insurance policies indicating that Borrower, at its sole cost and expense, shall keep and maintain the Collateral insured for the full replacement value against loss or damage by fire, theft, explosion, sprinklers and all other hazards and risks ordinarily insured against by other owners or users of such business assets in similar businesses. Said policy or policies shall be duly endorsed identifying the Lender as a loss payee, as its interests appear.

5.04 Personal Guarantee of Julian Gollay and Elaine Gollay for repayment of the Loan.

5.05 Consent of Senior Lender to D.E.D's Loan and Borrower's grant of security interest as security therefor.

5.06 Landlord's Waiver of a Lien.

5.07 Duly executed First Source Agreement with the Lender.

Section 6. Warranties, Representations and Covenants.

Borrower warrants and represents and covenants to Lender as follows:

6.01 All representations and warranties of Borrower contained in this Agreement and the Other Agreements shall be true at the time of Borrower's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto.

6.02 Borrower shall be subject to, obey and adhere to any and all federal, state, and local laws, statutes, ordinances, rules and regulations, and executive orders as are now or may be in effect during the term of the Loan.

6.03 Except as disclosed in the Financials, (a) Borrower now and at all times hereafter, an Illinois corporation duly organized and existing and in good standing under the laws of Illinois as represented at the beginning of this Agreement, and qualified or licensed to do business in all other states in which the laws thereof require Borrower to be so qualified and/or licensed; (b) Borrower has the right and power and is duly authorized and empowered to enter into, execute, deliver and perform this Agreement; (c) the execution, delivery and performance by Borrower of this Agreement shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or breach of any provision contained in Borrower's Articles of Incorporation or By-laws, or contained in any agreement, instrument or document to which Borrower is now or hereafter a party or by which it is or may become bound; (d) Borrower has and at all times hereafter shall have good, indefeasible and merchantable title to and ownership of the Collateral (as hereinafter defined), free and clear of all liens, claims, security interests and encumbrances except those of Lender and as otherwise permitted under Section 4 of this Agreement; (e) Borrower is now and at all times hereafter shall be solvent and able to pay its debts as they mature; (f) there are no actions or proceedings which are pending or threatened against Borrower (except as may be set forth in Borrower's application for the Loan), which might result in any material and adverse change to Borrower's financial condition, or materially affect

Borrower's assets or the Collateral as of the date of this Agreement; (g) Borrower has and is in good standing with respect to all government permits, certificates, consents (including without limitation appropriate environmental clearances and approvals) and franchises necessary to continue to conduct its business as previously conducted by it and to own or lease and operate its properties (including but not limited to the Property) as now owned or leased by it; (h) Borrower is not in default with respect to any indenture, loan agreement, mortgage, deed or other similar agreement relating to the borrowing of monies to which it is a party or by which it is bound; (i) the Financials fairly and accurately present the assets, liabilities and financial conditions and results of operations of Borrower as of the date of application for the Loan and for the fiscal year immediately preceding the date of Financials submitted thereafter; and (j) there has been no material and adverse change in the assets, liabilities or financial condition of Borrower since the dates of the aforesaid Financials.

6.04 Borrower shall cause all current outstanding loans and/or liens to be subordinated to this Loan if such subordination is necessary to assure that Lender occupies no less than a second secured lien position on all of the Collateral. Borrower shall furnish Lender documents satisfactory to Lender which evidence its compliance with this Paragraph 7.04.

6.05 Except as permitted under Section 4 hereof, Borrower shall not, without Lender's prior written consent thereto, which Lender may or may not give in its sole discretion, concurrently or hereafter (a) grant a security interest in, assign, sell or transfer any of the Collateral to any person, or permit, grant, or suffer or permit a lien, claim or encumbrance upon any of the Collateral; (b) permit or suffer any levy, attachment or restraint to be made affecting any of the Collateral; (c) enter into any transaction not in the ordinary course of its business which materially and adversely affects Borrower's ability to repay Borrower's Liabilities or Indebtedness; or (d) permit the Tangible Net Worth, as measured in the annual financial statements of Borrower to decrease more than 15% in any calendar year subsequent to the date of this Agreement from the Tangible Net Worth of Borrower for the immediately prior financial year (as shown in the Financials).

6.06 Borrower shall pay promptly when due, all of the Charges. In the event Borrower, at any time or times hereafter, shall fail to pay the Charges or to obtain discharges of the same, Borrower shall so advise Lender thereof in writing at which time Lender may, without waiving or releasing any obligation or liability of Borrower under this Agreement, in its sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which Lender deems advisable. All sums so paid by Lender and any expenses, including reasonable attorney's fees, court costs, expenses and other charges relating thereto, shall be payable by Borrower to Lender. Notwithstanding anything herein to the contrary, Borrower may permit or suffer Charges to attach to its assets and may dispute the same without prior payment thereof, provided that Borrower, in good faith shall be contesting said Charges in an appropriate proceeding, and Borrower has given such additional collateral and/or assurances as Lender in its sole discretion, deems necessary under the circumstances.

6.07 Borrower shall maintain financial records prepared by a certified public accountant in accordance with generally accepted accounting principles consistently applied not less frequently than annually, and certified to by the chief executive officer of Borrower. Within 90 days following the close of each fiscal year of Borrower, Borrower

shall provide a copy of the aforesaid annual financial statement(s) to Lender. In addition, upon Lender's request, Borrower shall submit to Lender no more frequently than once per calendar quarter, statements of Borrower's employment profile and Borrower's financial condition prepared in accordance with generally accepted accounting principles consistently applied.

6.08 Borrower shall immediately notify Lender of any and all events or actions which may materially affect Borrower's abilities to carry on its operations or perform all its obligations under this Agreement or any other agreements whether senior or junior to the Loan, and whether now existing or hereafter entered into by Borrower so long as any of Borrower's Liabilities remain unsatisfied.

Section 7. Jobs.

7.01 Borrower shall use its best efforts to retain approximately 68 present full-time and four part-time jobs; and shall use its best efforts to create approximately 31 new, permanent jobs within 12 months after execution of this Agreement.

7.02 Borrower shall report in writing to D.E.D. as D.E.D. may from time to time request, the numbers and kinds of jobs maintained, created and filled.

Section 8. Maintaining Records/Right To Inspect.

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

8.02 Any duly authorized representative of the Lender shall, at all reasonable times, have access to all portions of the Project.

8.03 The rights of access and inspection provided in this Section 8 shall, continue until the completion of all close-out procedures respecting the Loan and until the final settlement and conclusion of all issues arising out of the Loan.

Section 9. Events of Default.

Borrower shall be in default under this Agreement upon the occurrence of any of the following Event(s) of Default or conditions, namely: (a) failure to make when due and owing, any payment which failure shall continue for a period of 10 days following notice thereof to Borrower; (b) failure to perform any obligations of or any covenants or liabilities contained or referred to herein other than payment under the Note; (c) any warranty, representation or statement made or furnished to Lender by or on behalf of Borrower proving to have been false in any material respect when made or furnished; (d) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy seizure or attachment thereof or thereon except as expressly otherwise

permitted under this Agreement: (e) Borrower's sale, partial sale, transfer or voluntary disposition of its business; (f) dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the assets of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Borrower or any guarantor or surety of Borrower and, for (b) through (f) of this Section 10, continuing for a period of 60 days after notice thereof to Borrower; or (h) any default of Other Agreements with the Lender or the Senior Lender which would permit the Lender or the Senior Lender, as the case may be, after the expiration of any applicable cure period thereunder, to accelerate its loan.

Section 10. Remedies

Upon such default (regardless of whether the Uniform Commercial Code as applicable has been enacted in the jurisdiction where rights or remedies are asserted), and at any time thereafter (such default not having previously been cured as set forth in Section 9 above), Lender, at its option, may declare all of Borrower's Liabilities secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code as adopted in Illinois ("Code") (and the foreclosure provisions of Ill. Rev. Stat., Chapter 110, Section 15-101 *et seq.*), including without limitation, the right to take immediate and exclusive possession of Collateral, or any part thereof, and for that purpose may, so far as Borrower can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions of the Code) and Lender shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, subject to Borrower's right to redemption, in satisfaction of Borrower's Liabilities as provided in the Code. To this end, Lender may require Borrower to assemble the Collateral and make it available to Lender for possession at a place to be designated by Lender which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline rapidly in value or is of a type customarily sold on a recognized market, Lender will give Borrower at least ten (10) days notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Borrower shown in the beginning of this Agreement at least ten (10) days before the time of the sale or disposition. Lender may buy at any public sale, and if the Collateral is of a type customarily sold on a recognized market or is of a type which is the subject of a widely distributed standard price quotations, it may buy at private sale. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like, and reasonable attorney's fees and legal expenses incurred by Lender in connection therewith, shall be applied in satisfaction of Borrower's Liabilities secured hereby. Lender will account to Borrower for any surplus realized on such disposition and Borrower shall remain liable for any deficiency.

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

Section 11. No Waiver By Lender.

Lender's failure at any time or times hereafter to require strict performance by Borrower of any provision of this Agreement shall not waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith, nor shall any waiver by Lender of a Borrower's Event of Default waive, suspend or affect any other Event of Default under this Agreement, whether the same is prior or subsequent thereto, and whether of the same or of a different type.

Lender's delay in instituting or prosecuting any action or proceeding or otherwise asserting its rights hereunder, shall not operate as a waiver of such rights or limit them in any way so long as an Event of Default shall be continuing.

Section 12. Prepayment.

This Loan may be prepaid at anytime without premium or penalty.

Section 13. Equal Employment.

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

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

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

13.03 Discrimination as used herein shall be interpreted in accordance with the Constitution and applicable federal laws. This covenant may be enforced solely by the City and solely against the party who breaches this covenant.

Section 14. Disclaimer of Relationship.

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

Section 15. Conflict of Interest.

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

Section 16. Limitation of Liability.

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

Section 17. Assignment.

17.01 Borrower may not sell, assign or transfer this Agreement.

17.02 Borrower consents to Lender's sale, assignment, transfer or other disposition, at any time and from time to time hereafter, of this Agreement, in whole or in part.

Section 18. Additional Provisions.

18.01 This Agreement may not be altered or amended except by written instrument signed by all parties hereto.

18.02 All notices, certificates or other communications required or given hereunder shall be in writing and placed in the United States mail, registered or certified, return receipt requested, first class postage, prepaid and addressed as follows:

If To Lender:	Department of Economic Development of the City of Chicago Room 2800 20 North Clark Street Chicago, Illinois 60602 Attention: Commissioner

With Copies To:	Office of the Corporation Counsel Room 511 -- City Hall 121 North LaSalle Street Chicago, Illinois 60601

If To Borrower:	Knickerbocker-Lowenthal Corp. 2076 North Elston Chicago, Illinois 60614 Attention: Mr. Julian Gollay

Copy To:	Knickerbocker-Lowenthal Corp. 1609 North Wolcott Chicago, Illinois Attention: Mr. Julian Gollay

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

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

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

18.05 In all instances where the Lender's consent or approval is required, Lender agrees not to unreasonably, arbitrarily or capriciously withhold such consent or approval.

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

[Signature forms omitted for printing purposes.]

EXECUTION OF LOAN AND SECURITY AGREEMENT WITH
M.T. MANUFACTURING COMPANY.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a loan and security agreement in the amount of \$28,000.00 with M.T. Manufacturing Company whereby Illinois Fixed Rate Funds will be loaned for the purposes of working capital for use in the facility located at 2000 West Fulton 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, The Department of Economic Development of the City of Chicago has as its primary purpose the creation of additional employment opportunities in the City of

Chicago through the attraction and expansion of economic development activity in the City; and

WHEREAS, The State of Illinois has made available to the City of Chicago, through the Federal Community Services Block Grant Program, a grant in the amount of \$694,674 to be used to make low interest loans to start up and expanding businesses; and

WHEREAS, M.T. Mfg., Co. has made an application to the Department of Economic Development to borrow \$28,000.00 for purposes of working capital, which will result in six new permanent job opportunities for low and moderate income individuals residing in the City of Chicago; and

WHEREAS, The Economic Development Commission has approved the application of \$28,000.00; now, therefore,

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

SECTION 1. The Commissioner of Economic Development is authorized to enter into and execute, subject to review as to form and legality by the Corporation Counsel, a Loan and Security Agreement with M.T. Mfg., Co. pursuant to which the City will loan \$28,000.00 to M.T. Mfg., Co. to assist the principals in expanding their present manufacturing facilities, said Loan and Security Agreement to be substantially in the form attached hereto as Exhibit A.

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

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

Exhibit A (Loan and Security Agreement) attached to this ordinance reads as follows:

Exhibit A.

Loan and Security Agreement.

This Agreement is entered into and executed as of _____ this ____ day of _____, 19____, by and between the City of Chicago, Illinois, an Illinois municipal corporation ("Lender"), by and through its Department of Economic Development ("D.E.D."), having its offices at 20 North Clark Street, Chicago, Illinois, 60602 and M.T. Mfg., Co. an Illinois corporation with principal offices at 2000 West Fulton Street, Chicago, Illinois ("Borrower").

Recitals:

Whereas, D.E.D. has as its primary purpose the creation of additional employment opportunities in the City of Chicago through the attraction and expansion of industrial and commercial development in the City; and

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

Whereas, Borrower desires to borrow and Lender desires to lend the sum of Twenty Eight Thousand 00/100 Dollars (\$28,000) ("Loan") for the purposes of purchasing machinery and equipment, and for working capital;

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

Section 1. The Above Recitals Are Incorporated Herein And Made A Part Hereof By Reference.

Section 2. Definitions.

2.01 "Borrower's Liabilities" shall mean all obligations and liabilities of Borrower to Lender (including without limitation all debts, claims and indebtedness) whether primary, secondary, direct, contingent, fixed or otherwise heretofore, now and/or from time to time hereafter owing, due or payable, however evidenced, created, incurred, acquired or owing and however arising whether under this Agreement or the "Other Agreements" (hereinafter defined).

2.02 "Charges" shall mean all national, federal, state, county, city, municipal and/or other governmental (or any instrumentality, division, agency, body or department thereof), taxes, levies, assessments, charges, liens, claims or encumbrances upon and/or relating to the "Collateral" (hereinafter defined), Borrower's Liabilities, Borrower's business, Borrower's ownership and/or use of any of its assets, and/or Borrower's income and/or gross receipts.

2.03 "Collateral" shall mean those assets of Borrower (individually or collectively), now owned or hereafter acquired in which Borrower has granted Lender a security interest as set forth in Section 4 of this Agreement as security for the Loan.

2.04 "Financials" shall mean those financial statements provided to D.E.D. at the time of application for the Loan and financial statements hereinafter provided to D.E.D. pursuant to the terms of this Agreement.

2.05 "Indebtedness" shall mean all obligations and liabilities of Borrower to any Person (other than Lender), heretofore, now and/or from time to time hereafter owed, whether under written or oral agreement, operation of law, or otherwise.

2.06 "Other Agreements" shall mean all agreements, instruments and documents heretofore, now, and/or from time to time hereafter executed by and/or on behalf of Borrower and delivered to Lender by Borrower.

2.07 "Property" shall mean that certain parcel of real estate located at 2000 West Fulton, Chicago, Illinois, and all buildings, facilities and structures now existing or hereafter erected thereon.

2.08 "Project" shall mean all activities of Borrower on the Property using the proceeds of the Loan or other Indebtedness.

2.09 "Senior Lender" shall mean Michigan Avenue National Bank, 30 North Michigan Avenue, Chicago, Illinois 60602.

2.10 "Realty" shall mean those certain parcels of real estate located at 204 E. Witchwood, Lake Bluff, Illinois, 545 White Ct., Gurnee, Illinois, and all buildings, facilities and structures now existing or hereafter erected thereon, and condominium unit 8-C at 201 E. Chestnut, Chicago, Illinois, and all appurtenances thereto.

Section 3. Loan.

The Loan shall be made upon the following terms and conditions:

3.01 The principal sum of the Loan shall be \$28,000.

3.02 The term of the Loan shall be 6 years.

3.03 The rate of interest charged on the Loan, per annum, shall be 3%.

3.04 Repayment of Loan shall be in 72 equal monthly installments of principal together with interest thereon at the rate set forth in paragraph 3.03 above. Payments shall be made on or before the first day of the month commencing on the 1st day of _____, 1986.

3.05 Borrower expressly agrees that Loan proceeds shall be used only for purposes of working capital, and for purchasing machinery and equipment as part of its business expansion program and that said machinery and equipment will be used only at the Property.

Section 4. Grant of Security Interest.

To secure the prompt payment to Lender of and the prompt, full and faithful performance of Borrower's Liabilities, Borrower hereby grants, or causes to be granted, to Lender a security interest in and to all of the following:

4.01 The "Realty".

4.02 Inventory, equipment, machinery, vehicles and fixtures, and other tangible business assets located at 2000 West Fulton, Chicago, Illinois 60612, including all replacements, additions, accessions, and/or substitutions thereto and therefore; all products and proceeds of the foregoing, including without limitation proceeds of insurance policies insuring the Collateral.

4.03 Borrower at its sole cost and expense, shall keep and maintain the Collateral and shall cause the Realty to be insured for its full replacement value against loss or damage by fire, theft, explosion, floods and all other hazards and risks ordinarily insured against by other owners or users of such properties in similar businesses with insurers and in amounts as may be reasonably satisfactory to Lender. Borrower shall deliver to Lender an original copy of each policy of insurance, and evidence of payment of all premiums therefor so long as the Loan is outstanding. Such policies of insurance shall contain an endorsement showing Lender as an additional insured as its interests may appear. In addition, such policies and/or endorsement shall provide that the insurers shall give Lender not less than 30 days written notice of any alteration or cancellation thereof. In the event Borrower at any time or times hereafter shall fail to obtain or maintain any of the policies of insurance required under this Agreement or to pay any premium in whole or in part when due, then Lender without waiving or releasing any obligation or default by Borrower hereunder, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premium and take any other action with respect thereto which Lender deems advisable to protect its interest in the Loan. All sums so disbursed by Lender, including reasonable attorney's fees, court costs, expenses and other charges relating thereto, shall be payable by Borrower to Lender.

4.04 Borrower shall execute such financing statements and security agreements as Lender may request, which statements and agreements shall be recorded at such locations as the Lender designates to perfect its security interest in the Collateral.

4.05 All Borrower's Liabilities shall constitute one loan secured by Lender's security in the Collateral and by all other security interests, liens, claims and encumbrances now and/or from time to time hereafter granted by Borrower to Lender; provided however, that notwithstanding the fact that the City may, from time to time, agree to a parity security position with another lender(s), and except as to the "Realty", the liens and/or security of the Loan may be subordinated to the loan of the Senior Lender and only the Senior Lender in an amount not to exceed \$112,000.00 plus additional amounts actually advanced by the Senior Lender upon Borrower's failure to perform its obligations under the Senior Financing.

4.06 Borrower agrees that John M. Attebery and Leslie E. Attebery, jointly and severally shall personally guaranty the Loan.

Section 5. Conditions Precedent.

The following, some of which may already have been accomplished shall be required of Borrower as conditions precedent to disbursement of Loan proceeds:

5.01 Borrower shall certify to Lender that Borrower has sufficient funds on hand or irrevocably available to it to complete its obligations under the Agreement and has identified the sources of said funds.

5.02 Borrower shall have furnished to Lender duly executed financing statements to be filed at Borrower's expense, by the Lender at such locations as the Lender designates.

5.03 Borrower shall have furnished to Lender insurance policies indicating that Borrower, at its sole cost and expense, shall keep and maintain the Collateral and shall cause the Realty to be insured for the full replacement value against loss or damage by fire, theft, explosion, sprinklers and all other hazards and risks ordinarily insured against by other owners or users of such business assets in similar businesses. Said policy or policies shall be duly endorsed identifying the Lender as a loss payee, as its interests appear.

5.04 Personal Guarantee of John M. Attebery and Leslie E. Attebery, jointly and severally, for repayment of the Loan.

5.05 Borrower shall have caused to be granted to Lender a mortgage in the "Realty" as security for repayment of the loan.

5.06 Consent of Senior Lender to D.E.D.'s Loan and Borrower's grant of security interest as security therefor.

5.07 Landlord's Waiver of a Lien.

Section 6. Warranties, Representations and Covenants.

Borrower warrants, represents and covenants to Lender as follows:

6.01 All representations and warranties of Borrower contained in this Agreement and the Other Agreements shall be true at the time of Borrower's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto.

6.02 Borrower shall be subject to, obey and adhere to any and all federal, state, and local laws, statutes, ordinances, rules and regulations, and executive orders as are now or may be in effect during the term of the Loan.

6.03 Except as disclosed in the Financials, (a) Borrower now and at all times hereafter, an Illinois corporation duly organized and existing and in good standing under the laws of the State of Illinois as represented at the beginning of this Agreement, and qualified or licensed to do business in all other states in which the laws thereof require Borrower to be so qualified and/or licensed; (b) Borrower has the right and power and is duly authorized and empowered to enter into, execute, deliver and perform this Agreement; (c) the execution, delivery and performance by Borrower of this Agreement shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or breach of any provision contained in Borrower's Articles of Incorporation or By-laws, or contained in any agreement, instrument or document to which Borrower is now or hereafter a party or by which it is or may become bound; (d) Borrower has and at all times hereafter shall have good, indefeasible and merchantable title to and ownership of the Collateral (as hereinafter defined), free and clear of all liens, claims, security interests and encumbrances except those of Lender and as otherwise permitted under Section 4 of this Agreement; (e) Borrower is now and at all times hereafter shall be solvent and able to pay its debts as they mature; (f) there are no actions or proceedings which are pending or threatened against Borrower (except as may be set forth in Borrower's application for the Loan), which might result in any material and adverse change to Borrower's financial condition, or materially affect Borrower's assets or the Collateral as of the date of this

Agreement; (g) Borrower has and is in good standing with respect to all government permits, certificates, consents (including without limitation appropriate environmental clearances and approvals) and franchises necessary to continue to conduct its business as previously conducted by it and to own or lease and operate its properties (including but not limited to the Property) as now owned or leased by it; (h) Borrower is not in default with respect to any indenture, loan agreement, mortgage, deed or other similar agreement relating to the borrowing of monies to which it is a party or by which it is bound; (i) the Financials fairly and accurately present the assets, liabilities and financial conditions and results of operations of Borrower as of the date of application for the Loan and for the fiscal year immediately preceding the date of Financials submitted thereafter; and (j) there has been no material and adverse change in the assets, liabilities or financial condition of Borrower since the dates of the aforesaid Financials.

6.04 Borrower shall cause all current outstanding loans and/or liens to be subordinated to this Loan if such subordination is necessary to assure that Lender occupies no less than a second secured lien position on all of the Collateral, except as to the "Realty". Borrower shall furnish Lender documents satisfactory to Lender which evidence its compliance with this Paragraph 6.04.

6.05 Except as permitted under Section 4 hereof, Borrower shall not, without Lender's prior written consent thereto, which Lender may or may not give in its sole discretion, concurrently or hereafter (a) grant a security interest in, assign, sell or transfer any of the Collateral to any person, or permit, grant, or suffer or permit a lien, claim or encumbrance upon any of the Collateral or the Realty; (b) permit or suffer any levy, attachment or restraint to be made affecting any of the Collateral or the Realty; (c) enter into any transaction not in the ordinary course of its business which materially and adversely affects Borrower's ability to repay Borrower's Liabilities or Indebtedness; or (d) permit the Tangible Net Worth, as measured in the annual financial statements of Borrower to decrease more than 15% in any calendar year subsequent to the date of this Agreement from the Tangible Net Worth of Borrower for the immediately prior financial year (as shown in the Financials).

6.06 Borrower shall pay promptly when due, all of the Charges. In the event Borrower, at any time or times hereafter, shall fail to pay the Charges or to obtain discharges of the same, Borrower shall so advise Lender thereof in writing at which time Lender may, without waiving or releasing any obligation or liability of Borrower under this Agreement, in its sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which Lender deems advisable. All sums so paid by Lender and any expenses, including reasonable attorney's fees, court costs, expenses and other charges relating thereto, shall be payable by Borrower to Lender. Notwithstanding anything herein to the contrary, Borrower may permit or suffer Charges to attach to its assets and may dispute the same without prior payment thereof, provided that Borrower, in good faith shall be contesting said Charges in an appropriate proceeding, and Borrower has given such additional collateral and/or assurances as Lender in its sole discretion, deems necessary under the circumstances.

6.07 Borrower shall maintain financial records prepared by a certified public accountant in accordance with generally accepted accounting principles consistently applied not less frequently than annually, and certified to by the chief executive officer of

Borrower. Within 90 days following the close of each fiscal year of Borrower, Borrower shall provide a copy of the aforesaid annual financial statement(s) to Lender. In addition, upon Lender's request, Borrower shall submit to Lender no more frequently than once per calendar quarter, statements of Borrower's employment profile and Borrower's financial condition prepared in accordance with generally accepted accounting principles consistently applied.

6.08 Borrower shall immediately notify Lender of any and all events or actions which may materially affect Borrower's abilities to carry on its operations or perform all its obligations under this Agreement or any other agreements whether senior or junior to the Loan, and whether now existing or hereafter entered into by Borrower so long as any of Borrower's Liabilities remain unsatisfied.

Section 7. Jobs.

7.01 Borrower shall use its best efforts to maintain approximately 9 present full-time jobs; and shall use its best efforts to create and maintain approximately 6 new, permanent jobs within 24 months after execution of this Agreement.

7.02 Borrower shall report in writing to D.E.D. as D.E.D. may from time to time request, the numbers and kinds of jobs maintained, created and filled.

7.03 As an incentive to achieve and maintain hiring levels as set forth in this Agreement, Borrower may earn credit for payments on the City Loan as follows:

(a) If Borrower achieves its employment levels pursuant to Section 7.01 above, it shall accrue credit for one month's Loan payment for each year commencing one year from the initial disbursement date of the Loan proceeds in which the aforesaid employment level is maintained.

(b) Credit accrued as set forth above shall be applied to Borrower's Loan payments due and owing during the final year of the term of the Loan.

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

7.05 Any duly authorized representative of the Lender shall, at all reasonable times, have access to all portions of the Project.

7.06 The rights of access and inspection provided in this Section 7 shall continue until the completion of all close-out procedures respecting the Loan and until the final settlement and conclusion of all issues arising out of the Loan.

Section 8. Events of Default.

Borrower shall be in Default under this Agreement upon the occurrence of any of the following Event(s) of Default or conditions, namely:

(i) default in the payment of interest on this Note when the same is due in accordance with the terms hereof; or

(ii) default in the payment of the principal of this Note when due in accordance with the terms hereof; or

(iii) default in the performance or observance of any other covenant or agreement of the Borrower contained herein, which default shall remain unremedied for thirty (30) days after written notice thereof shall have been given by the City to the Borrower; provided, however, if such correction, by its nature, cannot be performed within said 30-day period, then, if the Borrower commences such correction within said 30-day period and diligently pursues such correction, the time period within which such correction must be performed shall end ninety (90) days following the written notice from the Lender; or

(iv) the occurrence of an Event of Default under any of the Security Documents or under any agreement or document relating to the loan of the Michigan Avenue National Bank, Chicago, Illinois ("Senior Lender"), or under any mortgages or Security Documents, granted on the Realty, or any other documents related to loans for which the Realty or part thereof is collateral, which default is not timely cured pursuant, to any applicable cure period as set forth in the Security Documents, the Senior Lender Loan, or Mortgages, Security Documents, or and other documents related to loans for which the Realty is collateral as the case may be;

(v) any warranty, representation or statement made or furnished to Lender by or on behalf of Borrower proving to have been false in any material respect when made or furnished;

(vi) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral or the Realty, or the making of any levy, seizure or attachment thereof or thereon except as expressly otherwise permitted under this Agreement;

(vii) Borrower's sale, partial sale, transfer or voluntary disposition of its business;

(viii) dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the assets of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Borrower or any guarantor or surety of Borrower.

Section 9. Remedies.

Upon such default (regardless of whether the Uniform Commercial Code as applicable has been enacted in the jurisdiction where rights or remedies are asserted), and at any time thereafter (such default not having previously been cured as set forth in Section 8 above), Lender, at its option, may declare all of Borrower's Liabilities secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform

Commercial Code as adopted in Illinois ("Code") (and the foreclosure provisions of Ill. Rev. Stat., Chapter 110, Section 15-101 *et seq.*), including without limitation, the right to take immediate and exclusive possession of Collateral, or any part thereof, and for that purpose may, so far as Borrower can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions of the Code) and Lender shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, subject to Borrower's right to redemption, in satisfaction of Borrower's Liabilities as provided in the Code. To this end, Lender may require Borrower to assemble the Collateral and make it available to Lender for possession at a place to be designated by Lender which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline rapidly in value or is of a type customarily sold on a recognized market, Lender will give Borrower at least ten (10) days notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Borrower shown in the beginning of this Agreement at least ten (10) days before the time of the sale or disposition. Lender may buy at any public sale, and if the Collateral is of a type customarily sold on a recognized market or is of a type which is the subject of a widely distributed standard price quotations, it may buy at private sale. The net proceeds realized upon any such disposition, after deduction for the expenses or retaking, holding, preparing for sale, selling or the like, and reasonable attorney's fees and legal expenses incurred by Lender in connection therewith, shall be applied in satisfaction of Borrower's Liabilities secured hereby. Lender will account to Borrower for any surplus realized on such disposition and Borrower shall remain liable for any deficiency.

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

Section 10. No Waiver by Lender.

Lender's failure at any time or times hereafter to require strict performance by Borrower of any provision of this Agreement shall not waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith, nor shall any waiver by Lender of a Borrower's Event of Default waive, suspend or affect any other Event of Default under this Agreement, whether the same is prior or subsequent thereto, and whether of the same or of a different type.

Lender's delay in instituting or prosecuting any action or proceeding or otherwise asserting its rights hereunder, shall not operate as a waiver of such rights or limit them in any way so long as an Event of Default shall be continuing.

Section 11. Prepayment.

This Loan may be prepaid at anytime without premium or penalty.

Section 12. Equal Employment.

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

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

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

12.03 Discrimination as used herein shall be interpreted in accordance with the Constitution and applicable federal laws. This covenant may be enforced solely by the City and solely against the party who breaches this covenant.

Section 13. Disclaimer of Relationship.

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

Section 14. Conflict of Interest.

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

Section 15. Limitation of Liability.

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

Section 16. Assignment.

16.01 Borrower may not sell, assign or transfer this Agreement.

16.02 Borrower consents to Lender's sale, assignment, transfer or other disposition, at any time and from time to time hereafter, of this Agreement, in whole or in part.

Section 17. Additional Provisions.

17.01 This Agreement may not be altered or amended except by written instrument signed by all parties hereto.

17.02 All notices, certificates or other communications required or given hereunder shall be in writing and placed in the United States mails, registered or certified, return receipt requested, first class postage, prepaid and addressed as follows:

If To Lender: Department of Economic Development
of the City of Chicago
Room 2800
20 North Clark Street
Chicago, Illinois 60602
Attention: Commissioner

With Copies To: Office of the Corporation Counsel
Room 511 -- City Hall
121 North LaSalle Street
Chicago, Illinois 60601

If To Borrower: M. T. Mfg., Co.
2000 West Fulton
Chicago, Illinois 60612
Attention: John M. Attebery

Copy To:

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

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

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

17.05 In all instances where the Lender's consent or approval is required, Lender agrees not to unreasonably, arbitrarily or capriciously withhold such consent or approval.

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

[Signature forms omitted for printing purposes.]

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, Do Hereby Certify that the above-named officers of M. T. Mfg., Co., (the "Borrower") personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their own free and voluntary act, for the uses and purposes therein set forth:

Given under my hand and Notarial Seal this _____ day of _____ 198__.

Notary Public

My Commission Expires _____

**EXECUTION OF LOAN AND SECURITY AGREEMENT
WITH GUERRA CONSTRUCTION COMPANY.**

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a loan and security agreement with Guerra Construction Company in the amount of \$250,000.00, whereby a business development loan will be extended for purchase of machinery and equipment for a project located at 2635 West Cermak Road.

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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, The Department of Economic Development of the City of Chicago has as its primary purpose the creation of additional employment opportunities in the City of

Chicago through the attraction and expansion of economic development activity in the City; and

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

WHEREAS, Guerra Construction, Co., Inc., an Illinois corporation has made an application to the Department of Economic Development to borrow \$250,000.00 for purchase of additional machinery, equipment and vehicles, which will result, among other things, in the creation of an estimated 30 new permanent job opportunities for low and moderate income individuals residing in the City of Chicago; and

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

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

SECTION 1. The Commissioner of Economic Development is authorized to enter into and execute, subject to review as to form and legality by the Corporation Counsel, a Loan and Security Agreement with Guerra Construction, Co., Inc., pursuant to which the City will loan \$250,000.00 to Guerra Construction Co., Inc., to assist the Guerra Construction Co., Inc., to expand its construction operation, said Loan and Security Agreement to be substantially in the form attached hereto as Exhibit A.

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

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

Exhibit A (Loan and Security Agreement) attached to this ordinance reads as follows:

Exhibit A.

Loan and Security Agreement.

This Agreement is entered into and executed as of ____ this _____ day of _____, 19____, by and between the City of Chicago, Illinois, an Illinois municipal corporation ("Lender"), by and through its Department of Economic Development ("D.E.D."), having its offices at 20 North Clark Street, Chicago, Illinois, 60602 and Guerra Construction Co., Inc., an Illinois corporation, with principal offices at 2635 West Cermak Rd., Chicago, Illinois, 60608 an Illinois corporation with principal offices at 2635 West Cermak Road, Chicago, Illinois ("Borrower").

Recitals:

Whereas, D.E.D. was established on 10 February, 1982 by ordinance of the City Council of the City of Chicago; and

Whereas, D.E.D. has as its primary purpose the creation of additional employment opportunities in the City of Chicago through the attraction and expansion of industrial and commercial development in the City; and

Whereas, D.E.D. has funds available to it through its Business Development Loan Program through the Community Development Block Grant Program of the U. S. Department of Housing and Urban Development ("H.U.D.") in the amount of \$1,500,000; and

Whereas, Borrower desires to borrow and Lender desires to lend the sum of Two Hundred Fifty Thousand 00/100 Dollars (\$250,000) to provide working capital to be used for the purchase of five new tractors and trailers;

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

Section 1. The Above Recitals Are Incorporated Herein And Made A Part Hereof By Reference.

Section 2. Definitions.

2.01 "Borrower's Liabilities" shall mean all obligations and liabilities of Borrower to Lender (including without limitation all debts, claims and indebtedness) whether primary, secondary, direct, contingent, fixed or otherwise heretofore, now and/or from time to time hereafter owing, due or payable, however evidenced, created, incurred, acquired or owing and however arising whether under this Agreement or the "Other Agreements" (hereinafter defined).

2.02 "Charges" shall mean all national, federal, state, county, city, municipal and/or other governmental (or any instrumentality, division, agency, body or department thereof), taxes, levies, assessments, charges, liens, claims or encumbrances upon and/or relating to the "Collateral" (hereinafter defined), Borrower's Liabilities, Borrower's business, Borrower's ownership and/or use of any of its assets, and/or Borrower's income and/or gross receipts.

2.03 "Collateral" shall mean those assets of Borrower (individually or collectively), now owned or hereafter acquired in which Borrower has granted Lender a security interest as set forth in Section 4 of this Agreement as security for the Loan.

2.04 "Financials" shall mean those financial statements provided to D.E.D. at the time of application for the Loan and financial statements hereinafter provided to D.E.D. pursuant to the terms of this Agreement.

2.05 "Indebtedness" shall mean all obligations and liabilities of Borrower to any Person (other than Lender), heretofore, now and/or from time to time hereafter owed, whether under written or oral agreement, operation of law, or otherwise.

2.06 "Other Agreements" shall mean all agreements, instruments and documents heretofore, now, and/or from time to time hereafter executed by and/or on behalf of Borrower and delivered to Lender by Borrower.

2.07 "Property" shall mean that certain real estate located at 2635 W. Cermak, Rd., Chicago, Illinois, and all buildings, facilities and structures now existing or hereafter erected thereon.

2.08 "Project" shall mean the purchase of five tractors and trailers and their use by Borrower on the conducting of its business and all activities of Borrower on the Property using the proceeds of the Loan or other Indebtedness.

2.09 "Senior Lender" shall mean Hyde Park Bank & Trust Co., Chicago, Illinois.

Section 3. Loan.

The Loan shall be made upon the following terms and conditions:

3.01 The principal sum of the Loan shall be \$250,000.

3.02 The term of the Loan shall be 5 years.

3.03 The rate of interest charged on the Loan, per annum, shall be 75% of that rate of interest charged by First National Bank of Chicago to its most credit-worthy customers upon ninety (90) day unsecured loans, in effect from time to time ("Prime Rate"), payable in equal monthly installments in the amount set forth on Lender statement(s) provided Borrower on or before the 10th day of January, April, July and October of each year the Loan remains outstanding. The aforesaid interest rate shall be established as of the date this Agreement is executed and shall be adjusted as of the first day of January, April, July and October of each year the Loan remains outstanding. The first such interest adjustment shall be _____. In accordance with the above, the initial interest rate shall be _____%.

3.04 Repayment of the Loan shall be in 60 equal monthly installments of principal together with interest thereon at the rate set forth and as adjusted from time to time pursuant to Paragraph 3.03 above. Payments shall be made on or before the first day of the month commencing on the 1st day of _____, 1987.

3.05 Borrower expressly agrees that Loan proceeds shall be used only for purposes of purchasing five new tractors and trailers as part of its business expansion program to reduce hauling costs.

Section 4. Grant of Security Interest.

To secure the prompt payment to Lender of and the prompt, full and faithful performance of Borrower's Liabilities, Borrower hereby grants, or causes to be granted, to Lender a security interest in and to all of the following:

4.01 Those new vehicles purchased or to be purchased by Borrower with the funds lent by Lender and Senior Lender as provided in paragraph 3.5.

4.02 The "Property".

4.03 Inventory, equipment, machinery, vehicles and fixtures, and other tangible business assets located at the Property, or otherwise owned by Borrower including all replacements, additions, accessions, and/or substitutions thereto and therefore; all products and proceeds of the foregoing including without limitation proceeds of insurance policies insuring the Collateral.

4.04 Borrower at its sole cost and expense, shall keep and maintain the Collateral insured for its full replacement value against loss or damage by fire, theft, explosion, floods and all other hazards and risks ordinarily insured against by other owners or users of such properties in similar businesses with insurers and in amounts as may be reasonably satisfactory to Lender. Borrower shall deliver to Lender an original copy of each policy of insurance, and evidence of payment of all premiums therefor so long as the Loan is outstanding. Such policies of insurance shall contain an endorsement showing Lender as an additional insured as its interests may appear. In addition, such policies and/or endorsement shall provide that the insurers shall give Lender not less than 30 days written notice of any alteration or cancellation thereof. In the event Borrower at any time or times hereafter shall fail to obtain or maintain any of the policies of insurance required under this Agreement or to pay any premium in whole or in part when due, then Lender without waiving or releasing any obligation or default by Borrower hereunder, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premium and take any other action with respect thereto which Lender deems advisable to protect its interest in the Loan. All sums so disbursed by Lender, including reasonable attorney's fees, court costs, expenses and other charges relating thereto, shall be payable by Borrower to Lender.

4.05 Borrower shall execute such financing statements and security agreements as Lender may request, which statements and agreements shall be recorded at such locations as the Lender designates to perfect its security interest in the Collateral.

4.06 All Borrower's Liabilities shall constitute one loan secured by Lender's security in the Collateral and by all other security interest, liens, claims and encumbrances now and/or from time to time hereafter granted by Borrower to Lender; provided however, that notwithstanding the fact that the City may, from time to time, agree to a parity security position with another lender(s), and except as to the "Realty", the liens and/or security of the Loan may be subordinated to the loan of the Senior Lender and only the Senior Lender in an amount not to exceed \$112,000.00 plus additional amounts actually advanced by the Senior Lender upon Borrower's failure to perform its obligations under the Senior Financing.

4.07 Borrower agrees that Ramiro Guerra and Maria Guerra, jointly and severally shall personally guaranty the Loan.

Section 5. Conditions Precedent.

The following, some of which may already have been accomplished, shall be required of Borrower as conditions precedent to disbursement of Loan proceeds:

5.01 Borrower shall submit to Lender a copy of a duly executed sales contract(s) whereby Borrower irrevocably commits itself to the purchase of five new tractors and trailers as provided for in paragraph 3.05. Said sales contract(s) shall contain evidence satisfactory to Lender, unequivocally identifying said vehicles.

5.02 Borrower shall execute or shall cause to be executed application for title for all new vehicles to be purchased under this loan and security agreement and all any other documents necessary for the City to occupy, in the title to be issued by the Secretary of State with regard to said vehicles, a second position as a lienholder inferior only to the Senior Lender.

5.03 Developer shall certify to Lender that Borrower has sufficient funds on hand or irrevocably available to it to complete its obligations under the Agreement and has identified the sources of said funds.

5.04 Borrower shall have furnished to Lender duly executed financing statements to be filed at Borrower's expense, by the lender at such locations as the Lender designates.

5.05 Borrower shall have furnished to Lender insurance policies indicating that Borrower, at its sole cost and expense, shall keep and maintain the collateral insured for the full replacement value against loss of damage by fire, theft, explosion, sprinklers, collision and all other hazards and risks ordinarily insured against by other owners or users of such business assets in similar businesses. Said policy or policies shall be duly endorsed identifying the Lender as a loss payee, as its interest appear.

5.06 Personal Guarantee of Ramiro Guerra and Maria Guerra, jointly and severally, for repayment of the Loan.

5.07 Consent of Banco Popular de Puerto Rico to grant a junior mortgage to Lender on the property located at 2635 W. Cermak Rd., Chicago, Illinois, 60608.

5.08 Consent of Senior Lender to D.E.D.'s Loan and Borrower's grant of security interest as security therefor.

5.09 Landlord's Waiver of a Lien.

Section 6. Warranties, Representations and Covenants.

Borrower warrants and represents and covenants to Lender as follows:

6.01 All representations and warranties of Borrower contained in this Agreement and the Other Agreements shall be true at the time of the Borrower's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto.

6.02 Borrower shall be subject to, obey and adhere to any and all federal, state, and local laws, statutes, ordinances, rules and regulations, and executive orders as are now or may be in effect during the term of the Loan.

6.03 Except as disclosed in the Financials: (a) Borrower now and at all times hereafter, an Illinois corporation duly organized and existing and in good standing under the laws of Illinois, as represented at the beginning of this Agreement, and qualified or licensed to do business in all other states in which the laws thereof require Borrower to be so qualified and/or licensed; (b) Borrower has the right and power and is duly authorized and empowered to enter into, execute, deliver and perform this Agreement; (c) the execution, delivery and performance by Borrower of this Agreement shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or breach of any provision contained in Borrower's Articles of Incorporation or By-laws, or contained in any agreement, instrument or document to which Borrower is now or hereafter a party or by which it is or may become bound; (d) Borrower has and at all times hereafter shall have good, indefeasible and merchantable title to and ownership of the Collateral (as hereinafter defined), free and clear of all liens, claims, security interests and encumbrances except those of Lender and as otherwise permitted under Section 4 of this Agreement; (e) Borrower is now and at all times hereafter shall be solvent and able to pay its debts as they mature; (f) there are no actions or proceedings which are pending or threatened against Borrower (except as may be set forth in Borrower's application for the Loan), which might result in any material and adverse change to Borrower's financial condition, or materially affect Borrower's assets or the Collateral as of the date of this Agreement; (g) Borrower has and is in good standing with respect to all government permits, certificates, consents (including without limitation appropriate environmental clearances and approvals) and franchises necessary to continue to conduct its business as previously conducted by it and to own or lease and operate its properties (including but not limited to the Property) as now owned or leased by it; (h) Borrower is not in default with respect to any indenture, loan agreement, mortgage, deed or other similar agreement relating to the borrowing of monies to which it is a party or by which it is bound; (i) the Financials fairly and accurately present the assets, liabilities and financial conditions and results of operations of Borrower as of the date of application for the Loan and for the fiscal year immediately preceding the date of Financials submitted thereafter; and (j) there has been no material and adverse change in the assets, liabilities or financial condition of Borrower since the dates of the aforesaid Financials.

6.04 Borrower shall cause all current outstanding loans and/or liens to be subordinated to this Loan if such subordination is necessary to assure that Lender occupies no less than a second secured lien position on all of the Collateral. Borrower shall furnish Lender documents satisfactory to Lender which evidence its compliance with this paragraph 6.04.

6.05 Except as permitted under Section 4 hereof, Borrower shall not, without Lender's prior written consent thereto, which Lender may or may not give in its sole discretion, concurrently or hereafter (a) grant a security interest in, assign, sell or transfer any of the Collateral to any person, or permit, grant, or suffer or permit a lien, claim or encumbrance upon any of the Collateral; (b) permit or suffer any levy, attachment or restraint to be made affecting any of the Collateral; (c) enter into any transaction not in the ordinary course of its business which materially and adversely affects Borrower's ability to repay Borrower's Liabilities or Indebtedness; or (d) permit the Tangible Net Worth, as measured in the

annual financial statements of Borrower to decrease more than 15% in any calendar year subsequent to the date of this Agreement from the Tangible Net Worth of Borrower for the immediately prior financial year (as shown in the Financials).

6.06 Borrower shall pay promptly when due, all of the Charges. In the event Borrower, at any time or times hereafter, shall fail to pay the Charges or to obtain discharges of the same, Borrower shall so advise Lender thereof in writing at which time Lender may, without waiving or releasing any obligation or liability of Borrower under this Agreement, in its sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which Lender deems advisable. All sums so paid by Lender and any expenses, including reasonable attorney's fees, court costs, expenses and other charges relating thereto, shall be payable by Borrower to Lender. Notwithstanding anything herein to the contrary, Borrower may permit or suffer Charges to attach to its assets and may dispute the same without prior payment thereof, provided that Borrower, in good faith shall be contesting said Charges in an appropriate proceeding, and Borrower has given such additional collateral and/or assurances as Lender in its sole discretion, deems necessary under the circumstances.

6.07 Borrower shall maintain financial records prepared by a certified public accountant in accordance with generally accepted accounting principles consistently applied not less frequently than annually, and certified to by the chief executive officer of Borrower. Within 90 days following the close of each fiscal year of Borrower, Borrower shall provide a copy of the aforesaid annual financial statement(s) to Lender. In addition, upon Lender's request, Borrower shall submit to Lender no more frequently than once per calendar quarter, statements of Borrower's employment profile and Borrower's financial condition prepared in accordance with generally accepted accounting principles consistently applied.

6.08 Borrower shall immediately notify Lender of any and all events or actions which may materially affect Borrower's abilities to carry on its operations or perform all its obligations under this Agreement or any other agreements whether senior or junior to the Loan, and whether now existing or hereafter entered into by Borrower so long as any of Borrower's Liabilities remain unsatisfied.

Section 7. Jobs.

7.01 Borrower shall use its best efforts to maintain approximately 80 present full-time jobs; and shall use its best efforts to create approximately 30 new, permanent jobs within 24 months after execution of this Agreement.

7.02 Borrower shall report in writing to D.E.D. as D.E.D. may from time to time request, the numbers and kinds of jobs maintained, created and filled.

7.03 Borrower shall keep and maintain such books, records and other documents as shall be required by Lender and necessary to reflect and disclose fully the amount and disposition of the Loan proceeds, the total cost of the activities paid for, in whole or in part, with Loan proceeds, and the nature of all activities which are supplied or to be supplied by other sources. All such books, records and other documents shall be available at the offices

of Borrower for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the Lender.

7.04 Any duly authorized representative of the Lender shall, at all reasonable times, have access to all portions of the Project.

7.05 The rights of access and inspection provided in this Section 7 shall continue until the completion of all close-out procedures respecting the Loan and until the final settlement and conclusion of all issues arising out of the Loan.

Section 8. Events of Default.

Borrower shall be in default under this Agreement upon the occurrence of any of the following Event(s) of Default or conditions, namely:

(i) default in the payment of interest on this Note when the same is due in accordance with the terms hereof; or

(ii) default in the payment of the principal of this Note when due in accordance with the terms hereof; or

(iii) default in the performance or observance of any other covenant or agreement of the Borrower contained herein, which default shall remain unremedied for thirty (30) days after written notice thereof shall have been given by the City to the Borrower; provided, however, if such correction, by its nature, cannot be performed within said 30-day period, then if the Borrower commences such correction within said 30-day period and diligently pursues such correction, the time period within which such correction must be performed shall end ninety (90) days following the written notice from the Lender; or

(iv) the occurrence of an Event of Default under any of the Security Documents or under any agreement or document relating to the loan of the Hyde Park Bank and Trust Co., Chicago, Illinois ("Senior Lender"), which default is not timely cured pursuant, to any applicable cure period as set forth in the Security Documents or the Senior Lender Loan, as the case may be;

(v) any warranty, representation or statement made or furnished to Lender by or on behalf of Borrower proving to have been false in any material respect when made or furnished;

(vi) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon except as expressly otherwise permitted under this Agreement;

(vii) Borrower's sale, partial sale, transfer or voluntary disposition of its business; and

(viii) dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the assets of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Borrower or any guarantor or surety of Borrower.

Section 9. Remedies

Upon such default (regardless of whether the Uniform Commercial Code as applicable has been enacted in the jurisdiction where rights or remedies are asserted), and at any time thereafter (such default not having previously been cured as set forth in Section 9 above), Lender, at its option, may declare all Borrower's Liabilities secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code as adopted in Illinois ("Code") (and the foreclosure provisions of Ill. Rev. Stat., Chapter 110, Section 15-101 *et seq.*), including without limitation, the right to take immediate and exclusive possession of Collateral, or any part thereof, and for that purpose may, so far as Borrower can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions of the Code) and Lender shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, subject to Borrower's right to redemption, in satisfaction of Borrower's Liabilities as provided in the Code. To this end, Lender may require Borrower to assemble the Collateral and make it available to Lender for possession at a place to be designated by Lender which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline rapidly in value or is of a type customarily sold on a recognized market, Lender will give Borrower at least ten (10) days notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Borrower shown in the beginning of this Agreement at least ten (10) days before the time of the sale or disposition. Lender may buy at any public sale, and if the Collateral is of a type customarily sold on a recognized market or is of a type which is the subject of a widely distributed standard price quotations, it may buy at private sale. The net proceeds realized upon any such disposition, after deduction for the expenses or retaking, holding, preparing for sale, selling or the like, and reasonable attorney's fees and legal expenses incurred by Lender in connection therewith, shall be applied in satisfaction of Borrower's Liabilities secured hereby. Lender will account to Borrower for any surplus realized on such disposition and Borrower shall remain liable for any deficiency.

The remedies of Lender hereunder are cumulative and the exercise of anyone or more of the remedies provided for herein or under the Code shall not be construed as a waiver of any of the other remedies of Lender so long as any part of Borrower's Liabilities remain unsatisfied.

Section 10. No Waiver By Lender.

Lender's failure at any time or times hereafter to require strict performance by Borrower of any provision of this Agreement shall not waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith, nor shall any waiver by Lender of a Borrower's Event of Default waive, suspend or affect any other Event of Default under this Agreement, whether the same is prior or subsequent thereto, and whether of the same or of a different type.

Lender's delay in instituting or prosecuting any action or proceeding or otherwise asserting its rights hereunder, shall not operate as a waiver of such rights or limit them in any way so long as an Event of Default shall be continuing.

Section 11. Prepayment.

This Loan may be prepaid at anytime without premium or penalty.

Section 12. Equal Employment.

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

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

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

12.03 Discrimination as used herein shall be interpreted in accordance with the Constitution and applicable federal laws. This covenant may be enforced solely against the party who breaches this covenant.

Section 13. Disclaimer of Relationship.

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

Section 14. Conflict of Interest.

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

Section 15. Limitation of Liability.

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

Section 16. Assignment.

16.01 Borrower may not sell, assign or transfer this Agreement.

16.02 Borrower consents to Lender's sale, assignment, transfer or other disposition, at any time and from time to time hereafter, of this Agreement, in whole or in part.

Section 17. Additional Provisions.

17.01 This Agreement may not be altered or amended except by written instrument signed by all parties hereto.

17.02 All notices, certificates or other communications required or given hereunder shall be in writing and placed in the United States mails, registered or certified, return receipt requested, first class postage, prepaid and addressed as follows:

If To Lender:

Department of Economic Development
of the City of Chicago
Room 2800
20 North Clark Street
Chicago, Illinois 60602
Attention: Commissioner

With Copies To:

Office of the Corporation Counsel
Room 511 -- City Hall
121 North LaSalle Street
Chicago, Illinois 60601

If To Borrower:

Guerra Construction Co.
2635 W. Cermak Road
Chicago, Illinois 60608
Attention: Ramiro Guerra

Copy To:

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

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

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

17.05 In all instances where the Lender's consent or approval is required, Lender agrees not to unreasonably, arbitrarily or capriciously withhold such consent or approval.

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

[Signature forms omitted for printing purposes.]

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named officers of Guerra Construction, Co. (the "Borrower") personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their own free and voluntary act, for the uses and purposes therein set forth:

GIVEN under my hand and Notarial Seal this ____ day of _____ 198__.

Notary Public

My Commission Expires _____

EXECUTION OF LOAN AND SECURITY AGREEMENT WITH
PRIDE'S FOOD MART, INCORPORATED.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a loan and security agreement whereby Fixed Rate Loan Funds will be loaned to Pride's Food Mart, Inc. in the amount of \$96,000.00 for establishment of a food mart at 2300 West Madison 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

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

WHEREAS, The State of Illinois has made available to the City of Chicago, through the Federal Community Services Block Grant Program, a grant in the amount of \$694,674 to be used to make low interest loans to start up and expanding businesses; and,

WHEREAS, Pride's Food Mart, Inc., has made an application to the Department of Economic Development to borrow \$96,000 for purposes of leasehold improvements, purchasing machinery and equipment, new construction, inventory purchases and working capital, which will result in the creation of 21 full-time and 12 part-time new, permanent job opportunities for low and moderate income individuals residing in the City of Chicago; and,

WHEREAS, The Economic Development Commission has approved the application of \$96,000.00; now, therefore,

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

SECTION 1. The Commissioner of Economic Development is authorized to enter into and execute, subject to review as to form and legality by the Corporation Counsel, a Loan and Security Agreement with Pride's Food Mart, Inc., pursuant to which the City will loan \$96,000 to Pride's Food Mart, Inc., to assist in the starting up of new facilities, said Loan and Security Agreement to be substantially in the form attached hereto as Exhibit A.

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

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

Exhibit A (Loan and Security Agreement) attached to this ordinance reads as follows:

Exhibit A.

Loan And Security Agreement.

This Agreement is entered into and executed as of _____ this _____ day of _____, 19_____, by and between the City of Chicago, Illinois, an Illinois municipal corporation ("Lender"), by and through its Department of Economic Development ("D.E.D."), having its offices at 20 North Clark Street, Chicago, Illinois

60602, and Pride's Food Mart, Inc. with principal offices at 2300 West Madison Street, Chicago, Illinois 60612 ("Borrower").

Recitals:

Whereas, D.E.D. was established on 10 February 1982 by ordinance of the City Council of the City of Chicago; and

Whereas, D.E.D. has as its primary purpose the creation of additional employment opportunities in the City of Chicago through the attraction and expansion of industrial and commercial development in the City; and

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

Whereas, Borrower desires to borrow and Lender desires to lend the sum of Ninety-Six Thousand and 00/100 Dollars (\$96,000) ("Loan") for the purposes of opening a food retail business;

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

Section 1. The Above Recitals Are Incorporated Herein And Made A Part Hereof By Reference.

Section 2. Definitions.

2.01 "Affiliate" shall mean any entity in which Borrower or one or more stockholders or partners of Borrower, now or at any time hereafter during the term of the Loan, have an equity or other ownership interest equal to or in excess of 50% of the total equity of or other ownership interest in such entity.

2.02 "Borrower's Liabilities" shall mean all obligations and liabilities of Borrower to Lender (including without limitation all debts, claims and indebtedness) whether primary, secondary, direct, contingent, fixed or otherwise heretofore, now and/or from time to time hereafter owing, due or payable, however evidenced, created, incurred, acquired or owing and however arising whether under this Agreement or the "Other Agreements" (hereinafter defined).

2.03 "Charges" shall mean all national, federal, state, county, city, municipal and/or other governmental (or any instrumentality, division, agency, body or department thereof), taxes, levies, assessments, charges, liens, claims or encumbrances upon and/or relating to the "Collateral" (hereinafter defined), Borrower's Liabilities, Borrower's business, Borrower's ownership and/or use of any of its assets, and/or Borrower's income and/or gross receipts.

2.04 "Collateral" shall mean those assets of Borrower (individually or collectively), now owned or hereafter acquired in which Borrower has granted Lender a security interest as set forth in Section 4 of this Agreement as security for the Loan.

2.05 "Financials" shall mean those financial statements provided to D.E.D. at the time of application for the Loan and financial statements hereinafter provided to D.E.D. pursuant to the terms of this Agreement.

2.06 "Indebtedness" shall mean all obligations and liabilities of Borrower to any Person (other than Lender), heretofore, now and/or from time to time hereafter owed, whether under written or oral agreement, operation of law, or otherwise.

2.07 "Other Agreements" shall mean all agreements, instruments and documents heretofore, now, and/or from time to time hereafter executed by and/or on behalf of Borrower and delivered to Lender by Borrower.

2.08 "Property" shall mean that real estate located at 2300 West Madison, Chicago, Illinois 60612, and all buildings, facilities and structures now existing or hereafter erected thereon.

2.09 "Project" shall mean all activities of Borrower on the Property using the proceeds of the Loan or other Indebtedness.

2.10 "Senior Lender" shall mean South Chicago Savings, 9200 South Commercial, Chicago, Illinois 60617.

Section 3. Loan.

The Loan shall be made upon the following terms and conditions:

3.01 The principal sum of the Loan shall be \$96,000.

3.02 The term of the Loan shall be 10 years.

3.03 The rate of interest charged on the Loan, per annum, shall be 3%.

3.04 Repayment of the Loan shall be in 120 equal monthly installments of principal (plus interest thereon as adjusted from time to time pursuant to Paragraph 3.03 above). Payments shall be made on or before the 1st day of the month commencing on the 1st day of February, 1987.

3.05 Borrower expressly agrees that Loan proceeds shall be used only in amounts and for purposes of operating a full line supermarket store. The supermarket will engage in the retail sale of all sorts of canned packaged and/or bulk foods, fresh fruits, vegetables and a butcher shop.

Section 4. Grant of Security Interest.

To secure the prompt payment to Lender of and the prompt, full and faithful performance of Borrower's Liabilities, Borrower hereby grants to Lender a security interest in and to all Borrower's now owned or hereafter acquired:

4.01 Inventory.

4.02 Goods (other than inventory) equipment, vehicles and fixtures, including all replacements, additions, accessions, and/or substitutions thereto and therefore; all products and proceeds of the foregoing, including without limitation proceeds of insurance policies insuring the Collateral.

4.03 Borrower at its sole cost and expense, shall keep and maintain the Collateral insured for its full replacement value against loss or damage by fire, theft, explosion, floods and all other hazards and risks ordinarily insured against by other owners or users of such properties in similar businesses with insurers and in amounts as may be reasonably satisfactory to Lender. Borrower shall deliver to Lender an original copy of each policy of insurance, and evidence of payment of all premiums therefor so long as the Loan is outstanding. Such policies of insurance shall contain an endorsement showing Lender as an additional insured as its interests may appear. In addition, such policies and/or endorsement shall provide that the insurers shall give Lender not less than 30 days written notice of any alteration or cancellation thereof. In the event Borrower at any time or times hereafter shall fail to obtain or maintain any of the policies of insurance required under this Agreement or to pay any premium in whole or in part when due, then Lender without waiving or releasing any obligation or default by Borrower hereunder, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premium and take any other action with respect thereto which Lender deems advisable to protect its interest in the Loan. All sums so disbursed by Lender, including reasonable attorney's fees, court costs, expenses and other charges relating thereto, shall be payable by Borrower to Lender.

4.04 Borrower shall execute such financing statements and security agreements as Lender may request, which statements and agreements shall be recorded at such other locations as Lender designates to perfect its security interest in the Collateral.

4.05 All Borrower's Liabilities shall constitute one loan secured by Lender's security in the Collateral and by all other security interests, liens, claims and encumbrances now and/or from time to time hereafter granted by Borrower to Lender; provided however, that the Loan may be subordinated to the loan of the Senior Lender and only the Senior Lender in an amount not to exceed \$480,000 plus additional amounts actually advanced by the Senior Lender upon Borrower's failure to perform its obligations under the Senior Financing.

4.06 Borrower agrees that Travisteen Pride shall personally guaranty the loan.

Section 5. Conditions Precedent.

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

5.01 Borrower shall certify to City that Borrower has sufficient funds on hand or irrevocably available to it to complete its obligations under the Agreement and has identified the sources of said funds.

5.02 Borrower shall have furnished to City, duly executed financing statements to be filed at Borrower's expense, by the Lender at such locations as the Lender designates.

5.03 Borrower shall have furnished to Lender insurance policies indicating that Borrower, at its sole cost and expense, shall keep and maintain the Collateral insured for the full replacement value against loss or damage by fire, theft, explosion, sprinklers and all other hazards and risks ordinarily insured against by other owners or users of such properties in similar businesses. Said policy or policies shall be duly endorsed identifying the City as a loss payee, as its interests appear.

5.04 Personal Guarantee of Travisteen Pride for repayment of the loan.

5.05 Consent of Senior Lender to D.E.D.'s Loan and Borrower's grant of security interest as security therefor.

Section 6. Conditions Subsequent.

6.01 Within 10 calendar days following disbursement of Loan Proceeds, Borrower shall furnish to Lender duly executed Certificate(s) of Inspection and Acceptance, certifying that the equipment purchased with Loan proceeds has been received, inspected, and installed.

Section 7. Warranties, Representations and Covenants.

Borrower warrants, represents and covenants to Lender as follows:

7.01 All representations and warranties of Borrower contained in this Agreement and the Other Agreements shall be true at the time of Borrower's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto.

7.02 Borrower shall be subject to, obey and adhere to any and all federal, state, and local laws, statutes, ordinances, rules and regulations, and executive orders as are now or may be in effect during the term of the Loan.

7.03 Except as disclosed in the Financial, (a) Borrower is now and at all times hereafter, an Illinois corporation duly organized and existing and in good standing under the laws of Illinois as represented at the beginning of this Agreement, and qualified or licensed to do business in all other states in which the laws thereof require Borrower to be so qualified and/or licensed; (b) Borrower has the right and power and is duly authorized and empowered to enter into, execute, deliver and perform this Agreement; (c) the execution, delivery and performance by Borrower of this Agreement shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or breach of any provision contained in Borrower's Articles of Incorporation or By-laws or contained in any agreement, instrument or document to which Borrower is now or hereafter a party or by which it is or may become bound; (d) Borrower has, and at all times hereafter shall have, good, indefeasible and merchantable title to and ownership of the Collateral (as hereinafter

defined), free and clear of all liens, claims, security interests and encumbrances except those of Lender and as permitted pursuant to Section 4 of this Agreement; (e) Borrower is now and at all times hereafter shall be solvent and able to pay its debts as they mature; (f) there are no actions or proceedings which are pending or threatened against Borrower (except as may be set forth in Borrower's application for the Loan), which might result in any material and adverse change to Borrower's financial condition, or materially affect Borrower's assets or the Collateral as of the date of this Agreement; (g) Borrower has and is in good standing with respect to all government permits, certificates consents (including without limitation appropriate environmental clearances and approvals) and franchises necessary to continue to conduct its business as previously conducted by it and to own or lease and operate its properties (including but not limited to the Property) as now owned or leased by it; (h) Borrower is not in default with respect to any indenture, loan agreement, mortgage, deed or other similar agreement relating to the borrowing of monies to which it is a party or by which it is bound; (i) the Financials fairly and accurately present the assets, liabilities and financial conditions and results of operations of Borrower as of the date of application for the Loan and for the fiscal year immediately preceding the date of Financials submitted thereafter; and (j) there has been no material and adverse change in the assets, liabilities or financial condition of Borrower since the dates of the aforesaid Financials.

7.04 Borrower shall cause all current outstanding loans and/or liens to be subordinated to this Loan if such subordination is necessary to assure that Lender occupies no less than a second secured lien position on all of the Collateral. Borrower shall furnish Lender documents satisfactory to Lender which evidence Borrower's compliance with this Paragraph 7.04.

7.05 Except as permitted under Section 4 hereof, Borrower shall not, without Lender's prior written consent thereto, which Lender may or may not give in its sole discretion, concurrently or hereafter (a) grant a security interest in, assign, sell or transfer any of the Collateral to any person, or permit, grant, or suffer or permit a lien, claim or encumbrance upon any of the Collateral; (b) permit or suffer any levy, attachment or restraint to be made affecting any of the Collateral; (c) enter into any transaction not in the ordinary course of its business which materially and adversely affects Borrower's ability to repay Borrower's Liabilities or Indebtedness; or (d) permit the Tangible Net Worth, as measured in the annual financial statements of Borrower to decrease more than 15% in any calendar year subsequent to the date of this Agreement from the Tangible Net Worth of Borrower for the immediately prior financial year (as shown in the financial statements).

7.06 Borrower shall pay promptly when due, all of the Charges. In the event Borrower, at any time or times hereafter, shall fail to pay the Charges or to obtain discharges of the same, Borrower shall so advise Lender thereof in writing at which time Lender may, without waiving or releasing any obligation or liability of Borrower under this Agreement, in its sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which Lender deems advisable. All sums so paid by Lender and any expenses, including reasonable attorney's fees, court costs, expenses and other charges relating thereto, shall be payable by Borrower to Lender. Notwithstanding anything herein to the contrary, Borrower may permit or suffer Charges to attach to its assets and may dispute the same without prior payment thereof, provided that Borrower, in good faith shall be contesting said Charges in an appropriate proceeding and the same are

not in excess of \$10,000 and Borrower has given such additional collateral and/or assurances as Lender in its sole discretion, deems necessary under the circumstances.

7.07 Borrower shall maintain financial records prepared by a certified public accountant in accordance with generally accepted accounting principles consistently applied not less frequently than annually, and certified to by the chief-executive officer of Borrower. Within 90 days following the close of each fiscal year of Borrower, Borrower shall provide a copy of the aforesaid annual financial statement(s) to Lender. In addition, upon Lender's request, Borrower shall submit to Lender no more frequently than once per calendar quarter, statements of Borrower's employment profile and financial condition prepared in accordance with generally accepted accounting principles consistently applied.

7.08 Borrower shall immediately notify Lender of any and all events or actions which may materially affect Borrower's abilities to carry on its operations or perform all its obligations under this Agreement or any other agreements whether senior or junior to the Loan, and whether now existing or hereafter entered into by Borrower so long as any of Borrower's Liabilities remain unsatisfied.

Section 8. Maintaining Records/Right To Inspect.

8.01 Borrower shall keep and maintain such books, records and other documents as shall be required by Lender and/or the State of Illinois (the "State") necessary to reflect and disclose fully the amount and disposition of the Loan proceeds, the total cost of the activities paid for, in whole or in part, with Loan proceeds, and the nature of all activities which are supplied or to be supplied by other sources. All such books, records and other documents shall be available at the offices of Borrower for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the Lender and/or the State.

8.02 Any duly authorized representative of the Lender or the State shall, at all reasonable times, have access to all portions of the Project.

8.03 The rights of access and inspection provided in this Section 7 shall continue until the completion of all close-out procedures respecting the Loan and until the final settlement and conclusion of all issues arising out of the Loan.

Section 9. Events of Default.

Borrower shall be in default under this Agreement upon the occurrence of any of the following Event(s) of Default or conditions, namely: (a) failure to make when due and owing, any payment which failure shall continue for a period of 10 days following notice thereof to Borrower; (b) failure to perform any obligations or of any covenants or liabilities contained or referred to herein other than payment due hereunder; (c) any warranty, representation or statement made or furnished to Lender by or on behalf of Borrower proving to have been false in any material respect when made or furnished; (d) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon except as expressly otherwise permitted under this Agreement; (e) Borrower's sale, partial sale, transfer or voluntary

disposition of its business; (f) dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the assets of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Borrower or any guarantor or surety of Borrower and for (b) through (f) of this Section 9, continuing for a period of 60 days after notice thereof to Borrower; or (h) any default of Other Agreements with the Lender or to the Senior Lender which would permit the Lender or to the Senior Lender as the case may be, after the expiration of any applicable cure period thereunder, to accelerate its loan.

Section 10. Remedies.

Upon such default (regardless of whether the Uniform Commercial Code as applicable has been enacted in the jurisdiction where rights or remedies are asserted), and at any time thereafter (such default not having previously been cured as set forth in Section 9 above), Lender, at its option, may declare all Borrower's Liabilities secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code as adopted in Illinois ("Code") (and the foreclosure provisions of Ill. Rev. Stat., Chapter 110, Section 15-101 *et seq.*), including without limitation, the right to take immediate and exclusive possession of Collateral, or any part thereof, and for that purpose may, so far as Borrower can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions of the Code) and Lender shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, subject to Borrower's right to redemption, in satisfaction of Borrower's Liabilities as provided in the Code. To this end, Lender may require Borrower to assemble the Collateral and make it available to Lender for possession at a place to be designated by Lender which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline rapidly in value or is of a type customarily sold on a recognized market, Lender will give Borrower at least five (5) days notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Borrower shown in the beginning of this Agreement at least five (5) days before the time of the sale or disposition. Lender may buy at any public sale, and if the Collateral is of a type customarily sold on a recognized market or is of a type which is the subject of a widely distributed standard price quotations, it may buy at private sale. The net proceeds realized upon any such disposition, after deduction for the expenses or retaking, holding, preparing for sale, selling or the like, and reasonable attorney's fees and legal expenses incurred by Lender in connection therewith, shall be applied in satisfaction of Borrower's Liabilities secured hereby. Lender will account to Borrower for any surplus realized on such disposition and Borrower shall remain liable for any deficiency.

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

Section 11. No Waiver By Lender.

Lender's failure at any time or times hereafter to require strict performance by Borrower of any provision of this Agreement shall not waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith, nor shall any waiver by Lender of a Borrower's Event of Default waive, suspend or affect any other Event of Default under this Agreement, whether the same is prior or subsequent thereto, and whether of the same or of a different type.

Lender's delay in instituting or prosecuting any action or proceeding or otherwise asserting its rights hereunder, shall not operate as a waiver of such rights or limit them in any way so long as an Event of Default shall be continuing.

Section 12. Prepayment.

This Loan may be prepaid at anytime without premium or penalty.

Section 13. Equal Employment.

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

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

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

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

Section 14. Disclaimer of Relationship.

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

Section 15. Conflict of Interest.

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

Section 16. Limitation of Liability.

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

Section 17. Non-Assignability.

17.01 Borrower may not sell, assign or transfer this Agreement.

17.02 Borrower consents to Lender's sale, assignment, transfer or other disposition, at any time and from time to time hereafter, of this Agreement, in whole or in part.

Section 18. Additional Provisions.

18.01 This Agreement may not be altered or amended except by written instrument signed by all parties hereto.

18.02 All notices, certificates or other communications required or given hereunder shall be in writing and placed in the United States mails, registered or certified, return receipt requested, first class postage, prepaid and addressed as follows:

If To Lender:

Department of Economic Development
of the City of Chicago
Room 2800
20 North Clark Street
Chicago, Illinois 60602
Attention: Commissioner

With Copies To:

Corporation Counsel of the City of
Chicago
Room 511 - City Hall
121 North LaSalle Street
Chicago, Illinois 60602

If To Borrower:

Pride's Food Mart, Inc.
2300 West Madison Street
Chicago, Illinois 60612
Attention: Travisteen Pride

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

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

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

18.05 In all instances where the Lender's consent or approval is required, Lender agrees not to unreasonably, arbitrarily or capriciously withhold such consent or approval.

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

[Signature forms omitted for printing purposes.]

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO **HEREBY CERTIFY** that the above-named officer of _____ (the "Company"), personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed, sealed and delivered the said instrument as Officer of the Company and as the own free and voluntary act of the Company for the uses and purposes therein set forth:

GIVEN under my hand and Notarial Seal this _____ day of _____ 198__.

Notary Public

My Commission Expires _____

**CITY OF CHICAGO AUTHORIZED TO ENTER INTO AGREEMENT
WITH CHICAGO TRANSIT AUTHORITY AND COUNTY OF
COOK FOR PAYMENT OF 1986 CONTRIBUTION
TO CHICAGO TRANSIT AUTHORITY.**

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the City of Chicago to enter into an agreement with the Chicago Transit Authority and the County of Cook regarding the allocation of \$3,000,000.00 in motor fuel tax funds which represents the City's 1986 contribution to the Chicago Transit Authority.

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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuller, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, The law of the State of Illinois establishing the Regional Transportation Authority (the "R.T.A.") (Ill. Rev. Stat. Chapter III 2/3, Paragraph 701.01, *et seq.*) provides in Paragraph 704.10, that the R.T.A. shall not for any fiscal year of the R.T.A. release to the Chicago Transit Authority (the "C.T.A.") any funds except for the proceeds or taxes imposed by the R.T.A. under Sections 4.03 and 4.03.1 which are allocated to the C.T.A. under Section 4.01(d) unless a unit or units of local government in Cook County (other than the C.T.A.) enters or enter into an agreement with the C.T.A. to make a monetary contribution for such year of at least \$5,000,000.00 for public transportation; and

WHEREAS, The C.T.A. will, for the foreseeable future, require such financial grants from the R.T.A. in order to meet its operating expenses; and

WHEREAS, Every year since the inception of the R.T.A., the City of Chicago has contributed \$3 Million and the County of Cook has contributed \$2 Million; and

WHEREAS, The last such ordinance authorizing the City's contribution was passed on December 23, 1985 (C.J.P. pp. 25690 -- 25692); now, therefore,

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

SECTION 1. There is hereby allocated for the fiscal year of the R.T.A. ending December 31, 1986 the sum of Three Million Dollars (\$3,000,000.00) for use by the C.T.A. as a matching grant from the City of Chicago to be paid prior to December 31, 1986 from that part of the Motor Fuel Tax Funds which have been or may be allocated to the City of Chicago.

SECTION 2. The sum of Three Million Dollars (\$3,000,000.00) hereby allocated shall be deemed, considered and construed as the payment and fulfillment of the local contribution required of the City of Chicago pursuant to an agreement made under the Regional Transportation Authority Act (Chapter 111 2/3, Section 704.10, Illinois Revised Statutes 1985) between the C.T.A., the County of Cook, and the City of Chicago, authorized by an ordinance passed December 23, 1985 for the fiscal year of the R.T.A. ending December 31, 1986.

SECTION 3. That the Mayor of the City of Chicago is hereby authorized to enter into an Agreement for, and on behalf of, the City of Chicago with the C.T.A. and the County of Cook pursuant to the provisions of Section 4.10 of the Regional Transportation Authority Act (Chapter 111 2/3, Section 704.10, Illinois Revised Statutes 1985), for the fiscal year of the R.T.A. ending December 31, 1987, such Agreement to be in substantially the form of Exhibit A attached hereto.

SECTION 4. The City Clerk is hereby directed to transmit a certified copy of this ordinance to the Governor of the State of Illinois and two certified copies of this ordinance to the Department of Transportation of the State of Illinois, Springfield, Illinois.

SECTION 5. This ordinance shall be in force and effect from and after its passage.

Exhibit A (Agreement) attached to this ordinance reads as follows:

Exhibit A.

Agreement.

This Agreement made this _____ day of _____, 198_, by and between the Chicago Transit Authority (herein the "Authority"), a municipal corporation of the State of Illinois, established pursuant to the Metropolitan Transit Authority Act, Illinois Revised Statutes, Chapter 111-2/3, Section 301 *et seq.*, and the City of Chicago and the County of Cook, municipal corporations of the State of Illinois.

Witnesseth:

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in consideration of the covenants hereinafter set forth, this Agreement is made pursuant to the provisions of Section 4.0 of the Regional Transportation Authority Act, Illinois Revised Statutes, Chapter 111- 2/3, Section 704.10.

1. The City of Chicago hereby agrees to contribute prior to December 31, 1987, Three Million Dollars (\$3,000,000.00) in the aggregate in cash directly to the Authority for public transportation for the fiscal year of the Regional Transportation Authority ending December 31, 1987.

2. The County of Cook hereby agrees to contribute prior to December 31, 1987, Two Million Dollars (\$2,000,000.00) in the aggregate in cash directly to the Authority for public transportation for the fiscal year of the Regional Transportation Authority ending December 31, 1987.

In Witness Whereof, the parties hereto, by their duly authorized officers, have executed this Agreement on the date first above-mentioned.

[Signature forms omitted for printing purposes.]

CITY AUTHORIZED TO PARTICIPATE IN NEIGHBORHOOD
HOME IMPROVEMENT PROGRAM.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the City of Chicago to participate in a \$25,000,000.00 neighborhood home improvement program which will be funded by the Continental Illinois National Bank and Trust Company, the Illinois Housing Authority and 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, There exists a serious need throughout the City for affordable home improvement loans for Chicago's low and moderate income homeowners; and

WHEREAS, The Continental Illinois National Bank and Trust Company of Chicago and the Illinois Housing Development Authority have expressed interest in entering into a partnership with the City of Chicago to finance such a program; and

WHEREAS, The Neighborhood Lending Services, Inc., a not-for-profit Illinois corporation, in cooperation with a number of community based not-for-profit corporations, has expressed willingness to administrate such a program, following the successful model of the Energy Savers Program; and

WHEREAS, The Continental Illinois National Bank and Trust Company of Chicago has agreed to commit \$20-million in loan funds over a five-year period, and to donate \$125,000.00 in operating funds for this program; and

WHEREAS, The Illinois Housing Development Authority has agreed to commit \$2,100,000.00 in loan funds for this program; and

WHEREAS, The City of Chicago has been asked to contribute \$2.9 million in loan funds over a 3 year period and \$500,000.00 for program administration; and

WHEREAS, This unique City-State-Private lender partnership would make available a \$25-million home improvement loan program for the low and moderate income homeowners of Chicago; now, therefore,

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

SECTION 1. Subject to the approval of the Budget Director and to the approval of the Corporation Counsel as to form and legality, the Commissioner of the Department of Housing is authorized to execute, on behalf of the City of Chicago, a contract with the Illinois Housing Development Authority, Continental Illinois National Bank and Trust Company of Chicago, and Neighborhood Lending Services, Inc., for participation in the Neighborhood Home Improvement Loan Program; said contract to be substantially in the form attached hereto as Exhibit A.

SECTION 2. The expenditure of up to \$3,400,000 in Community Development Block Grant funds is hereby authorized for use in this program, as follows: \$1,200,000 in C.D. Year XII funds; \$1,100,000 in C.D. Year XIII funds, subject to availability of such funds for this purpose; and \$1,100,000 in C.D. Year XIV funds, subject to availability of such funds for this purpose.

SECTION 3. This ordinance shall be in full force and effect ten days after its passage and publication.

Exhibit A attached to this ordinance reads as follows:

Exhibit A.

A. Eligible Borrower Requirements.

An Eligible Borrower is an individual or individuals who:

- (1) own the real property which is the security for the Home Improvement Loan in fee simple;
- (2) intend to continue to reside in the residence;
- (3) use the Home Improvement Loan to improve a one to four unit residential building located in the City of Chicago primarily in Target Areas. See Exhibit B setting forth boundaries for the Targeted Areas;
- (4) total annual gross household income does not exceed \$45,000 in Targeted Area or \$35,000 in non-Targeted Areas. Annual gross household income means the total annual gross income of all persons residing or intending to reside as a single household, from whatever source derived and before taxes or withholding;
- (5) have an acceptable credit history which meets the minimum standards set forth in Exhibit D attached to the Memorandum; and

(6) are not employees of the Illinois Housing Development Authority, N.L.S. or any of its related entities including Neighborhood Housing Services.

Priority may be given applications which included energy conservation measures including but not limited to, solar energy systems.

B. Eligible Investor.

An Eligible Investor is a person(s), joint venture partnership, limited partnership trust or corporation organized and existing under Illinois law or authorized to do business in Illinois and who:

(1) own title in fee simple or is a beneficiary under an Illinois land trust which is the security for the Home Improvement Loan for at least one year prior to loan application;

(2) use the Home Improvement Loan to improve 5 to 12 unit residential buildings located in the City of Chicago primarily in Targeted Areas. See Exhibit B setting forth the boundaries for the Targeted Areas;

(3) have not received a Home Improvement Loan on more than 12 units during an 18 month period since completion of construction;

(4) shall personally guarantee payment on the mortgage note if the Eligible Investor is a partnership a joint venture or a corporation;

(5) have an acceptable credit history which meets the minimum standards set forth in Exhibit D attached to the Memorandum of which this Exhibit is a rider;

(6) comply with the rules implementing Section 307.24 of the Illinois Housing Development Act (Ill. Rev. Stat. Ch. 67 1/2, Section 301 *et seq.* (1985) as amended);

(7) is not an employee of the Illinois Housing Development Authority, N.L.S. or a related entity including Neighborhood Housing Services and who is also an officer, director, or holder of an ownership interest in a joint venture, partnership, limited partnership, trust or corporation receiving a Home Improvement Loan; and

(8) contractually agree to provide rental units in the residential building to low and moderate income persons or families who cannot afford to pay the rent at amounts charged in the private sector. Rents shall be:

<i>Rental Units:</i>	<i>Target Areas</i>	<i>Non-Targeted Areas</i>
one bedroom	\$450	\$350
two bedroom	\$500	\$400
three bedroom	\$550	\$450
four bedroom	\$600	\$500

Preference shall be given to Eligible Investor who resides in the residential building or intend to reside in the immediate community in which the residential building is located and can evidence a pattern of upkeep and maintenance during the period the investor owned the residential building. Priority consideration may be given to loans which include energy conservation measures, including, but not limited to, solar energy measures.

Secured Credit Agreement attached to this Exhibit A reads as follows:

Secured Credit Agreement.

This Secured Credit Agreement is dated this ____ day of _____, 1986 between Neighborhood Lending Services, Inc., a not-for-profit corporation ("N.L.S."), the Illinois Housing Development Authority, a body politic and corporate of the State of Illinois established pursuant to the Illinois Housing Development Act ("I.H.D.A."), Continental Illinois National Bank and Trust Company of Chicago ("C.I.N.B."), a national banking association and the City of Chicago, a municipal corporation.

The parties have recognized a need for home improvement loans to low and moderate income owners of and investors in residential property located primarily in specified low and moderate income areas in the City of Chicago. N.L.S. has requested that C.I.N.B. for itself and as agent for I.H.D.A. establish a credit facility pursuant to which C.I.N.B. may make advances to N.L.S. to finance home improvement loans made for the account of N.L.S. to eligible home owners and investors in the target areas, and C.I.N.B. and I.H.D.A. are willing on the terms and conditions of a Secured Credit Agreement that will be negotiated by and among the parties to do so.

In recognition of the benefit that will be provided to low and moderate income residents of the City, the City desires to provide financial support to the program. The financial support will take the form of participating in I.H.D.A.'s funding obligations. The City will deposit its funds into an escrow account. All investment earnings on the escrowed funds will be used first to pay escrow fees and second to reduce the City's funding obligation. In consideration of the City providing funds to support the program, the City and I.H.D.A. will share on *pro rata* basis all repayments received from N.L.S. by I.H.D.A. as well as any assets of N.L.S. distributed to I.H.D.A. upon the termination of the program. It is understood and agreed that all representations and warranties made by N.L.S. in this Agreement or any other document executed in connection with the program shall inure to the benefit of the City. Nothing contained in this paragraph is intended to diminish I.H.D.A.'s obligations to N.L.S. or C.I.N.B. set forth herein.

1. Definitions.

For purposes of this Agreement, the following words shall have the following meanings:

1.1 "Home Improvement Loans" shall mean loans from N.L.S. to Eligible Borrowers or Eligible Investors. Home Improvement Loans shall have an Interim Phase which shall be subject to the terms of a Warehouse Line of Credit to be funded by I.H.D.A. and the City of

Chicago pursuant to a Warehouse Line of Credit and a Permanent Phase which subject to the terms hereof shall be funded by C.I.N.B. and I.H.D.A. hereunder.

1.2 "Eligible Borrowers" shall mean residents of the City of Chicago that own and occupy property located primarily in the Target Area that is being improved with the proceeds of the Home Improvement Loans and that meet all of the characteristics of an Eligible Borrower as defined in Exhibit A.

1.3 "Target Areas" means those low and moderate income areas of the City of Chicago as more particularly defined on Exhibit A.

1.4 "Advances" shall mean monies that C.I.N.B. and I.H.D.A. loan to N.L.S. pursuant to a Request for Advance from time to time which shall be evidenced by the Notes.

1.5 "Note" shall mean the Note attached hereto in the form of Exhibit C evidencing obligations of N.L.S. to C.I.N.B. and obligations of N.L.S. to I.H.D.A. under the terms of this Agreement.

1.6 "Eligible Investors" shall have the meaning given it in Exhibit A.

1.7 "Warehouse Line of Credit" or "Warehouse Line" shall mean a line of credit established by I.H.D.A. and the City of Chicago for N.L.S. that may be used from time to time to finance the construction phase of a Home Improvement Loan.

1.8 "Revolving Credit Note" shall mean the note attached as Exhibit 2 to the Warehouse Line of Credit Agreement, which note evidences the obligation of N.L.S. to I.H.D.A. under the terms of the Warehouse Line of Credit.

1.9 "Interim Advance" shall mean the amounts borrowed by N.L.S. from I.H.D.A. pursuant to the Warehouse Line of Credit in the face amount of the Home Improvement Loan or if less, the actual amount advanced from time to time to the Eligible Borrower or Eligible Investor the proceeds of which shall be used to finance the construction phase of the Home Improvement Loan.

1.10 "Interim Phase" or "Construction Phase" shall mean that time period during the Home Improvement Loan from the opening date of the Home Improvement Loan until such time as the Eligible Borrower or Eligible Investor signs a completion certificate in a form satisfactory to C.I.N.B. and I.H.D.A. and an Advance is made hereunder.

1.11 "Permanent Phase" shall mean that time period during the Home Improvement Loan when the Eligible Borrower or Eligible Investor shall be required to repay the Home Improvement Loan in equal payments consisting of principal and interest according to the applicable payment schedule.

2. Line of Credit; Requirements for Home Improvement Loans.

2.1 Subject to the terms hereof, C.I.N.B. shall establish a line of credit for N.L.S. in the maximum aggregate amount of \$20,000,000, and I.H.D.A. shall establish a line of credit for N.L.S. in the maximum aggregate amount of \$5,000,000. Advances shall not be made on a

revolving basis and the aggregate gross amount of Advances without offset for payments, repayments or other reason shall not exceed \$20,000,000 under the C.I.N.B. line of credit or \$5,000,000 under the I.H.D.A. line of credit. These lines of credit shall expire on the earliest to occur of:

- (i) Five years from the date of the execution of the Secured Credit Agreement;
- (ii) Acceleration of all amounts owing hereunder as more particularly set forth in paragraph 11;
- (iii) The aggregate Advances reach \$20,000,000 under the C.I.N.B. line of credit and \$5,000,000 under the I.H.D.A. line of credit.

Expiration of these lines of credit shall not affect N.L.S.'s obligations to C.I.N.B. or I.H.D.A.

2.2 Certain limitations. No Advance shall be made except for the purpose of providing financing to N.L.S. to make Home Improvement Loans to Eligible Borrowers or Eligible Investors. No Advance shall be required to be made unless all conditions precedent as set forth herein are satisfied. No Advance shall be required to be made if an Event of Default, or Unmatured Event of Default (as defined herein) exists.

No Advance shall be required to be made if the aggregate Advances and outstanding Interim Advances to date of a Request for Advance exceed or equal the project Advances as of such date as follows:

Year of Commitment	The Aggregate C.I.N.B. and I.H.D.A. Advances and outstanding I.H.D.A. Interim Advances shall not (except for permissible § 2.3(iv) carryover) Exceed:
1st Year	\$5,000,000
2nd Year	6,000,000
3rd Year	6,000,000
4th Year	6,000,000
5th Year	6,000,000

The above chart shall not be interpreted to include Interim Advances that have been paid in full by an Advance hereunder.

2.3 Additional Limitations.

- (i) For purposes of this loan program, C.I.N.B.'s and I.H.D.A.'s commitment to fund the program is effective as of the date of execution of this Agreement.

(ii) C.I.N.B. or I.H.D.A. shall be under no duty to make any Advance if the delinquency ratio set forth in paragraph 12 is exceeded.

(iii) C.I.N.B. or I.H.D.A. shall not be required to make any Advance after the second year of the Commitment unless, during the first two years the C.I.N.B. and I.H.D.A. Advances shall have been in the aggregate amount of at least \$3,000,000.

(iv) If C.I.N.B. or I.H.D.A. Advances do not equal the aggregate amount of respective Advances as set forth in Section 2.2 for the relevant year plus any carryover allowed for such year, then the maximum unused portion of the previous year's Commitment that can be carried over and added to the next year's Commitment is \$750,000 for aggregate C.I.N.B. and I.H.D.A. Advances.

3. Request for Interim Advance Under Warehouse Line of Credit.

3.1 N.L.S. may request an Interim Advance under the Warehouse Line of Credit (Exhibit J) subject to the terms thereof. N.L.S. shall use the proceeds of such Interim Advances in accordance with the Warehouse Line of Credit. It is understood that N.L.S. may finance "points" and certain other permissible charges in connection with the Home Improvement Loan, subject to the terms and conditions thereof.

3.2 The Interim Advance shall bear interest and be repayable all as more fully set forth in the Warehouse Line of Credit.

4. Request for Advance to Fund the Permanent Phase of the Home Improvement Loan.

4.1 The Advances from C.I.N.B. and I.H.D.A. to N.L.S. shall be evidenced by the Notes.

4.2 Advances. N.L.S. may request an Advance to fund the Permanent Phase of the Home Improvement Loan by completing a Request for Advance form and submitting it to C.I.N.B. together with a copy of such Request for Advance to I.H.D.A. at least five business days prior to the intended date of disbursement unless a shorter period is agreed to by C.I.N.B. Not later than 12:30 P.M. Chicago time on the intended date of disbursement, I.H.D.A. shall provide C.I.N.B. as its agent at C.I.N.B.'s principal office in Chicago with immediately available funds covering I.H.D.A.'s *pro rata* share of the entire Advance use to fund the Permanent Phase of the Home Improvement Loan. C.I.N.B. for itself and as agent for I.H.D.A. shall pay over such immediately available funds to I.H.D.A. upon C.I.N.B.'s receipt of required documents and satisfaction that all conditions precedent have been satisfied and shall make the Advance to I.H.D.A.'s checking account for payment of the relevant Interim Advance or disburse the Advance to the appropriate title insurance company for the account of N.L.S. pursuant to escrow instructions that are mutually satisfactory to all parties hereto. N.L.S. shall use 100% of the proceeds of such Advances to fund the Permanent Phase of the Home Improvement Loans.

4.3 Interest. The unpaid principal amount of Advances shall, until paid in full, bear interest at a fixed rate of interest that shall be computed as follows: Advances made during the period following the execution of this Agreement until February 1, 1988, shall bear interest at the rate of 7.5% per annum throughout the term of such Advances. Commencing with January 1, 1988 and each January thereafter during the term of this

Agreement, the interest rate shall be adjusted to a rate equal to the average rate for the immediately preceding December for ten year U.S. Treasury Constant Maturity Series, as published in Federal Reserve Statistical Release H-15 plus 1/4 of 1%. This changed rate shall be effective with respect to Advances made after the next following February 1. It is understood that the rate for a particular Advance related to a Home Improvement Loan shall be the rate in effect at the time that N.L.S. agrees to advance funds to an Eligible Borrower or Eligible Investor, provided that such Home Improvement Loan closes no later than 60 days following the date of such commitment.

4.4 Scheduled Repayment. On the 5th day of each month N.L.S. shall pay to C.I.N.B. and I.H.D.A. an amount equal to (i) the principal portion of the previous month's scheduled monthly payment on the Home Improvement Loan associated with each Advance, plus (ii) unpaid, accrued and billed interest on the unpaid principal amount of the Advances at the applicable interest rate. It is understood that the principal portion referred to in this subparagraph 4.4 (i) shall be an amount that will gradually increase over the life of the associated Home Improvement Loan and that such amounts will be sufficient to fully amortize the Home Improvement Loan over its stated term. The interest portion of I.H.D.A.'s payments shall be retained by N.L.S. so long as neither C.I.N.B. or I.H.D.A. has declared N.L.S. to be in default under the terms of the respective Note.

4.5 Mandatory Prepayment. If an Eligible Borrower or Eligible Investor prepays his Home Improvement Loan in whole or in part, such prepayment shall, when received by N.L.S., be forwarded to C.I.N.B. to be applied as a mandatory prepayment to its associated Advance.

4.6 Voluntary Prepayment. N.L.S. must prepay the Advances in whole or in part at any time without penalty.

4.7 Place of Payment. All payments made under this Agreement including payments with respect to the Notes shall be made in immediately available funds by N.L.S. to C.I.N.B. as agent both for itself and for I.H.D.A. ratably in accordance with I.H.D.A. and C.I.N.B.'s shares of the Advances. All such payment shall be made to C.I.N.B. as agent, prior to 12:30 P.M. Chicago time at its offices at 231 North LaSalle Street, Chicago, Illinois 60697 or at such other place as may be designated by C.I.N.B. as agent to N.L.S. in writing. C.I.N.B. as agent shall promptly remit in immediately available funds to I.H.D.A. and C.I.N.B. its share of all such payments received by C.I.N.B. as agent for the account of C.I.N.B. and I.H.D.A. Any payment received after 12:30 P.M. Chicago time, shall be deemed received on the next business day.

4.8 Application of Payment. All payments made on the Advances under this Agreement shall be shared *pro rata* by C.I.N.B. and I.H.D.A.

5. Security.

5.1 As security for payment of the Interim Advances and Advances and all other obligations and liabilities of N.L.S. to C.I.N.B. and to I.H.D.A., whether hereunder or under the Warehouse Line of Credit, N.L.S. shall, at the time each Home Improvement Loan is made by N.L.S., pledge and deliver to C.I.N.B. the Home Improvement Loans and the

required documentation applicable to such Home Improvement Loans. C.I.N.B. shall hold such documentation on behalf of I.H.D.A. as security for the Interim Advances under the Warehouse Line of Credit during the construction phase of the Home Improvement Loan. I.H.D.A. understands that this security interest in the Collateral for the Interim Advance shall lapse upon payment in full of the associated Interim Advance. N.L.S. shall sign a security agreement in the form prescribed by C.I.N.B. and I.H.D.A. pursuant to which N.L.S. shall convey as security for Advances and Interim Advances made by C.I.N.B. and/or I.H.D.A., the Collateral defined therein which shall include each of the Home Improvement Loans and the mortgages on the improved property and all instruments or documents evidencing or securing the Home Improvement Loan. N.L.S. shall sign such documents as C.I.N.B., I.H.D.A. or its counsel may reasonably require in order to perfect C.I.N.B.'s and I.H.D.A.'s security interest in the Collateral.

5.2 It is understood that upon payment in full of all N.L.S.'s liabilities to C.I.N.B. and I.H.D.A. that C.I.N.B. shall release the lien granted under the security agreement.

5.3 In the event that N.L.S. purchases a Home Improvement Loan that has been pledged as Collateral hereunder, C.I.N.B. shall release its and I.H.D.A.'s security interest in such Home Improvement Loan and assign without recourse or warranty such Home Improvement Loan to N.L.S. It is understood, however, that all recoveries under such loan shall, to the extent required by paragraph 6.1 (i) be placed into the reserve fund.

6. Reserve Fund.

6.1 N.L.S. shall establish, hold and maintain in its name at C.I.N.B. a reserve account in an amount equal to 2% of the aggregate outstanding principal balances of the Home Improvement Loan (the "Required Amount"). If at any time there is less than the Required Amount in the reserve account, N.L.S. shall credit it with an amount necessary to maintain the Reserve Fund at the Required Amount. The sources of such funds shall include, without limitation, the following:

- (i) One percent (1%) of the initial face amount of the Home Improvement Loans, plus
- (ii) The difference between the minimum interest rate that N.L.S. may charge on the Home Improvement Loans as specified in paragraph 4.3, and such higher rate that N.L.S. actually charges the Eligible Borrower and/or Eligible Investor, plus
- (iii) The amounts (net of reasonable attorney fees and costs of collection) that N.L.S. collects on Home Improvement Loans, if permanently financed by C.I.N.B./I.H.D.A. under this Agreement, that have been or should have been charged off against the Reserve Fund, plus

6.2 If at any time there is less than the Required Amount in the reserve account, N.L.S. shall continue to credit the Reserve Fund. If, subject to the other provisions of this Section, there is an overage in the reserve account that is maintained for three consecutive months (90 days), C.I.N.B. shall, in the absence of N.L.S. default, and, subject to the terms hereof, refund the amount of such overage to N.L.S. for application by N.L.S. to the payment of N.L.S. administration and operating costs attributable to this Program.

6.3 C.I.N.B. may debit the Reserve Fund as follows:

(i) An amount equal to the outstanding principal balance and accrued and unpaid interest on the Advance related to any Home Improvement Loan pledged as Collateral to C.I.N.B. that is 120 days or more past due on a contractual (as opposed to a recency) basis. Upon such debit C.I.N.B. shall use the proceeds to pay the associated Advance and I.H.D.A.'s associated Advance.

(ii) An amount equal to the outstanding principal balance and accrued and unpaid interest on the Advance related to any Home Improvement Loan that does not conform with the characteristics as set forth in paragraph 7 below.

(iii) The amount of the principal balance and accrued and unpaid interest outstanding on any Home Improvement Loan with respect to which there is a breach of representation, warranty or other obligation of N.L.S. to C.I.N.B. or I.H.D.A. Notwithstanding anything to the contrary in this Agreement, C.I.N.B. shall not debit a reserve account for breach of representation, warranty or other obligation pursuant to this subsection (iii) unless and until C.I.N.B. provides N.L.S. with a written notice stating with reasonable specificity the particular manner in which there is a breach of representation or warranty and providing N.L.S. with a period of 15 days after the receipt of such notice in which to cure such breach or warranty, representation or other obligation.

6.4 C.I.N.B. shall hold the Reserve Fund as Collateral security for N.L.S.'s obligations to C.I.N.B. and I.H.D.A. In the event that (i) C.I.N.B. ceases to make new Advances, or (ii) C.I.N.B. or N.L.S. or I.H.D.A. terminates the agreement or, (iii) the five-year term referenced in paragraph 2.1(i) ends, or (iv) N.L.S. is in default hereunder or under the I.H.D.A. Warehouse Line of Credit Agreement, then in any such event C.I.N.B. shall have no obligation to pay any overages to N.L.S. and the amount in the Reserve Fund shall be held until all Home Improvement Loans are satisfied in full. It is understood that upon payment in full of all N.L.S.'s obligations to C.I.N.B. or I.H.D.A. that any money then remaining in the Reserve Fund shall be distributed to I.H.D.A.

7. Origination.

N.L.S. shall originate for Eligible Borrowers or Eligible Investors Home Improvement Loans secured by a mortgage on the improved property. Home Improvement Loans shall meet all of the following characteristics ("Loan Characteristics"):

(i) Minimum Loan amount of \$2,500;

(ii) Maximum Loan amount of \$25,000 for improved residential property containing one to four dwelling units;

(iii) Maximum Loan amount of up to \$60,000 for a Home Improvement Loan secured by improved residential property with up to 12 dwelling units, provided that the amount of such Home Improvement Loans will not exceed an amount equal to \$5,000 per unit;

(iv) A minimum fixed interest rate to Eligible Borrowers equal to at least 7.5% for Home Improvement Loans closed between execution of this Agreement and February 1, 1988. Each February 1 thereafter the minimum interest rate for Home Improvement Loans made during the next year will be set at 1/4 of 1% above the average rate for the preceding December for ten year United States Treasury Constant Maturity Series as published in Federal Reserve Statistical Release H.15;

(v) Maximum points--as governed by Illinois usury law;

(vi) Maximum maturity of Home Improvement Loan: 181 months;

(vii) Monthly amortization shall be paid in equal installments calculated over the term of the loan, provided that N.L.S. may permit the Eligible Borrower or Eligible Investor, subject to the terms of the Home Improvement Loan, to pay interest only during the Construction Phase of the Home Improvement Loan;

(viii) Meets underwriting criteria as specified in Exhibit D;

(ix) Eligible Borrower or Eligible Investor satisfy the relevant criteria on Exhibit A and is liable on the Home Improvement Loan;

(x) All required documentation as set forth in Exhibit E is properly executed and completed.

8. Representations.

N.L.S. warrants to C.I.N.B. and I.H.D.A. with respect to the Home Improvement Loans as follows:

8.1 Each of the Home Improvement Loans fully conforms with all of the Loan Characteristics.

8.2 Home Improvement Loans comply with all applicable federal, state and local laws including regulations, regulatory interpretations and judicial decisions relating to such laws.

8.3 The signatures of the Eligible Borrower and Eligible Investor on the Required Documentation are genuine and true and may be enforceable against the parties signing such documents.

8.4 N.L.S. has no knowledge of any claim, defense, offset, recoupment or counterclaim relating to any of the work that was performed and paid for with the proceeds of the Home Improvement Loan including, without limitation, any claim that could be raised by an Eligible Borrower against N.L.S. pursuant to the Federal Trade Commission's trade regulation rule concerning the preservation of consumer's claims and defenses (16 C.F.R. Part 433).

8.5 The Home Improvement Loan and Required Documentation are enforceable in accordance with their terms.

8.6 The Improved Property is insured by an insurance company acceptable to C.I.N.B. and I.H.D.A. which company insures against loss under a fire and extended coverage policy with loss payable and notification clauses acceptable to C.I.N.B. and I.H.D.A.

8.7 The Home Improvement Loan shall comply with all representations contained in the Warehouse Line of Credit during the Construction Phase of such Home Improvement Loan.

8.8 Eligible Borrower and Eligible Investor shall meet all of the criteria of Exhibit A.

9. Conditions Precedent to Advance.

It is contemplated the C.I.N.B. and I.H.D.A. shall have no obligation to make an Advance until the Construction Phase of the Home Improvement Loan has been fully completed and the Eligible Borrower or Eligible Investor has signed a completion certificate in form and content satisfactory to C.I.N.B. and unless all of the following conditions precedent have been satisfied:

9.1 The Home Improvement has been fully completed in strict accordance with its plans, is free and clear of all claims, liens and encumbrances except for any permitted exceptions. C.I.N.B. has received a certificate of completion from the contractor which has been signed by the Eligible Borrower or Eligible Investor which states that the Eligible Borrower or Eligible Investor is fully satisfied with the improvement, has no claims to raise and the contractor states that he has completed the home improvement in accordance with all applicable laws, code, ordinances and in accordance with the plans and the home improvement contract.

9.2 N.L.S. shall be organized and existing and be duly qualified to conduct a business contemplated by this Agreement and shall in all respects meet the standards and requirements of I.H.D.A.

9.3 The Secured Credit Agreement shall be executed and enforceable against the parties thereto.

9.4 N.L.S. shall deliver an opinion of counsel acceptable to C.I.N.B. and I.H.D.A. substantially in the format of Exhibit F.

9.5 N.L.S. shall have signed and delivered to C.I.N.B. a security agreement substantially in the form of Exhibit G, and servicing agreement substantially in the form of Exhibit H in form and content satisfactory to C.I.N.B.

9.6 N.L.S. has received an A.L.T.A. loan policy issued by a title insurance company insuring the Home Improvement Loan and stating that it is free of all objections and exceptions relating to then existing right to assert claims for mechanic's liens of all objections and exceptions relating to conditions precedent to the issuance of such loan policy, and that it is free of all judgments against the titleholder. It is understood that this condition shall only be required for Home Improvement Loans in excess of \$25,000.

9.7 N.L.S. shall have received a \$500,000 grant from the City of Chicago to cover operating and administrative costs, for the one-to four-family residential unit portion of the loan program, and a 75,000 grant from the Continental Illinois Foundation as specified in paragraph 17.

10. Conditions Precedent to Subsequent Advances.

C.I.N.B. and I.H.D.A. shall have no obligation to make any subsequent Advance unless all of the following conditions precedent have been satisfied:

10.1 There is no Event of Default as defined herein and in no event which with the giving of notice or lapse of time, or both, would constitute an Event of Default ("Unmatured Event of Default").

10.2 The representations and warranties regarding the Home Improvement Loans and the Eligible Borrower and Eligible Investor shall be true and correct.

10.3 The home improvement contractor is eligible to participate and is willing to sign all necessary lien waivers, indemnification documents and such other documents as C.I.N.B. and I.H.D.A. may reasonably request under the circumstances.

10.4 The Required Documentation, including, without limitation, the completion certificate, has been properly executed and all signatures thereon are true and genuine in all respects.

10.5 The Home Improvement Loan associated with the Advance complies with the Loan Characteristics set forth in paragraph 7.

10.6 Not more than 3/4 of 1% of the aggregate of the outstanding principal balances under the Home Improvement Loans (excluding outstanding balances under Home Improvement Loans that were charged against the reserve and for which the associated Advance was paid) shall relate to such loans which have any installment 120 days or more past due on a contractual basis.

10.7 The agreement between I.H.D.A. and C.I.N.B. shall remain in full force and effect, and I.H.D.A. shall be willing to fund its *pro rata* share of Advance associated with the Home Improvement Loan.

10.8 Any Advance made by C.I.N.B or I.H.D.A. without satisfaction of any of the foregoing conditions shall not constitute a waiver thereof, but shall obligate N.L.S. to strictly and fully satisfy such conditions as soon as possible but in no event later than 30 days. N.L.S.'s failure to remedy such deficiency within this 30-day notice period shall require N.L.S. to immediately repurchase the Advance associated with the Home Improvement Loan or Loans with respect to which there is such deficiency for an amount equal to the outstanding principal balance plus accrued interest on the related Advance on the date of such repurchase.

11. Events of Default and their Effect.

Any of the following shall constitute an Event of Default under this Agreement.

11.1 N.L.S. fails to pay C.I.N.B. required within five days after notice of such failure.

11.2 More than 1/2 of 1% of the aggregate outstanding principal balances of the Home Improvement Loans (excluding outstanding balances under Home Improvement Loans that were charged against the reserve and for which the associated Advance was paid) shall relate to such loans which have any installments 120 days or more past due on a contractual basis.

11.3 N.L.S. is not in good standing under the law of the State of Illinois.

11.4 N.L.S. fails to cure the deficiencies as noted in paragraph 7 hereof or fails to perform any other obligations under this Secured Credit Agreement, the servicing agreement, origination agreement or security agreement within ten days after notice of such failure to N.L.S. from C.I.N.B. or I.H.D.A.

11.5 If N.L.S. fails to comply with any of the provisions of the Illinois Housing Development Act, Ill. Rev. Stat. Ch. 67.1/2, § 301 *et seq.* ("Act") or the rules and regulations of I.H.D.A., as amended from time to time.

11.6 If N.L.S. assigns that Agreement or any of the disbursements or any interest therein, or its right to receive any disbursement or portion thereof, or if any development is conveyed or encumbered in any manner in violation of this Agreement, or if N.L.S. shall by operation of law be deprived of its rights hereunder.

11.7 If a petition in bankruptcy or under any insolvency laws be filed by or against N.L.S., or a receiver or trustee of the property of N.L.S. is appointed, or if N.L.S. makes an assignment for the benefit of creditors or is adjudged insolvent by any state or federal court, except that in the case of an involuntary petition, action or proceeding for the adjudication as a bankrupt or for the appointment of a receiver or trustee of the property of N.L.S., not initiated by N.L.S., N.L.S. shall have sixty (60) days after the service of such petition or the commencement of such action or proceeding, as the case may be, within which to obtain a dismissal of such petition, action or proceeding provided N.L.S. is not otherwise in default under the terms of this Agreement or Notes, including but not limited to, the payment of interest, principal and any other payments.

11.8 If C.I.N.B. or I.H.D.A. is not permitted, at all reasonable times, to copy, inspect and audit all books, contracts, subcontracts and records of N.L.S. and upon prior notice to N.L.S. to enter upon any development, inspect any development and the construction thereof and all materials, fixtures and articles used or to be used in the construction and to examine all detailed plans, shop drawings and specifications which are or may be kept at any development, or if N.L.S. shall fail to furnish to C.I.N.B. or I.H.D.A. copies of such plans, drawings or specifications upon request by C.I.N.B. or I.H.D.A.

11.9 If any Event of Default occurs, no Advance is required to be made and C.I.N.B. or I.H.D.A. may exercise any of its rights and remedies under the Secured Credit Agreement, the Note, the security agreement including C.I.N.B.'s or I.H.D.A.'s right, at its option, to declare the Note and all obligations of N.L.S. to C.I.N.B. or I.H.D.A. immediately due and

payable. C.I.N.B. or I.H.D.A. may exercise its remedies under the Note, security agreement, cumulatively, successively and in such order as C.I.N.B. or I.H.D.A., in its sole discretion, deem fit. No delay on C.I.N.B.'s or I.H.D.A.'s part in exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by C.I.N.B. or I.H.D.A. of any right or remedy shall preclude exercise of the full right or the exercise of any other right or remedy.

11.10 If an Event of Default occurs after I.H.D.A. has made an advance under the Warehouse Line of Credit but prior to C.I.N.B. and I.H.D.A. making an Advance hereunder, C.I.N.B. and I.H.D.A. shall, subject to satisfaction of all other terms of this Agreement, including, without limitation, conditions precedent to Advance; make the Advance notwithstanding such Event of Default.

12. Repurchase.

In the event any of the following occur, N.L.S. shall, after receiving notice of such event, repurchase the Advance associated with the relevant Home Improvement Loan following 15 days prior notice during which time N.L.S. shall have an opportunity to cure such event:

(i) If C.I.N.B. or I.H.D.A. or their counsel shall disapprove of any requested disbursement for any loan because of some act, omission, lien, encumbrance or structural defect occurring at any time after the commencement or rehabilitation and not previously discovered or objected to by C.I.N.B. or I.H.D.A. or their counsel.

(ii) If the improvements on any development, in the judgment of C.I.N.B. or I.H.D.A., be injured or destroyed by fire or other causes and the Eligible Borrower or Eligible Investor does not commence to repair or restore said improvements within forty-five (45) days after the insurance proceeds payable because of such destruction are paid or N.L.S. and Eligible Borrower or Eligible Investor.

(iii) If the construction of any development or restoration of the property referenced in subparagraph 12(ii) above, be at any time discontinued or not carried on with reasonable dispatch in the judgment of C.I.N.B. or I.H.D.A.

(iv) If any of the materials, fixtures and articles used or to be used in the construction of any development or appurtenances thereto or to be used in the operation thereof be not in compliance with the plans and specifications and any reasonable changes.

(v) If N.L.S. or mortgagor executes any security interest under the Illinois Uniform Commercial Code covering any materials, fixtures or articles used in the construction of any development or appurtenances thereto, or articles of personal property included in any development, or if any of such materials, fixtures or articles be not purchased so that the ownership thereof will vest unconditionally in Eligible Borrower or Eligible Investor, free from encumbrance, on delivery at any development, or if mortgagor does not produce for N.L.S. upon demand the contracts, bills of sale, statements, receipted vouchers, or any of them under which mortgagor claims title to such materials, fixtures and articles.

13. Eligible Investor Loans.

No more than ten percent of the Advances may be used for Advances to fund N.L.S. making Home Improvement Loans to Eligible Investors. The underwriting criteria, minimum interest rate on Advances used to fund investor Loans and the eligibility requirements for Eligible Investors shall be as set forth in Exhibit A attached hereto. Nothing in this paragraph shall be construed to permit N.L.S. to make investor Loans in an aggregate amount which exceeds 10% of the Advances.

14. Participation.

I.H.D.A. agrees to fund an amount equal to 20% of the Advances and C.I.N.B. agrees to fund an amount equal to 80% of the Advances. I.H.D.A. shall share *pro rata* in collections on the Home Improvement Loans. C.I.N.B. shall function as I.H.D.A.'s agent with respect to the Collateral pledged to secure the Advances hereunder and C.I.N.B. shall have full discretion with respect to how, when and in what manner to realize upon such Collateral.

15. Accounting and Reports.

N.L.S. shall provide monthly reports to C.I.N.B. and I.H.D.A. no later than 15 days after the close of the month covered in such report, in a format acceptable to C.I.N.B. and I.H.D.A., showing, among other things, the name of each Eligible Borrower or Eligible Investor, the outstanding balance under each Home Improvement Loan, the interest rate and the payment status. An aging report showing the delinquency status of each Home Improvement Loan shall be provided within 15 days after the close of the month covered in such aging report. N.L.S. understands that C.I.N.B. and I.H.D.A. and their respective agents or supervisory authorities shall have the right from time to time to inspect and make copies at their expense of N.L.S.'s books and records relating to Home Improvement Loans upon reasonable notice given to N.L.S. N.L.S. shall report to the City of Chicago on loans made, income guidelines and requirements and utilization of the income derived from City funds. N.L.S. shall report to I.H.D.A. on those Home Improvement Loans that were repurchased or charged off against the reserve.

16. Grants to N.L.S.

C.I.N.B. will recommend that the Continental Illinois Foundation make a grant to N.L.S. for the purpose of defraying part of the operating expenses incurred by N.L.S. in originating and administering the Home Improvement Loans. C.I.N.B. shall recommend that the amount of such grant be \$75,000 in year 1 and \$50,000 in year 2 of the program. C.I.N.B. shall not recommend such grant if new Home Improvement Loans are not being made to N.L.S. because C.I.N.B. has suspended its obligation to make Advances hereunder or has otherwise terminated the Agreement. The City of Chicago agrees to fund \$500,000 for the one- to four- family residential unit portion of the program. The City money shall be used to cover operating and administrative costs of the program.

17. Servicing.

C.I.N.B. and N.L.S. shall enter into a servicing agreement pursuant to which N.L.S. shall, in accordance with generally accepted standards relating to a mortgage servicer, collect all payments due under the Home Improvement Loans and remit monthly payments

received on the Home Improvement Loans in the amount that C.I.N.B. and I.H.D.A. are entitled to. N.L.S. understands and agrees that its sole compensation from the parties to this Agreement with respect to performance of origination and servicing obligations shall be derived from points, amounts received from the City of Chicago, other fees that it charges Eligible Borrowers or Eligible Investors and amounts from I.H.D.A. as described below, and in no event, other than as specified in paragraph 17 above, shall C.I.N.B. or I.H.D.A. be responsible to pay N.L.S. for such services. N.L.S. shall, as long as there is no Event of Default or I.H.D.A. does not otherwise cancel its commitment, derive operating and administrative income from I.H.D.A. as described in Exhibit I.

18. Assignment.

It is understood that N.L.S. may assign certain tasks in the loan packaging process such as marketing and performing follow-up work with eligible contractors to organizations that are acceptable and approved in writing by C.I.N.B. and I.H.D.A. but may not subcontract or assign any of its other rights and duties hereunder without written consent of C.I.N.B. and I.H.D.A. C.I.N.B. and I.H.D.A. shall have the right to assign their respective rights and obligations hereunder subject to the written consent of C.I.N.B. or I.H.D.A., as appropriate.

19. Actions to Decrease Delinquency.

In the event that more than 2% of the Home Improvement Loans have installments that are 60 days or more past due on a contractual basis, then C.I.N.B. and I.H.D.A. shall have the right to (i) adjust their underwriting criteria as set forth on Exhibit D, or (ii) require N.L.S. to strengthen its collection procedures. It is understood that prior to implementing or taking such actions C.I.N.B. and I.H.D.A. shall first discuss such measures with N.L.S.

20. Relationship Among C.I.N.B. and I.H.D.A.

20.1 I.H.D.A. hereby appoints C.I.N.B. as its agent and C.I.N.B. agrees to act as I.H.D.A.'s agent for certain purposes under this Agreement. C.I.N.B. as agent shall have and may exercise such powers under this Agreement as are specifically delegated to C.I.N.B. as agent by the terms hereof, together with such other powers as are reasonably incidental thereto. I.H.D.A. hereby appoints and authorizes C.I.N.B. to act as agent on its behalf with respect to the Collateral as defined in the Security Agreement. I.H.D.A. authorizes C.I.N.B. to take all action necessary to exercise this power together with powers reasonably incident thereto including without limitation taking such action as C.I.N.B. sees fit to monitor and realize upon the Collateral the event of a default. I.H.D.A. hereby authorizes, consents to, and directs N.L.S. to deal with C.I.N.B. as its true and lawful agent to the extent set forth in this Agreement.

20.2 I.H.D.A. agrees that it has, independently and without reliance on C.I.N.B. as agent and based on such documents and information as it has deemed appropriate, made its own credit analysis of N.L.S. and decision to enter into this Agreement and that it will, independently and without reliance upon C.I.N.B. as agent, and based on such other documents and information as it shall deem appropriate at the time, continue to make its own analysis and decisions in taking or not taking action under this Agreement. C.I.N.B.

as agent shall not except as otherwise stated herein, be required to keep informed as to the performance or observation by N.L.S. of this Agreement or any other document referred to or provided for herein or to inspect the properties or books of N.L.S. Except for notices, reports and other documents and information expressly required to be furnished to I.H.D.A. by C.I.N.B. hereunder or under the Servicing Agreement, C.I.N.B. as agent shall not have any duty or responsibility to provide I.H.D.A. with any credit or other information concerning the affairs, financial condition of N.L.S. which may come into C.I.N.B.'s possession.

20.3 C.I.N.B. as agent shall have no duties or responsibilities except those expressly set forth in this Agreement and the Security Agreement and those duties and liabilities shall be subject to the limitations and qualifications set forth in this Section. The duties of C.I.N.B. as agent shall be mechanical and administrative in nature.

20.4 Neither C.I.N.B. as agent nor any of its directors, officers or employees shall be liable for any action taken or omitted (whether or not such action taken or omitted is within or without C.I.N.B.'s as agent, responsibilities and duties expressly set forth in this Agreement) under or in connection with this Agreement or any other instrument or document in connection herewith, except for gross negligence or willful misconduct. Without limiting the foregoing, neither the agent nor any of its directors, officers or employees shall be responsible for, or have any duty to examine into (i) the genuineness, execution, validity, effectiveness, enforceability, value or sufficiency of (a) this Agreement or the Notes, or (b) any document or instrument furnished pursuant to or in connection with this Agreement or the Notes including, without limitation, the Security Agreement, Servicing Agreement, (ii) the collectibility of any amounts owed by N.L.S., (iii) any recitals or statements or representations or warranties in connection with this Agreement or the Notes, (iv) any failure of any party to this Agreement to receive any communication sent, or (v) the assets, liabilities, financial condition, results of operations, business or creditworthiness of N.L.S.

20.5 C.I.N.B. as agent shall be entitled to act and shall be fully protected in acting upon, any communication in whatever form believed by C.I.N.B. as agent in good faith to be genuine and correct and to have been signed or sent or made by a proper person or persons or entity. C.I.N.B. as agent may consult counsel and shall be entitled to act, and shall be fully protected in any action taken in good faith, in accordance with advice given by counsel. C.I.N.B. as agent may employ agents and attorneys in fact and shall not be liable for the default or misconduct of any such agents or attorneys in fact selected by C.I.N.B. as agent with reasonable care. C.I.N.B. as agent shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, provisions or conditions of this Agreement or the Notes on N.L.S.'s part.

20.6 C.I.N.B. as agent shall be entitled to act or refrain from acting and in all cases shall be fully protected in acting or refraining from acting, under this Agreement or the Notes or any other instrument or document in connection herewith or therewith in accordance with instructions in writing from I.H.D.A.

20.7 To the extent N.L.S. does not reimburse and save C.I.N.B. harmless according to the terms hereof for and from all costs, expenses and disbursements in connection herewith or in connection with realizing upon the collateral as defined in the Security Agreement, such

costs, expenses and disbursement shall be borne by C.I.N.B. and I.H.D.A. In accordance with their *pro rata* share of the Advances and I.H.D.A. agrees to reimburse C.I.N.B. as agent for its share of all costs, expenses and disbursements on request and, to the extent of I.H.D.A.'s *pro rata* share, to save C.I.N.B. harmless from all obligations, penalties, actions, judgments and suits and other costs, expenses and disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against C.I.N.B. as agent other than as a consequence of actual gross negligence or willful misconduct on the part of C.I.N.B. as agent, arising out of or in connection with this Agreement, or the Notes or any instrument or document in connection herewith or therewith or any request of I.H.D.A., including, without limitation, the cost, expenses and disbursements in connection with defending itself against any claim or liability, or answering any subpoena, related to the exercise or performance of any of its powers or duties under this Agreement or the taking of any action under or in connection with this Agreement, the Notes, the Servicing Agreement or the Security Agreement.

20.8 With respect to C.I.N.B.'s commitment and any Advances by C.I.N.B. under this Agreement and any Note and any interest of C.I.N.B. in any Note or any action under the Security Agreement, C.I.N.B. shall have the same rights and powers under this Agreement and such Note as I.H.D.A. and may exercise such rights as though it were not the agent for I.H.D.A. C.I.N.B. and its affiliates may accept deposits from, lending money to, generally engage in, and continue to engage, in any kind of business with N.L.S. as if C.I.N.B. were not the agent of I.H.D.A.

20.9 I.H.D.A. shall be entitled to share *pro rata* in any payments that C.I.N.B. receives as agent under the Security Agreement and by putting delinquent Advances back against the Reserve Funds.

20.10 It is understood that amounts received by C.I.N.B.'s agent under the security agreement may be adjusted to the extent equitable in the event that any of the Liabilities as defined in the Security Agreement held by such party shall be determined by a court of competent jurisdiction not to be entitled to the benefits of the Collateral. It is understood however, that N.L.S. shall continue to be obligated for all such liabilities remaining unpaid after such application by a court of competent jurisdiction.

20.11 C.I.N.B. as agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as N.L.S. or I.H.D.A. request in writing, but failure of C.I.N.B. as agent to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of C.I.N.B. as agent to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by N.L.S. or I.H.D.A., shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

21. N.L.S. Corporate Purpose.

N.L.S. agrees that its corporate purpose is to originate and service loans under the program described herein. N.L.S. agrees not to conduct any other business outside the scope of this program and shall not terminate, amend, dissolve, or modify the Articles of

Incorporation without the prior written consent of I.H.D.A, which approval shall not be unreasonably withheld.

22. N.L.S. Reports.

As soon as possible but in no event later than 6 months following the end of each fiscal year, C.I.N.B. and I.H.D.A. shall be furnished with a complete annual financial report based upon an examination of the books and records of N.L.S., prepared in conjunction with N.L.S.'s annual audit certified by an approved independent certified public accountant.

23. Liability.

N.L.S. shall be obligated and liable under this Secured Credit Agreement for funds or property which come into its hands or the hands of its agents which by contract with C.I.N.B. or I.H.D.A, N.L.S. is not entitled to retain or have disbursed or used in violation of I.H.D.A. requirements.

24. Termination, Return of Assets to I.H.D.A.

The program shall terminate upon payment in full to C.I.N.B. and I.H.D.A. by N.L.S. under the Notes. Upon such termination, N.L.S. shall return, transfer and convey to I.H.D.A., as a condition of the I.H.D.A. loan, all N.L.S. corporate assets. N.L.S. to meet its obligation shall dissolve the corporation and in the process shall distribute all its assets and render a final accounting in a form acceptable to I.H.D.A. It is intended between N.L.S. and I.H.D.A. that at the termination of the program all corporate assets shall, as soon as practically possible, be converted into cash.

25. Counterparts.

This agreement may be signed in any number of counterparts, each of which shall be deemed an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This agreement shall be deemed effective when C.I.N.B. shall have received from each party a counterpart hereof signed by such party.

Now, Therefore, the parties hereto have caused this Secured Credit Agreement to be signed on the date first written above.

Signature forms omitted for printing purposes.]

Exhibits B, C, D, E, F, G, H, I and J attached to this agreement reads as follows:

Exhibit B

To Secured Credit Agreement

Between

Neighborhood Lending Services, Inc. ("N.L.S."),

Illinois Housing Development Authority ("I.H.D.A."),

Continental Illinois National Bank

And Trust Company Of Chicago ("C.I.N.B.")

And City Of Chicago.

*Target Areas
(To Be Supplied).*

Exhibit C

To Secured Credit Agreement

Between

Neighborhood Lending Services, Inc. ("N.L.S."),

Illinois Housing Development Authority ("I.H.D.A."),

Continental Illinois National Bank

And Trust Company Of Chicago ("C.I.N.B.")

And City Of Chicago.

\$ _____

Due: _____
Chicago, Illinois: _____

The undersigned for value received, promises to pay to the order of Continental Illinois National Bank and Trust Company of Chicago ("Bank") at its office in Chicago, Illinois, Twenty Million Dollars (\$20,000,000.00), or if less, the aggregate principal indebtedness outstanding under the Secured Non-Revolver Credit Agreement ("Credit Agreement"),

with interest thereon from the date hereof until paid as provided below. The undersigned may request Advances as defined in the Credit Agreement and subject to the conditions set forth therein.

The undersigned promises to pay Bank on the _____ day of each month an amount equal to (i) the principal portion of the scheduled monthly payment on the Home Improvement Loan associated with each advance, plus (ii) unpaid, accrued and billed interest on the unpaid principal amount of the Advances at the applicable interest rate. It is understood that the principal portion of the monthly payment referred to herein shall be an amount that will gradually increase over the life of the associated Home Improvement Loan and that such amounts will be sufficient to fully amortize the Home Improvement Loan over its stated term and substantially equal payments consisting of principal and interest.

The undersigned shall make mandatory prepayments as specified in the Credit Agreement whenever and to the same extent that an Eligible Borrower or Eligible Investor as defined therein shall prepay a Home Improvement Loan.

The undersigned agrees that interest shall accrue on the unpaid amount of the Advances as follows:

Advances made during the period following execution of this Note until February 1, 1988 shall bear interest at the fixed rate of 7.5% per annum throughout the term of such Advances. Commencing with January 1, 1988 and each such date thereafter during the first five years of the term of this Note the interest rate shall be adjusted to a rate equal to the average rate for the immediately preceding December for ten-year U.S. Treasury Constant Maturity Series as published in the Federal Reserve Board Statistical Release H-15 plus 1/4 of 1%. This changed rate shall be effective with respect to Advances made after the next following February 1 and shall remain fixed for the period of such Advance.

All payments made hereunder shall be applied first to interest accrued to date and next to principal. To the extent Borrower prepays its obligations hereunder such prepayment shall be applied first to interest accrued to date and next to the principal portion of the scheduled installment in the inverse order of their maturities, so that N.L.S.'s prepayment shall not relieve it of making consecutive principal installments hereunder until the Advance is paid in full.

The undersigned agree that the initial Advance, and all subsequent Advances and all payments made on account of principal shall be endorsed by the Bank or the holder of this Note on the attached schedule to this Note.

This Note shall be secured by certain collateral as defined in a Security Agreement between the undersigned and Bank. The collateral, as defined therein, shall include Home Improvement Loans as defined in the Credit Agreement and the mortgages on the property being improved and all instruments or documents evidencing or securing the Home Improvement Loans.

This Note is further secured by a reserve fund that undersigned shall establish pursuant to the Credit Agreement.

This Note evidences indebtedness incurred under the Credit Agreement dated as of _____, 19____, and, if amended, all amendments thereto, among the undersigned, Illinois Housing Development Authority and Continental Illinois National Bank and Trust Company of Chicago, as agent, to which Credit Agreement reference is hereby made for a statement of said terms and provisions, including those under which this note may be paid prior to its due date or its due date may be accelerated.

NEIGHBORHOOD LENDING SERVICES, INC.

Address: _____

By: _____

Title: _____

Schedule attached to Note dated as of _____, 19____
of _____ payable to the order
of _____

Loans and Principal Payments.

Date	Amount of Loan Made	Applicable Interest Rate	Applicable Term	Amt. of Principal Scheduled to be Repaid	Actual Amt. Repaid	Unpaid Principal Balance
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

The aggregate unpaid principal amount shown on this schedule shall be rebuttable presumptive evidence of the principal amount owing and unpaid on this Note. The failure to record the date and amount of any loan on this schedule shall not, however, limit or otherwise affect the obligations of the Company under the Agreement or under this Note to repay the principal amount of the loans together with all interest accruing thereon.

Exhibit C

*To Secured Credit Agreement**Between**Neighborhood Lending Services, Inc. ("N.L.S."),**Illinois Housing Development Authority ("I.H.D.A."),**Continental Illinois National Bank**And Trust Company Of Chicago ("C.I.N.B.")**And City Of Chicago.*

\$ _____ Due: _____
Chicago, Illinois: _____

The undersigned for value received, promises to pay to the order of Illinois Housing Development Authority ("I.H.D.A.") at the office of Continental Illinois National Bank and Trust Company of Chicago, Five Million Dollars (\$5,000,000.00), or if less, the aggregate principal indebtedness outstanding under the Secured Non-Revolving Credit Agreement ("Credit Agreement"), with interest thereon from the date hereof until paid as provided below. The undersigned may request Advances as defined in the Credit Agreement and subject to the conditions set forth therein.

The undersigned promises to pay I.H.D.A. on the _____ day of each month an amount equal to (i) the principal portion of the scheduled monthly payment on the Home Improvement Loan associated with each advance, plus (ii) unpaid, accrued and billed interest on the unpaid principal amount of the Advances at the applicable interest rate. It is understood that the principal portion of the monthly payment referred to herein shall be an amount that will gradually increase over the life of the associated Home Improvement Loan and that such amounts will be sufficient to fully amortize the Home Improvement Loan over its stated term and substantially equal payments consisting of principal and interest.

The undersigned shall make mandatory prepayments as specified in the Credit Agreement whenever and to the same extent that an Eligible Borrower or Eligible Investor as defined therein shall prepay a Home Improvement Loan.

The undersigned agrees that interest shall accrue on the unpaid amount of the Advances as follows:

Advances made during the period following execution of this Note until February 1, 1987 shall bear interest at the fixed rate of 7.5% per annum throughout the term of such Advances. Commencing with January 1, 1988 and each such date thereafter during the first five years of the term of this Note the interest rate shall be adjusted to a rate equal to the average rate for the immediately preceding December for ten-year U.S. Treasury Constant Maturity Series as published in the Federal Reserve Board Statistical Release H-

15 plus 1/4 of 1%. This changed rate shall be effective with respect to Advances made after the next following February 1 and shall remain fixed for the period of such Advance.

All payments made hereunder shall be applied first to interest accrued to date and next to principal. To the extent Borrower prepays its obligations hereunder such prepayment shall be applied first to interest accrued to date and next to the principle portion of the scheduled installment in the inverse order of their maturities, so that N.L.S.'s prepayment shall not relieve it of making consecutive principle installments hereunder until the Advance is paid in full.

The undersigned agree that the initial Advance, and all subsequent Advances and all payments made on account of principal shall be endorsed by the I.H.D.A. or the holder of this Note on the attached schedule to this Note.

This Note shall be secured by certain collateral as defined in a Security Agreement between the undersigned and I.H.D.A. The collateral, as defined therein, shall include Home Improvement Loans as defined in the Credit Agreement and the mortgages on the property being improved and all instruments or documents evidencing or securing the Home Improvement Loans.

This Note is further secured by a reserve fund that undersigned shall establish pursuant to the Credit Agreement.

This Note evidences indebtedness incurred under the Credit Agreement dated as of _____, 19____, and, if amended, all amendments thereto, among the undersigned, Illinois Housing Development Authority and Continental Illinois National I.H.D.A. and Trust Company of Chicago, as agent, to which Credit Agreement reference is hereby made for a statement of said terms and provisions, including those under which this Note may be paid prior to its due date or its due date may be accelerated.

NEIGHBORHOOD LENDING SERVICES, INC.

Address:

By: _____

Title: _____

Schedule attached to Note dated as of _____, 19____
of _____ payable to the order
of _____

Loans and Principal Payments.

Date	Amount of Loan Made	Applicable Interest Rate	Applicable Term	Amt. of Principal Scheduled to be Amt. Repaid	Actual Principal Repaid	Unpaid Balance
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

The aggregate unpaid principal amount shown on this schedule shall be rebuttable presumptive evidence of the principal amount owing and unpaid on this Note. The failure to record the date and amount of any loan on this schedule shall not, however, limit or otherwise affect the obligations of the Company under the Agreement or under this Note to repay the principal amount of the loans together with all interest accruing thereon.

Exhibit D

To Secured Credit Agreement

Between

Neighborhood Lending Services, Inc. ("N.L.S."),

Illinois Housing Development Authority ("I.H.D.A."),

Continental Illinois National Bank

And Trust Company Of Chicago ("C.I.N.B.")

And City Of Chicago.

*Underwriting Criteria
(To Be Supplied).*

*Exhibit E**To Secured Credit Agreement**Between**Neighborhood Lending Services, Inc. ("N.L.S."),**Illinois Housing Development Authority ("I.H.D.A."),**Continental Illinois National Bank**And Trust Company Of Chicago ("C.I.N.B.")**And City Of Chicago.**Required Documentation Checklist.***Required Documentation for Loans:**

- a. F.N.M.A. Home Improvement Loan Note (together with due on transfer rider);
- b. F.N.M.A. Home Improvement Loan Mortgage (together with due on transfer rider);
- c. Truth-in-Lending Statement together with itemization of amount financed;
- d. Assignment of mortgage to C.I.N.B. endorsed in blank;
- e. Release of I.H.D.A.'s security interest in Collateral with respect to Interim Advance;
- f. If Loan is \$20,000 or more a Title insurance policy or commitment to obtain policy is necessary together with all necessary title company documents;
- g. Appraisal;
- h. Proof that the property to be improved is not in a flood plain, or evidence of flood insurance in place;
- i. Right of rescission notice;
- j. Completion Certificate;
- k. All underwriting documentation (verification of employment, verification of deposit, tax returns, tax bills, etc.);

- I. A.L.T.A. affidavit;
- m. Such other documents as C.I.N.B. and/or I.H.D.A. may request under the circumstances in order to protect its position as a secured lender.

Exhibit F

To Secured Credit Agreement

Between

Neighborhood Lending Services, Inc. ("N.L.S."),

Illinois Housing Development Authority ("I.H.D.A."),

Continental Illinois National Bank

And Trust Company Of Chicago ("C.I.N.B.")

And City Of Chicago.

Form of Opinion.

Date

Continental Illinois National Bank
and Trust Company of Chicago
231 South LaSalle Street
Chicago, Illinois 60603

Illinois Housing Development Authority
130 East Randolph Street
Suite 510
Chicago, Illinois 60601

Ladies and Gentlemen:

I have acted as counsel for Neighborhood Lending Services, Inc. (hereinafter referred to as "N.L.S."), an Illinois not-for-profit corporation in connection with a Secured Non-Revolving Loan Agreement entered into by and among Continental Illinois National Bank and Trust Company of Chicago ("C.I.N.B."), Illinois Housing Development Authority ("I.H.D.A.") and N.L.S. dated _____, 1986 and the transactions contemplated thereby and other documents and instruments described therein.

I have examined, among other things, pertinent statutes and regulations, including Illinois Housing Development Authority Act (Ill. Rev. Stat. Ch. 67-1/2, § 301 *et seq.*) ("Act") and the Rules adopted by I.H.D.A. including 47 Ill. Adm. Code 310., as amended, and a copy of the Agreements executed by N.L.S. I have also examined originals or copies, certified to my satisfaction, such records of N.L.S., certificates of public officials and of officers and representatives of N.L.S. and such other documents and have made such factual inquiries as I have deemed necessary as a basis for the opinions hereinafter expressed, in the course of which examinations I have assumed the genuineness of all signatures and the authenticity of all documents submitted to me as copies.

Based on the foregoing, I advise you that, in my opinion:

1. N.L.S. is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of Illinois with full power and authority to carry on its business in Illinois as is now being conducted and is contemplated by the loan agreement between N.L.S., C.I.N.B. and I.H.D.A. (the "Agreement").

2. N.L.S. is an Illinois not-for-profit corporation within the meaning of Section 2 of the Illinois Housing Development Act, as amended.

3. The execution, delivery and performance by N.L.S. of the Notes as defined in the Secured Non-Revolving Loan Agreement and documents and instruments described therein executed by N.L.S. and the borrowing evidenced by the Notes, have been duly authorized by the Board of Directors of N.L.S.

4. The Secured Non-Revolving Loan Agreement and documents and instruments described therein executed by N.L.S. constitute legal, valid and binding obligations of N.L.S., enforceable pursuant to Illinois law in all material respects in accordance with the respective terms thereof except as such enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditor's rights generally.

5. The transaction described in the Secured Non-Revolving Loan Agreement and documents and instruments described therein is not *ultra vires* to N.L.S. and will not conflict with any provisions of law or Articles of Incorporation or By-laws or N.L.S. nor in conflict with any agreement binding upon N.L.S. of which this counsel has knowledge.

6. _____ and _____ have been duly authorized and empowered to execute and deliver the Agreements, and all instruments required by or contemplated in connection therewith on behalf of N.L.S.

7. N.L.S. is not a party to or bound by any agreement or instrument or subject to any charter or other corporate restriction or any judgment, order, writ, injunction, decree, law, rule or regulation which now or in the future may materially and adversely affect the ability of N.L.S. to perform its obligations under the Agreements.

8. There is no litigation or proceeding presently pending, or to the best of my knowledge threatened, which could affect the validity of N.L.S.'s ability to repay the loan.

The opinions and statements herein expressed are made with the knowledge and understanding that C.I.N.B. and I.H.D.A. will rely on them in disbursing proceeds under the Secured Non-Revolving Loan Agreement and may be relied upon for such purposes by C.I.N.B. and I.H.D.A. and their successors and assigns.

My opinion set forth above is subject to the limitation that if any party to any of the instruments referred to in this opinion were to seek an equitable remedy or assert an equitable defense in Illinois, the availability of such remedy or defense would be subject to the discretion of the Illinois Court requested to grant such remedy or to allow such defense. My opinion is further subject to the qualification that certain remedies under the Secured Non-Revolving Loan Agreement may be qualified by the laws of Illinois, none of which qualifications will materially interfere with the practical realization of the benefits or the security provided by such documents.

I am licensed to practice law only in the State of Illinois. Accordingly, the foregoing opinion applies only insofar as the laws of the State of Illinois or of the United States of America may be concerned and I express no opinion with respect to the laws of any other jurisdiction.

Very truly yours,

Exhibit G

To Secured Credit Agreement

Between

Neighborhood Lending Services, Inc. ("Borrower"),

Illinois Housing Development Authority "I.H.D.A."),

Continental Illinois National Bank

And Trust Company Of Chicago ("C.I.N.B.")

And City Of Chicago.

Security Agreement.

This Security Agreement dated as of _____, is made and entered into by and between: Neighborhood Lending Services, Inc., a not-for-profit corporation ("Borrower") and Continental Illinois National Bank and Trust Company of Chicago (the "Bank"), having its place of business at 231 South LaSalle Street, Chicago, Illinois 60697 acting both for itself and as the agent of the Illinois Housing Development Authority ("I.H.D.A.").

Whereas, the Borrower and I.H.D.A. have executed and delivered a Warehouse Line of Credit of even date providing for I.H.D.A. to make Interim Advances to fund the Construction Phase of the Home Improvement Loan; and

Whereas, the Borrower, the Bank and I.H.D.A. have executed and delivered a Secured Credit Agreement (herein, as from time to time amended, supplemented, modified, or restated, called the "Agreement") of even date herewith providing for loans or advances which the Bank may elect to make to the Borrower on the security of Home Improvement Loans (as defined in the Agreement) and certain other collateral pledged and assigned to the Bank by the Borrower; and

Whereas, I.H.D.A. has appointed Bank as Agent with respect to the Collateral to hold the relevant portions of the Collateral on behalf of I.H.D.A. as security for I.H.D.A.'s Interim Advances pursuant to the Warehouse Line of Credit and I.H.D.A.'s *pro rata* share of the Advances made under the Agreement; and

Now, Therefore, for and in consideration of any loan or advance now or hereafter made by the Bank or I.H.D.A. to the Borrower and the agreements of the parties herein and in the Agreement contained, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged by the Borrower, the parties hereto agree as follows:

1. Definitions. The following terms, when used in this Security Agreement shall, unless the context otherwise requires, have the following meanings:

"Collateral" shall mean at any time all property then subject to the security interest hereunder and any other property of the Borrower which the Borrower has agreed to assign, convey, pledge or deliver to the Bank hereunder or under the Agreement.

"Event of Default" shall mean and include the occurrence of any of the following:

- (a) Any "Event of Default" under the Agreement or Warehouse Line of Credit;
- (b) Any "Default" under or with respect to any Note or any other document or instrument creating, evidencing or securing any of the Liabilities;
- (c) The Borrower becomes insolvent, generally fails to pay its debts as they become due or admits in writing its inability to pay debts as they mature or is adjudicated a bankrupt or insolvent; or the Borrower applies for, consents to, or acquiesces in the appointment of a trustee or receiver for the Borrower or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee or receiver is appointed for the Borrower or for a substantial part of the property of any thereof; or any bankruptcy, reorganization, debt arrangement, or other case, action or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is instituted by or against the Borrower;

(d) Failure by the Borrower to comply with or to perform any provision of this Security Agreement, the Servicing Agreement, and continuance of such failure for 30 days after notice thereof to the Borrower from the Bank; or

(e) Any warranty made by the Borrower herein or in the Agreement is breached or is false or misleading in any material respect, or any schedule, certificate, financial statement, report, notice, or other writing furnished by or on behalf of the Borrower to the Bank is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified, and any such warranty continues to be false or misleading for 30 days after written notice to the Borrower from the Bank.

For purposes of the foregoing definition, with respect to any event or occurrence which constitutes an event of default hereunder solely by reason of its constituting a default under another document or instrument, to the extent (if any) that such other document or instrument provides a grace or cure period with respect to such default, the same grace or cure period, and only such period, shall apply with respect thereto under this Security Agreement.

"Liabilities" shall mean and include any and all obligations of the Borrower to the Bank or I.H.D.A. under any one or more of the Agreement, Warehouse Line of Credit Agreement, any Note, this Security Agreement, the Servicing Agreement and any and all other indebtedness, obligations and liabilities of the Borrower to the bank, howsoever created, arising, or evidenced, whether direct or indirect, absolute or contingent or now or hereafter existing or due or to become due.

"Notes" shall have the meaning given them in the Agreement, or the Warehouse Line of Credit Agreement together with any amendments, supplements or modifications thereto and any promissory note(s) given in whole or partial substitution, replacement or renewal thereof.

Any term which is capitalized but is not specifically defined in this Security Agreement, which is capitalized and defined in the Agreement, shall have the same meaning for purposes of this Security Agreement as it has for purposes of the Agreement.

2. Pledge and Grant of Security Interest. As security for the full, timely and proper payment and performance of all the Liabilities, the Borrower hereby pledges, assigns and transfers to the Bank and grants to the Bank a continuing security interest in and to all of the following, whether now or hereafter existing or acquired: (i) all accounts, contract rights, chattel paper, instruments, general intangibles and loans secured by real estate; advances of any kind made by the Borrower, (ii) all notes, mortgages, trust deeds, security agreements, chattel mortgages, assignments of beneficial interests in land trusts, assignments of rents, assignments of leases, fire and hazard insurance policies, certificates, policies, commitments and binders of or for mortgage insurance or guarantee, title insurance policies, commitments for insurance, credit files, truth-in-lending statements, closing statements and certificates, financing statements, financial statements and credit verifications, property inspection reports, payment records, tax and insurance escrow agreements, and any other instruments, papers, documents or writings of any kind arising out of or relating to any of the property referred to in (i) above; (iii) any and all take-out commitments, purchase contracts and other agreements or contracts of any kind now or

hereafter providing for the sale or servicing by or for the Borrower of any such of the property referred to in (i) above; (iv) all rights of the Borrower under any agreement, representation or warranty relating to any of the property referred to in (i) above, account or advance; and (v) all proceeds of any thereof.

3. Warranties. The Borrower warrants to the Bank, on the date hereof and at the date of each pledged hereunder by the Borrower to the Bank of any Home Improvement Loan that (a) no financing statement (other than any which may have been filed on behalf of the Bank or I.H.D.A.) covering any of the Collateral as on file in any public office; (b) Borrower is the lawful owner of and has good and marketable title to the Home Improvement Loans free and clear of all liens, encumbrances, rights or claims of any kind whatsoever, with full right and authority to pledge the Collateral to the Bank hereunder; (c) all information with respect to the Collateral set forth in any Schedule, certificate or other writing at any time heretofore or hereafter furnished by the Borrower to the Bank and all other written information heretofore or hereafter furnished by the Borrower to the Bank is and will be true and correct as of the date furnished; (d) Borrower's chief executive office and principal place of business is and will continue to be located at the address of the Borrower set forth above; (e) Borrower has full power and authority to own its property and to carry on its business, and has full power and authority and has been duly authorized to execute and deliver and perform the Agreement, the Note, the Security Agreement and all actions, permissions, consents or approvals necessary to authorize such actions have been taken or received, and that each instrument or document, including the Home Improvement Loans, insurance policy, purchased or take-out commitment and title insurance policy, is the legal, valid and binding obligation of its Eligible Borrower or Eligible Investor and it will then be enforceable in accordance with its terms; (f) all the warranties contained in the Agreement are true and correct and all conditions precedent as set forth in the Agreement have been satisfied.

4. Mortgage Servicing. Until such time as the Bank shall notify Borrower of the revocation of such power and authority, Borrower shall perform servicing of the Home Improvements Loans in accordance with the Servicing Agreement between Bank and Borrower dated of even date (the "Servicing Agreement"). The Bank, however, may, at any time, whether before or after any revocation of such power and authority or the maturity of any of the Liabilities, notify any parties obligated on any of the Home Improvement Loans to make payment to the Bank of any amounts due or to become due thereunder and enforce collection of any of the Collateral by suit or otherwise and surrender, release, or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. Upon request of the Bank, the Borrower will, at its own expense, notify any parties obligated on any of the Collateral to make payment to the Bank of any amounts due or to become due thereunder.

The Bank is irrevocably authorized to endorse, in the name of Borrower, any item, howsoever received by the Bank, representing any payment on or other proceeds of any of the Collateral.

5. Certain Action by the Bank. The Bank may from time to time without notice to Borrower, take all or any of the following actions (and the Borrower hereby irrevocably consents to the Bank's doing any or all of the following from time to time in the Bank's sole

discretion): (a) transfer all or any part of the Collateral into the name of the Bank or its nominee, with or without disclosing that such Collateral is subject to the lien and security interest hereunder and (b) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto.

6. Agreements of Borrower. The Borrower will: (a) upon request of the Bank from time to time, execute such financing statements and other documents (and pay the cost of filing or recording the same in all public offices deemed necessary by the Bank), deliver to the Bank or its agent such executed original documents, and do such other acts and things, all as the Bank may from time to time request to establish and maintain a valid and perfected security interest in the Collateral (free of all other liens, claims and rights whatsoever of other parties (except those prior liens that are disclosed on the Title Search for Home Improvement Loans of \$20,000 or less, or the Title Policy for Home Improvement Loans that exceed \$25,000,000)) to secure the payment of the Liabilities; (b) keep at its address shown above its records concerning Collateral, which records will be of such character as will enable the Bank or its designees to determine at any time the status thereof, and the Borrower will not, unless the Bank shall otherwise consent in writing, duplicate any such records at any other address; (c) furnish the Bank such information concerning the Borrower and the Collateral as the Bank may from time to time reasonably request; (d) permit the Bank and its designees, from time to time, to inspect the Collateral, and to inspect, audit and make copies of and extracts from all records and all other papers in the possession of the Borrower or any mortgage service, and will, upon request of the Bank, deliver to the Bank all of such records and papers which pertain to the Collateral; (e) upon request of the Bank, stamp or write on its records concerning the Collateral, a notation, in form satisfactory to the Bank, of the security interest of the Bank hereunder; (f) forthwith upon receipt (except as the Bank may thereafter otherwise consent in writing), transmit and deliver to the Bank, transferred in due form to the Bank in its own name, all notes, security agreements, chattel paper, mortgages, deeds of trust, documents of title, instruments, chattel paper, contracts, certificates of title or agreements issued to or obtained by the Borrower from time to time which are, or evidence rights to, Collateral or the proceeds of Collateral; and (g) reimburse the Bank for all expenses, including reasonable attorneys' fees and legal expenses, incurred by the Bank in seeking to collect or enforce any rights or remedies under or with respect to any of the Liabilities or the Collateral.

7. Default. Whenever an Event of Default shall be existing, the Notes and all other Liabilities may (notwithstanding any provisions thereof), at the option of the Bank, and without demand or notice of any kind, be declared, and thereupon immediately shall become, due and payable in full, and the Bank may exercise from time to time any and all rights and remedies available to it under applicable law. The Borrower shall, promptly upon request by the Bank, deliver the Collateral to the Bank at such place or places, reasonably convenient for both the Bank and the Borrower, as the Bank shall designate. Any notification required by law of intended disposition by the Bank of any of the Collateral shall be deemed reasonably and properly given if given at least five days before such disposition. Without limiting the foregoing, whenever an Event of Default is existing the Bank may, to the fullest extent permitted by applicable law, without further notice, advertisement, hearing or process of law of any kind (a) notify any person obligated on the

Collateral to pay directly to the Bank its obligations thereunder, (b) enforce collection of any of the Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto, (c) endorse any checks, drafts or other writings in the name of the Borrower to allow collection of the Collateral, (d) take control of any proceeds of the Collateral, (e) take possession of the Collateral, (f) sell any or all of the Collateral, free of all rights and claims of the Borrower therein and thereto, at any public or private sale or brokers' board, and (g) bid on its own behalf for and purchase any or all of the Collateral at any such sale or broker's board. Any proceeds of any disposition by the Bank of any of the Collateral which are received by the Bank may be applied by the Bank to the payment of expenses in connection with the Collateral, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds shall be applied by the Bank toward the payment of any Note and such other of the Liabilities and in such proportions and in such order of application as the Bank may from time to time elect. The Bank may exercise from time to time any and all rights and remedies available to it under the Uniform Commercial Code or other applicable law as in effect from time to time. The Borrower hereby expressly waives presentment, demand, notice of dishonor, protest in connection with all Notes and, to the fullest extent permitted by applicable law, any and all other notices, advertisements, hearings or process of law in connection with the exercise by the Bank of any of its rights and remedies after an Event of Default.

The Borrower hereby irrevocably appoints and constitutes the Bank its attorney-in-fact with full power of substitution to take possession of the Collateral upon any Event of Default and, as the Bank in its sole discretion reasonably exercised deems necessary or proper, to execute and deliver all instruments required to accomplish the disposition of the Collateral; this power of attorney is a power coupled with an interest and is irrevocable.

All obligations to the Borrower, and all rights, powers and remedies of the Bank expressed herein shall be in addition to, and not in limitation of, those provided by applicable law or in any Note or any other written agreement or instrument relating to any of the Liabilities or any security therefor.

8. Bank as Agent. I.H.D.A. has appointed the Bank as its Agent under the Agreement to take certain actions on its behalf and to exercise certain powers under this Security Agreement together with all powers reasonably incident to the exercise of such powers. Bank as Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as I.H.D.A. or Borrower request in writing, but failure of Bank as Agent to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of Bank as Agent to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by Borrower of I.H.D.A., shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral. Notwithstanding anything to the contrary contained in this Agreement it is anticipated the I.H.D.A. shall share *pro rata* in collections on specific items of Collateral. For example, if a particular mortgage securing a Home Improvement Loan relates to an Interim Advance that was never paid out by an Advance under the Agreement for any reason, and Bank should request Borrower to foreclosure on the underlying property, then after costs and expenses of such sale, the

amount of the proceeds realized upon such foreclosure or other realization upon such item of the Collateral shall be given to I.H.D.A. to the extent of Borrower's indebtedness to I.H.D.A. under such Interim Advance. Similarly with respect to Home Improvement Loans associated with an Advance, I.H.D.A. shall be entitled to share *pro rata* in the expenses and proceeds.

9. Miscellaneous. The Borrower agrees to execute and deliver such other documents as the Bank may from time to time request for the purpose of confirming, perfecting and preserving the liens and security interests granted hereunder or intended so to be and for the purpose of selling or transferring or placing in readiness for sale or transfer to any other investor or purchaser of the Collateral or any part thereof.

The Bank shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as Borrower requests, but failure of the Bank to comply with any such request shall not be deemed a failure to exercise reasonable care, and no failure of the Bank to preserve or protect any rights with respect to any Collateral against prior parties or to do any act with respect to the preservation of any Collateral not so requested by the Borrower, shall be deemed failure to exercise reasonable care in the custody or preservation of such Collateral.

This Agreement is intended only as security for the Liabilities. Anything herein to the contrary notwithstanding, (i) the Borrower shall be and remain liable under the Collateral to perform all of the obligations assumed by it under each thereof, and (ii) the Bank shall not have any obligation or liability under the Collateral by reason or arising out of this Agreement, nor shall the Bank be required or obligated in any manner to perform or fulfill any of the obligations of the Borrower under or pursuant to any of the Collateral.

Any notice or other communication hereunder to any party shall be in writing and delivered or mailed to it at its address as set forth above, provided that any party may by notice to the other designate a changed address for such party. Any notice so mailed shall be deemed to be given on the second business day after the date when sent by registered mail or certified mail, postage prepaid.

No right or remedy herein conferred is intended to be exclusive of any other right or remedy; rather, each such right and remedy shall be cumulative and shall be in addition to every other right and remedy herein conferred or conferred upon the Bank and any other agreement or instrument or security document, or now or hereafter existing under applicable law.

No failure or delay on the part of the Bank in the exercise of any right or remedy hereunder or under any other instrument or otherwise shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude other or further exercise thereof or the exercise of any other right or remedy.

The various headings in this Security Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Security Agreement or any provision hereof.

Wherever possible, each provision of this Security Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if, for any reason whatsoever, any one or more of the provisions of this Security Agreement shall be held to be unenforceable as applied to any particular case, such circumstances shall not have the effect of rendering such provision unenforceable in any other case or of rendering any of the other provisions of this Security Agreement unenforceable, it being the intention of the parties that this Security Agreement and the provisions hereof shall be applied and enforced to the fullest extent permissible under applicable law.

This Security Agreement has been executed and delivered in the State of Illinois. It shall be governed by and construed in accordance with the laws of the State of Illinois.

This Security Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and, without limiting the foregoing, all rights, powers hereunder or with respect hereto of the Bank, or any agent or representative of the Bank, may be exercised by a successor or assignee of the Bank or any agent or representative of such successor assignee.

In Witness Whereof, this Security Agreement has been duly executed as of the day and year first above written

NEIGHBORHOOD LENDING SERVICES, INC.

By: _____

Title: _____

CONTINENTAL ILLINOIS NATIONAL BANK
AND TRUST COMPANY OF CHICAGO

By: _____

Title: _____

Schedule I

To Financing Statement

Naming

Neighborhood Lending Services, Inc.

Debtor

And

Continental Illinois National Bank

And Trust Company Of Chicago, As Agent

Secured Party.

Continental Illinois National Bank and Trust Company of Chicago is acting as collateral agent for the following lenders:

Continental Illinois National Bank and Trust Company of Chicago, in its individual corporate capacity and as agent for Illinois Housing Development Authority under a Secured Credit Agreement dated as of _____ among Neighborhood Lending Services, Inc., Continental Illinois National Bank and Trust Company of Chicago, 231 S. LaSalle Street, Chicago, Illinois 60697, and the Illinois Housing Development Authority, 401 North Michigan Avenue, Suite 900, Chicago, Illinois 60611.

Schedule II

To Financing Statement

Naming

Neighborhood Lending Services, Inc.

Debtor

And

Continental Illinois National Bank

And Trust Company Of Chicago, As Agent

Secured Party.

This Financing Statement covers the following types (or items) of property described below that is pledged to secure the Liabilities of Debtor to Secured Party under a Secured Credit Agreement between Illinois Housing Development Authority and Warehouse Line of Credit, and Debtor dated _____, 1986. Words with capital letters shall have the meaning given in such Agreement:

All of the following, whether now or hereafter existing or acquired: (i) all accounts, contract rights, chattel paper, instruments and general intangible and loans secured by

real estate, advances of any kind made by the Debtor, (ii) all notes, mortgages, trust deeds, security agreements, chattel mortgages, assignments of beneficial interests in land trusts, assignments of rents, assignments of leases, fire and hazard insurance policies, certificates, policies, commitments and binders of or for mortgage insurance or guarantee, title insurance policies, commitments for insurance, credit files, truth-in-lending statements, closing statements and certificates, financing statements, financial statements and credit verifications, property inspection reports, payment records, tax and insurance escrow agreements, and any other instruments, papers, documents or writings of any kind arising out of or relating to any of the property referred to in (i) above; (iii) any and all take-out commitments, purchase contracts and other agreements or contracts of any kind now or hereafter providing for the sale or servicing by or for the Debtor of any such of the property referred to in (i) above; (iv) all rights of the Debtor under any agreement, representation or warranty relating to any of the property referred to in (i) above; and (v) all proceeds of any thereof.

Exhibit H

To Secured Credit Agreement

Between

Neighborhood Lending Services, Inc. ("N.L.S."),

Illinois Housing Development Authority ("I.H.D.A."),

Continental Illinois National Bank

And Trust Company Of Chicago ("C.I.N.B.")

And City Of Chicago.

*Servicing Agreement
(To Be Supplied).*

Exhibit I

To Secured Credit Agreement

Between

Neighborhood Lending Services, Inc. ("N.L.S."),

Illinois Housing Development Authority ("I.H.D.A."),

Continental Illinois National Bank

And Trust Company Of Chicago ("C.I.N.B.")

And City Of Chicago.

*Origination And Administration Agreement
(To Be Supplied).*

Exhibit J

Warehousing Line Of Credit Agreement.

This Agreement (the "Agreement") entered into as of the ____ day of _____, 1986 by and among Neighborhood Lending Services, Inc., a not-for-profit Illinois corporation located at 123 North Jefferson, Chicago, Illinois 60606 ("N.L.S."), the Illinois Housing Development Authority, a body politic and corporate, located at 401 North Michigan, Chicago, Illinois 60611 ("I.H.D.A."), and the City of Chicago, a municipal corporation, through its Department of Housing, located at 318 South Michigan, Suite 300, Chicago, Illinois 60604 (the "City") and Continental Illinois National Bank and Trust Company of Chicago ("C.I.N.B."), a national banking association located at 231 South LaSalle, Chicago, Illinois 60693.

Witnesseth:

Whereas, N.L.S. desires to make home improvement loans on one to four unit residential buildings to persons or families of low and moderate incomes, and to provide low and moderate rental units in five to twelve unit residential buildings, located in the City of Chicago, primarily in targeted areas (the "Program"); and

Whereas, N.L.S. has requested that I.H.D.A. establish a \$500,000 non-interest bearing revolving line of credit for a maximum term of five years pursuant to which I.H.D.A. may make payouts to N.L.S. to provide construction financing for the home improvement loans; and

Whereas, N.L.S. is willing to execute a Note for \$500,000 secured by the mortgage notes, mortgages and other loan documents executed in connection therewith by eligible borrowers and eligible investors and I.H.D.A. is willing to establish the line of credit under certain terms and conditions; and

Whereas, N.L.S. has requested that the City make a grant which N.L.S. may use to cover costs of administration and to provide construction financing for home improvement loans; and

Whereas, I.H.D.A., N.L.S., C.I.N.B. and the City have entered into a Definitive Agreement of even date herewith pursuant to which I.H.D.A. and C.I.N.B. will provide the permanent financing for the home improvement loans to eligible borrowers and eligible investors;

Now, Therefore, in consideration of the premises, the parties hereby agree to the following terms and conditions:

1. Incorporation.

The foregoing recitals are made a part hereof. The Definitive Agreement (defined herein) and all exhibits thereto are hereby incorporated by this reference and made a part hereof. In the event of any inconsistency or conflict between the terms and conditions of this Agreement, and the Definitive Agreement, this Agreement, shall govern and control.

2. Definitions.

For purposes of this Agreement capitalized words or terms not otherwise defined herein shall have the meaning given in the Definitive Agreement.

2.1 "Act" shall mean the Illinois Housing Development Act (Ill. Rev. Stat. Ch. 67 1/2 Section 301 *et seq.* (1985).

2.2 "Collateral" shall mean the collateral as described in the Security Agreement attached hereto as Exhibit 1.

2.3 "Construction Phase" shall mean, with respect to each Home Improvement Loan made, the time period from the initial date of the Payout until funded under the Definitive Agreement.

2.4 "Home Improvement Loans" shall mean loans from N.L.S. to Eligible Borrowers or Eligible Investors. Home Improvement Loans shall have a Construction Phase and a Permanent Phase. During the Construction Phase, Home Improvement Loan does not include points or closing costs of Eligible Borrower or Eligible Investor. Points and closing costs may be financed under the terms of the Definitive Agreement.

2.5 "Loan" shall mean the revolving line of credit established pursuant to paragraph 3.1 hereof.

2.6 "Definitive Agreement" shall mean the Agreement of even date herewith executed by C.I.N.B., I.H.D.A., N.L.S. and the City to which this Agreement is attached to as Exhibit J.

2.7 "Note" shall mean the Note (attached hereto in the form of Exhibit 2 of this Agreement) evidencing the obligation of N.L.S. to repay I.H.D.A. for the Loan under the terms of this Agreement.

2.8 "Notes" shall mean the Note hereunder, the \$5,000,000 Note to I.H.D.A. and the \$20,000,000 note to C.I.N.B. evidencing the obligation of N.L.S. under the Definitive Agreement."

2.9 "Payout(s)" shall mean monies that I.H.D.A. lends to N.L.S. pursuant to the Line of Credit.

2.10 "Security Agreement" shall mean the Security Agreement attached hereto in the form of Exhibit 1 of this Agreement.

3. I.H.D.A. Revolving Line of Credit.

3.1 In reliance upon N.L.S.'s representations and warranties contained in this Agreement (including without limitation, N.L.S.'s agreement to pledge to I.H.D.A. the Collateral), I.H.D.A. hereby establishes for N.L.S. a line of credit (the "Line of Credit") in the amount of \$500,000 plus credit for repayments made by N.L.S. under this Line of Credit.

3.2 The Line of Credit shall expire on the earliest to occur of: (i) 120 days prior to the fifth anniversary of execution of the Definitive Agreement; (ii) acceleration of the Notes; (iii) the outstanding principal balance of the Line of Credit reaches \$500,000, subject to its repayment; (iv) the Reserve Account Fund as described in Section 10 is not maintained at the Required Amount; (v) Advances under the Definitive Agreement have lapsed, terminated or have been suspended for any reason; or (vi) the disbursements under the Line of Credit without regard to repayment, equal or exceed \$25,000,000. The expiration of the Line of Credit shall not affect any liabilities or obligations of N.L.S. hereunder or under the Notes, the Security Agreement or any other document or instrument executed in connection with the Program. All liabilities and obligations of N.L.S. shall continue in full force and effect until the Loan and all liabilities and obligations have been paid and discharged in full.

4. City Grant.

4.1 The City hereby agrees to make a grant of \$500,000 (the "Grant") to N.L.S. to cover administration and operating costs of the Program.

4.2 N.L.S. hereby agrees that all Grant funds, including repayment of grant funds received from time to time, by N.L.S., shall be used exclusively for this Program.

5. "Request for Payout" Under Line of Credit.

No later than the time of initial Request for Payout, I.H.D.A. shall receive from C.I.N.B. a certificate that C.I.N.B. has received the Required Documentation and that N.L.S. has satisfied all conditions precedent under this Agreement. Five business days prior to the intended date of disbursement, N.L.S. shall request a Payout by completing and submitting to I.H.D.A. a Request for Payment in the format attached as Exhibit 3.

On the date of disbursement, I.H.D.A. shall deposit the proceeds of the Payout as follows:

- (i) to N.L.S.'s checking account established and used solely for this Program at C.I.N.B.;
- (ii) to the appropriate title insurance company for the account of N.L.S. pursuant to escrow instructions that are mutually satisfactory to I.H.D.A., and N.L.S., if the Payout is for a loan of more than \$20,000 or is a Payout on a 5 to 12 unit residential building.

6. Conditions Precedent to Payout.

As a condition precedent to submission of the Required Documentation and at the time of Request for Payout, N.L.S. shall warrant and represent as to the following conditions:

6.1 Eligible Borrower or Eligible Investor have complied with terms, conditions, provisions contained in N.L.S.'s commitment to make the Home Improvement Loan and has satisfied any special conditions imposed prior to commencement of the Construction Phase.

6.2 N.L.S. has received and approved the home improvement bids and has determined that the bids are complete in all respects, comply with applicable laws and requirements, and are consistent with acceptable construction practices.

6.3 N.L.S. has received and reviewed the contract between the Eligible Borrower or Eligible Investor and the contractor relating to construction of the home improvement and that same is acceptable to N.L.S.

6.4 The Home Improvement Loan does meet all the Loan characteristics and the Eligible Borrower and Eligible Investor requirements.

6.5 N.L.S. has received all of the following documents:

- (i) construction schedule,
- (ii) requisite building permits, if required,
- (iii) sufficient facts and data to assure N.L.S. that home improvement will be completed no later than estimated completion date,

(iv) statement setting forth all costs and expenses relating to home improvements, repayment of the Construction Phase of the home improvement and final disbursement and conversion to Permanent Phase of the Home Improvement Loan,

(v) any other documents that the title insurance company may require to issue a title insurance commitment or policy, interim binders, or date down endorsements if required, and

(vi) a photograph of the property which is the subject of the Home Improvement Loan.

6.6 N.L.S. has delivered an opinion of counsel acceptable to I.H.D.A. substantially in the format of Exhibit F attached to the Definitive Agreement.

6.7 N.L.S. has signed and delivered to C.I.N.B. the Security Agreement.

6.8 For Home Improvement Loans over \$20,000, N.L.S. has received an A.L.T.A. form of mortgagee's title insurance policy showing title in Eligible Borrower or Eligible Investor and insuring N.L.S., as mortgagee, as to the lien of the mortgage, in the principal amount of the mortgage note, subject to the general exceptions, and containing an interim certification in the amount of initial construction payout and a pending disbursement endorsement for the undisbursed portion of the Home Improvement Loan evidenced by the mortgage note.

6.9 N.L.S. has received the Grant.

6.10 N.L.S. has used and will use the proceeds of the Payout to finance the particular Home Improvement Loan.

6.11 N.L.S. has no knowledge of an Event of Default as defined herein and no event which with the giving of notice or lapse of time, or both, would constitute an Event of Default ("Unmatured Event of Default").

6.12 N.L.S. has obtained the home improvement contractor agreement to execute all necessary lien waivers, indemnification documents and such other documents as I.H.D.A. and N.L.S. deem reasonable under the circumstances.

7. Eligible Investor Home Improvement Loans.

No more than ten percent of the Advances for the Permanent Phase of the Program shall be used to fund Home Improvement Loans to Eligible Investors. Payouts for Eligible Investors under this Agreement shall not exceed ten percent of the Advances under this Definitive Agreement. The Eligible Investor loans must:

(i) meet the underwriting criteria,

(ii) not exceed the maximum interest rate permissible under I.H.D.A. rules,

(iii) meet the Loan Characteristics, and

(iv) comply with the eligibility requirements for Eligible Investors. In no event shall I.H.D.A. be obligated to make Payouts or Advances for Eligible Investor loans until such times as I.H.D.A. has obtained a Certificate of Review and Approval on the rules regarding loans to lending institutions pursuant to the Illinois Administrative Procedure Acts. N.L.S. understands that rules have been adopted by the I.H.D.A. members and that the rules have been filed pursuant to the procedures required by the Illinois Administrative Procedures Act. I.H.D.A. makes no assurances, promises or agreements as to the Procedures Act. I.H.D.A. makes no assurances, promises or agreements as to the contents of those rules or when such Certificate will be issued. N.L.S. agrees to be bound by the rules as published in the Illinois Register.

8. Request for Advance to Fund the Permanent Phase of the Home Improvement Loan.

8.1 Upon completion of construction but in no event later than 120 days from the date of the disbursement of funds to N.L.S. pursuant to the initial Certificate and Request for Payout for each particular Home Improvement Loan (the "120 Day Period"), N.L.S. shall make a request for an Advance pursuant to the terms of the Definitive Agreement to refinance the Construction Phase of the Home Improvement Loan. Any proceeds received from C.I.N.B. under the Definitive Agreement by N.L.S. shall be used to pay its obligations under the Note.

8.2 In the event N.L.S. may not meet the 120 Day Period, N.L.S. may request on or before the 105th day a waiver of the 120 Day Period. I.H.D.A. shall respond within 5 days to the request for waiver, and shall in its sole discretion determine whether to grant a waiver and under what conditions I.H.D.A. shall permit.

8.3 All payments made pursuant to this Agreement shall be made to I.H.D.A. at its offices at 401 N. Michigan Ave. Suite 1000, Attention: Finance Dept., Chicago, Illinois 60611, or at such other place as may be designated by I.H.D.A. in writing.

9. Security.

9.1 As security for repayment of the Payouts and to insure the performance of all other obligations and liabilities of N.L.S. to I.H.D.A. hereunder, N.L.S. shall, at the time each Home Improvement Loan is made by N.L.S., pledge to I.H.D.A. and deliver to C.I.N.B. as agent of I.H.D.A. the Required Documentation evidencing the Home Improvement Loans. N.L.S. shall deliver and execute a Security Agreement for the Collateral which shall include the mortgage notes, mortgages and all instruments or documents evidencing or securing the Home Improvement Loan required by the Security Agreement. N.L.S. shall also sign such other documents as I.H.D.A. or its counsel may reasonably require in order to perfect I.H.D.A.'s security interest in the Collateral.

9.2 In the event that N.L.S. purchases a Home Improvement Loan that has been pledged as Collateral hereunder, I.H.D.A. shall direct C.I.N.B. as its agent to release the security interest in such Home Improvement Loan and assign without recourse or warranty the Home Improvement Loan to N.L.S.

10. Reserve Account Fund.

10.1 N.L.S. shall establish in I.H.D.A.'s name and at I.H.D.A.'s sole control, at a bank designated by I.H.D.A., a reserve account fund (the "Reserve Account Fund") which shall be credited with \$50,000 upon execution of the Definitive Agreement.

10.2 I.H.D.A. shall invest the Reserve Account Fund in such short term investments which may be lawful for I.H.D.A. pursuant to its Act. I.H.D.A. does not guarantee the earnings nor the principal amounts invested. All interest earned on the funds shall be paid to N.L.S.; as received, for use in Program. In the event the Reserve Account Fund is insufficient, I.H.D.A. shall have no obligation to fund Payouts.

10.3 If at any time there is less than \$25,000 (the "Required Amount") in the Reserve Account Fund, I.H.D.A. may terminate Payouts under this Agreement. N.L.S. may deposit funds from any other source to maintain the Required Amount.

10.4 If N.L.S. fails to repurchase a Home Improvement Loan pursuant to paragraph 15, I.H.D.A. may withdraw funds from the Reserve Account Fund to repay I.H.D.A. its Payouts in the following amounts:

- (i) An amount equal to the outstanding principal balance of any Home Improvement Loan pledged as Collateral to I.H.D.A. that has not been purchased by C.I.N.B. and I.H.D.A. under the Definitive Agreement within the 120 Day Period, or in the event a waiver was granted pursuant to paragraph 8.2 herein, then upon the expiration of the waiver.

- (ii) An amount equal to the outstanding principal balance of any Home Improvement Loan that does not conform with the Loan Characteristics or does not conform to the Eligible Borrower or Eligible Investor requirements.

- (iii) An amount equal to the outstanding principal balance of any Home Improvement Loan with respect to which there is a breach of representation, warranty or other obligation of N.L.S. to I.H.D.A. or the City. Notwithstanding anything to the contrary in this Agreement, I.H.D.A. shall not withdraw funds from the Reserve Account Fund for breach of representation, warranty or other obligation pursuant to this subsection (iii) until a written notice stating with reasonable specificity the breach and providing N.L.S. with 15 days in which to cure the breach; but in no event shall the 15 day period extend beyond the 120 Day Period.

10.5 I.H.D.A. shall hold the Reserve Account Fund as security for N.L.S.'s obligations to I.H.D.A. and N.L.S. hereby grants a security interest in the loans evidenced by the Note and all other obligations of the Note. It is agreed that upon payment in full of all of N.L.S.'s obligations to I.H.D.A. under this Agreement, any money then remaining in the Reserve Account Fund shall be disbursed to N.L.S.

11. Origination and Servicing.

11.1 N.L.S. shall originate for Eligible Borrowers or Eligible Investors Home Improvement Loans secured by a mortgage on the improved property. As compensation to N.L.S. for origination of the Home Improvement Loans, N.L.S. and I.H.D.A. shall enter

into an agreement in the form attached hereto as Exhibit 4. N.L.S. understands and agrees that its administrative expenses and costs for operating the Program, paid by I.H.D.A., shall be limited to the amounts set forth in Exhibit 4 hereto.

11.2 N.L.S. shall maintain at all times, at its expense, a fidelity bond in the face amount of \$250,000 with a deductible of no more than \$2,500. N.L.S. shall furnish I.H.D.A. with a copy of the bond. N.L.S. shall provide the renewal certificate 30 days prior to expiration. N.L.S. shall promptly notify I.H.D.A. of any insurer's refusal to renew a policy or if any additional restrictive terms are required by an insurer as a condition for renewal. N.L.S. shall promptly report to I.H.D.A. all cases of embezzlement, fraud and criminal or dishonest acts related to its origination activities by any employee, officer or agent of N.L.S. and all claims made against any insurer.

11.3 C.I.N.B., I.H.D.A. and N.L.S. shall enter into a servicing agreement ("Servicing Agreement") pursuant to which N.L.S. shall, in accordance with generally accepted standards relating to a mortgage servicer, collect all payments due under the Home Improvement Loans.

12. Representation and Warranties.

To induce I.H.D.A. and the City to enter into this Agreement and to elect from time to time to make Payouts pursuant hereto, N.L.S. hereby makes and is deemed to have remade with and at the time of each Request for Payout hereunder each of the following representations and warranties to I.H.D.A. and the City:

12.1 N.L.S. is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of Illinois with full power and authority to carry on its business in Illinois as it is now being conducted and as contemplated by this Agreement and the Definitive Agreement.

12.2 N.L.S. is an Illinois not-for-profit corporation within the meaning of Section 2 of the Illinois Housing Development Act, as amended.

12.3 N.L.S.'s sole corporate purpose is to originate and service loans under this Program. N.L.S. shall not terminate, amend, dissolve, or modify the Articles of Incorporation without the prior written consent of I.H.D.A., which consent shall not be unreasonably withheld.

12.4 N.L.S. is not party to or bound by any agreement or instrument or subject to any charter or other corporate restriction or any judgment, order, writ, injunction, decree, law, rule or regulation which now or in the future may materially and adversely affect the ability of N.L.S. to perform its obligations under this Agreement.

12.5 This Agreement has been duly authorized, executed and delivered by N.L.S. and is a valid and binding obligation of N.L.S. enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditor's rights generally.

12.6 N.L.S. has, and its officers acting on its behalf have, full legal authority to engage in the transactions covered by this Agreement.

12.7 N.L.S. is not involved in any litigation or proceeding pending or threatened which could affect the validity of N.L.S.'s ability to pay under the Note.

12.8 There is no Event of Default or Unmatured Event of Default under the Definitive Agreement.

12.9 N.L.S. warrants and represents with respect to each Home Improvement Loan that:

12.9.1 The Home Improvement Loan fully conforms with all of the Loan Characteristics.

12.9.2 The Home Improvement Loan complies with all applicable federal, state and local laws including regulations, regulatory interpretations and judicial decisions relating to such laws.

12.9.3 N.L.S. shall charge the Eligible Borrower or Eligible Investor an interest rate affordable by low and moderate income persons. In no event shall the interest rate charged the Eligible Investor exceed the interest rate permitted under the Illinois Housing Development Act, rules or regulations regarding loans to lending institutions. Interest collected by N.L.S. on the Home Improvement Loan during the Construction Phase shall be used to pay N.L.S.'s administration and operating costs of this Program. In the event Payouts under this Agreement are stopped, suspended or terminated, or Advances under the Definitive Agreement are terminated for whatever reason, I.H.D.A. shall be paid interest on its advances under the Note at the rate set by C.I.N.B. at the time of N.L.S.'s commitment on the Home Improvement Loan.

12.9.4 The signatures of the Eligible Borrower and Eligible Investor on the Required Documentation set forth in Exhibit D of the Definitive Agreement are genuine and true and are enforceable against the parties signing such documents.

12.9.5 N.L.S. has no knowledge of any claim, defense, offset, recoupment or counterclaim relating to any of the work that was performed and paid for with the proceeds of the Home Improvement Loan including, without limitation, any claim that could be raised by an Eligible Borrower against N.L.S. pursuant to the Federal Trade Commission's trade regulation rule concerning the preservation of consumer's claims and defenses (16 C.F.R. Part 433).

12.9.6 The improved property is insured by an insurance company acceptable to C.I.N.B., I.H.D.A. and the City which company insures against loss under a fire and extended coverage policy with loss payable and notification clauses acceptable to C.I.N.B., I.H.D.A. and the City.

12.9.7 The Home Improvement Loan shall comply with all representations contained in the Definitive Agreement at the time of the Advance during the Permanent Phase.

12.10 N.L.S. shall charge only interest on the Home Improvement Loan during the Construction Phase. Any principal paid by Eligible Borrower or Eligible Investor shall be paid to I.H.D.A.

12.11 These warranties and representations shall survive the making of the Loan.

13. Events of Default.

Any of the following shall constitute an Event of Default under this Agreement:

13.1 Default in the due observance or performance of any of the covenants, undertakings and agreements contained, required to be kept or observed under any of the agreements executed in connection herewith including this Agreement which is not cured within the applicable cure period provided thereunder.

13.2 N.L.S. fails to pay I.H.D.A. under the Note.

13.3 N.L.S. fails to comply with the Act and any rules and regulations duly promulgated from time to time by I.H.D.A.

13.4 N.L.S. breaches a warranty or fails to perform any other obligation under the Definitive Agreement, the Servicing Agreement, Origination and Administration Agreement, Security Agreement or in any other agreement executed in connection herewith, within ten days after notice of such failure to N.L.S. from I.H.D.A., unless a longer cure period is provided for thereunder in which case the longer cure period will control.

13.5 N.L.S. assigns this Agreement or any of the disbursements or any interest therein, or its right to receive any disbursement or portion thereof, or if any Home Improvement Loan is conveyed or encumbered in any manner in violation of this Agreement, or if N.L.S. shall by operation of law be deprived of its rights hereunder.

13.6 If a petition in bankruptcy or under any insolvency laws is filed by or against N.L.S. or a receiver or trustee of the property of N.L.S. is appointed, or if N.L.S. makes an assignment for the benefit of creditors or is adjudged insolvent by any state or federal court, except that in the case of an involuntary petition, action or proceeding for the adjudication as a bankrupt or for the appointment of a receiver or trustee of the property of N.L.S. not initiated by N.L.S., N.L.S. shall have sixty (60) days after the service of such petition or the commencement of such action or proceeding as the case may be, within which to obtain a dismissal of such petition, action or proceeding, provided N.L.S. is not otherwise in default under the terms of this Agreement or Note, including, but not limited to, the payment of principal or any other payments.

13.7 I.H.D.A. or the City is not permitted, at all reasonable times, to copy, inspect and audit all books, contracts and records of N.L.S. and those entities which N.L.S. has contracted with to process loans for N.L.S.; and upon prior notice to N.L.S. to enter upon and inspect, any property which is the subject of a Home Improvement Loan, the construction thereof and all materials, fixtures and articles used or to be used in the construction and to examine all detailed plans, shop drawings and specifications which are

or may be kept at the site of any Home Improvement Loan, or if N.L.S. shall fail to furnish to the City or I.H.D.A. copies of such plans, drawings or specifications upon request by I.H.D.A. or the City.

14. Rights and Remedies Upon Default.

If any Event of Default occurs, and after the giving of notice as required by the Agreement, if any, I.H.D.A.'s obligation to make Payouts is terminated, and I.H.D.A. may exercise any of its rights and remedies under the Definitive Agreement, the Note, the Security Agreement including I.H.D.A.'s right, at its option, to declare the Note and all obligations of N.L.S. to I.H.D.A. immediately due and payable without presentment, demand or protest or other requirements of any kind, all of which are hereby expressly waived by N.L.S. I.H.D.A. may exercise its remedies under the Note, Security Agreement, cumulatively, successively and in such order as I.H.D.A., in its sole discretion, deems fit. No failure or delay on I.H.D.A.'s part in exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by I.H.D.A. of any right or remedy shall preclude exercise of the full right or the exercise of any other right or remedy.

15. Repurchase.

If any of the following events occur, N.L.S. shall repurchase the Home Improvement Loan within 15 days of written notice of breach. N.L.S. shall during the 15 day period have the opportunity to cure the breach (but in no event shall the cure period exceed the 120 Day Period unless a waiver has been granted pursuant to paragraph 8.2):

- (i) I.H.D.A. or its counsel shall disapprove of any requested disbursement for any Home Improvement Loan because of some act, omission, lien, encumbrance or structural defect occurring at any time after the commencement of rehabilitation and not previously discovered or objected to by I.H.D.A. or its counsel.
- (ii) If improvements on any Home Improvement Loan are damaged, destroyed by fire or other cause and the Eligible Borrower or Eligible Investor does not commence to repair or restore said improvements forty-five (45) days after payment of the insurance proceeds.
- (iii) The construction or restoration of any Home Improvement Loan is at any time discontinued or not carried on with reasonable dispatch in the judgment of I.H.D.A.
- (iv) Any of the materials, fixtures and articles used or to be used in the construction of any Home Improvement Loan or appurtenances thereto or to be used in the operation thereof are not in strict compliance with the plans and specifications and reasonable changes.
- (v) N.L.S., Eligible Borrower or Eligible Investor execute any security interest under the Illinois Uniform Commercial Code covering any materials, fixtures or articles used in the construction of any Home Improvement Loan or appurtenances thereto, or articles of personal property included in any Home Improvement Loan, or if any such materials, fixtures or articles are not purchased so that the ownership thereof will vest unconditionally in Eligible Borrower or Eligible Investor free from encumbrance,

on delivery of any Home Improvement Loan, or if Eligible Borrower or Eligible Investor does not produce for N.L.S. upon demand the contracts, bill of sale, statements, receipted vouchers, or any of them under which Eligible Borrower or Eligible Investor claims title to such materials, fixtures and articles.

(vi) Any Payout made by I.H.D.A. without satisfaction of any of the conditions precedent pursuant to paragraph 6 herein.

(vii) The Home Improvement Loan has not been purchased under the Definitive Agreement by the 120 Day Period.

16. Actions to Decrease Delinquency.

In the event that interest payable to N.L.S. by its borrowers is 60 days or more past due on \$50,000 of outstanding principal amount of Home Improvement Loans, I.H.D.A. shall have the right to (i) require N.L.S. to strengthen its collection procedures or, (ii) review N.L.S.'s operations and management procedures. It is understood that prior to implementing or taking such actions I.H.D.A. shall discuss such measures with N.L.S.

17. Termination and Conveyance Return of Assets to I.H.D.A.

The Construction Phase of the Program shall terminate pursuant to Paragraph 3.2 herein. Any Home Improvement Loans purchased from the Reserve Account Fund or by N.L.S. shall remain in N.L.S.'s portfolio until the loan is paid in full or foreclosed. Any funds received on the repurchased loans shall remain in the Program. N.L.S. shall provide monthly reports to I.H.D.A., in a format agreed to by the parties on loans purchased by N.L.S. or the Reserve Account Fund and shall retain such loans in its portfolio. Upon termination of the Permanent Phase of the Program, N.L.S. shall transfer and convey to I.H.D.A., as a condition of the I.H.D.A. loan, all N.L.S. corporate assets. In order to meet its obligation, N.L.S. shall dissolve the corporation and in the process shall distribute all its assets and render a final accounting in a form acceptable to I.H.D.A. It is intended between N.L.S. and I.H.D.A. that at the termination of the Program all corporate assets shall, as soon as practically possible, be converted into cash.

18. Accounting and Reports.

18.1 N.L.S. shall provide monthly reports to I.H.D.A. no later than 15 days after the close of the month. Such report shall, in a format agreed to by the parties cover the name of each Eligible Borrower or Eligible Investor, the amount of the Home Improvement Loan, the outstanding balance under each Home Improvement Loan, the interest rate and the payment status, anticipated commencement and termination of construction. An aging report showing the delinquency status of each Home Improvement Loan shall be provided within 15 days after the close of the month covered in such aging report. In addition, N.L.S. shall report to I.H.D.A. on a monthly basis, those Home Improvement Loans that were purchased by or charged against the Reserve Account Fund. N.L.S. understands that I.H.D.A. and the City and their agents shall have the right from time to time to inspect and make copies. I.H.D.A. and the City shall do so at their expense and shall give reasonable notice to N.L.S. of such inspection of books and records of N.L.S. and those entities N.L.S. has contracted with to process Home Improvement Loans.

18.2 N.L.S. shall report to the City on loans made, income guidelines and requirements and best utilization of the income derived from the Grant.

18.3 As soon as possible but in no event later than six months following the end of each fiscal year, I.H.D.A. shall be furnished with a complete annual financial report based upon an examination of the books and records of N.L.S., prepared in conjunction with N.L.S. annual audit certified by an approved independent certified public accountant.

19. Right to Assign.

It is understood that N.L.S. may assign certain tasks in the loan packaging process such as marketing and performing follow-up work with eligible contractors to organizations that are acceptable and approved in writing by I.H.D.A. but may not subcontract or assign any of its other rights and duties hereunder without prior written consent of I.H.D.A. which shall not be unreasonably withheld. I.H.D.A. may assign any of its rights and duties hereunder with the written consent of N.L.S. which shall not be unreasonably withheld.

20. Liability of N.L.S.

N.L.S. shall be obligated and liable under this Agreement for funds or property which comes into its hands or the hands of its agents which by contract with I.H.D.A., N.L.S. is not entitled to retain or has disbursed or used in violation of I.H.D.A. requirements or this Agreement. In addition to any other remedy which I.H.D.A. may have, I.H.D.A. has the right to terminate Payouts and the origination fees and to accelerate the Note if, in I.H.D.A.'s sole determination, that N.L.S. is misusing funds or is not complying with the Act, the rules and the terms of the documents executed in connection with the Note or with applicable State or federal law.

21. Relationship between C.I.N.B. and I.H.D.A.

I.H.D.A. hereby designates and appoints C.I.N.B. (the "Agent") as the agent of I.H.D.A. under this Agreement and the Security Agreement and hereby authorizes the Agent to take such action on its behalf under the provisions of this Agreement and the documents executed in connection herewith (including the Definitive Agreement, the Security Agreement and the Note) and to exercise such powers as are set forth herein together with such other powers as are reasonably incidental thereto. The Agent agrees to act as such on the express condition contained in this paragraph 21. The provisions of this paragraph 21 are solely for the benefit of the Agent and I.H.D.A. N.L.S. shall not have any rights as third party beneficiary of any of the provisions in this paragraph 21. Reference to Section 20 of the Definitive Agreement regarding the relationship between I.H.D.A. and C.I.N.B. are hereby incorporated by reference and made a part hereof.

22. Notice.

All notices required in connection with terms of this Agreement shall be in writing and shall be deemed validly delivered when delivered either personally or by deposit in the United States mail, registered or certified, postage prepaid, return receipt requested, to the parties at the following addresses:

To I.H.D.A. at:

Illinois Housing Development
Authority
401 North Michigan Avenue
Chicago, Illinois 60614
Attn: Legal Department

To N.L.S. at:

To City at:

To C.I.N.B. at:

23. Miscellaneous Provisions.

23.1 All Exhibits attached to this Agreement and the Memorandum shall be and are incorporated herein as if set forth in full in this Agreement.

23.2 This Agreement and the Exhibits attached hereto may not be altered or amended without the prior written approval of I.H.D.A. and N.L.S.

23.3 This Agreement shall be governed by the laws of the State of Illinois.

23.4 The invalidity of any clause, part or provision of this Agreement or any clause, part or provisions of the Exhibits attached hereto shall not affect the validity of the remaining portions of this Agreement and the Exhibits attached hereto.

23.5 No member, -officer, agent or employee of I.H.D.A. shall be liable personally concerning any matter arising out of or in relation to the undertakings or obligations set forth herein.

In Witness Whereof, the parties hereto have caused this Agreement to be signed on the date first written above.

ILLINOIS HOUSING DEVELOPMENT
AUTHORITY

By: _____

Title: _____

NEIGHBORHOOD LENDING SERVICES, INC.

12/18/86

REPORTS OF COMMITTEES

38201

By: _____

Title: _____

CITY OF CHICAGO:

By: _____

Title: _____

CONTINENTAL ILLINOIS NATIONAL BANK
& TRUST COMPANY OF CHICAGO:

By: _____

Title: _____

Exhibit 1.

Security Agreement.

Exhibit 2.

To Warehousing Line Of Credit Agreement.

NOTE

\$500,000

Date: _____

Chicago, Illinois

For Value Received, the undersigned covenants and promises to pay to the order of Illinois Housing Development Authority ("I.H.D.A.") at I.H.D.A.'s office in Chicago, Illinois, the principal sum of Five Hundred Thousand Dollars (\$500,000.00), or, if less, the

principal amount of all payouts made by I.H.D.A. to undersigned under the Warehousing Line of Credit Agreement dated of even date herewith and, if amended, all amendments thereto, (the "Agreement") between the undersigned, Illinois Housing Development Authority, Continental Illinois National Bank & Trust Company of Chicago ("C.I.N.B.") and the City of Chicago, (the "Loan"). The undersigned may request Payouts as defined in the Agreement and subject to the conditions set forth therein.

All capitalized terms and words used in this Note and not otherwise defined shall have the meaning given in the Agreement.

The undersigned promises to pay I.H.D.A. the principal amount of each Home Improvement Loan funded under the Agreement simultaneously upon receipt of funds by the undersigned under the Definitive Agreement but in any event no later than the expiration of the 120 Day Period or as the 120 Day Period may be extended by I.H.D.A. in its sole discretion.

The undersigned further promises to pay I.H.D.A., on the _____ day of each month an interest payment in the amount of unpaid accrued interest on the unpaid principal amount of Payouts at the applicable interest rate as set forth below. Payouts made during the period following the execution of this Note until February 1, 1988 shall bear interest at the fixed rate of 7-1/2% per annum throughout the term of such Payouts. Commencing with February 1, 1989 and thereafter during the term of this Note, the interest rate applicable to each Payout shall be adjusted to a rate equal to the average rate for the immediately preceding December for 10 year U. S. Treasury Constant Maturity Series, as published in the Federal Reserve Board Statistical Release H-15, plus 1/4 of 1%. This changed rate shall remain fixed for the period of such Payout. Notwithstanding any provision hereof to the contrary, I.H.D.A. hereby forgives the payment of interest (but not principal) due hereunder until such time as (i) I.H.D.A. declares a default hereunder, under any of the other Notes, or under the Security Agreement, (ii) C.I.N.B. shall declare a default under any of the Notes, (iii) Payouts are stopped, suspended or terminated or (iv) Advances under the Definitive Agreement are terminated for whatever reason.

All principal and interest accrued hereunder shall in any event be due no later than the fifth anniversary of the date hereof.

The sums due hereunder are payable at the principle office of I.H.D.A., or at such other places as I.H.D.A. may designate in writing from time to time. The aggregate unpaid interest and principal amount as determined by I.H.D.A. shall be rebuttable presumptive evidence of the amount owing and unpaid on this Note.

This Note shall be secured by certain Collateral as defined in a Security Agreement between the undersigned I.H.D.A. and C.I.N.B. The Collateral, as defined therein, shall include the mortgage notes and the mortgages and all instruments or documents evidencing or securing the Home Improvement Loans. This Note is further secured by a Reserve Account Fund that undersigned shall establish pursuant to the Agreement.

The undersigned shall make mandatory prepayments as specified in the Agreement whenever and to the same extent that an Eligible Borrower or Eligible Investor as defined therein shall prepay a Home Improvement Loan.

This Note may be prepaid in whole or in part at any time and without premium or penalty. The principal amount owing hereunder, or any portion thereof, may, from time to time, be borrowed, repaid and reborrowed.

The undersigned agrees that all or any part of (as specified by I.H.D.A.) the unpaid balance of the principal sum of this Note shall, at the option of I.H.D.A., its successor or assignee, become immediately due upon the occurrence of any default under the terms of this Note or upon the occurrence of any default under the Agreement, the Security Agreement or the Notes.

If any amount owing under this Note or in connection with the indebtedness evidenced hereby is not paid when due, whether at maturity or by acceleration, the undersigned promises to pay all costs of collection, including, but not limited to, attorney's fees, legal expenses, court costs and all other expenses incurred in connection with the protection or realization of any security given for the payment hereof, incurred by the holder hereof on account of such collection, whether or not suit is filed hereon.

No delay on the part of I.H.D.A. in the exercise of any right or remedy shall operate as a waiver thereof. I.H.D.A.'s remedies are cumulative and no single or partial exercise of any right or remedy available to I.H.D.A. shall preclude other or further exercise thereof or the exercise of any other right or remedy. I.H.D.A. shall not by any act or omission or commission be deemed to waive any of its rights or remedies hereunder unless such waiver be in writing and signed by the Director or Deputy Director and then only to the extent specifically set forth. A waiver of one event shall not be construed as continuing or as a bar to waiver of such right or remedy on a subsequent event.

The undersigned of this Note (a) waives demand, presentment for payment, notice of nonpayment, protest, notice of protest and all other notice, filing of suit and diligence in collecting this Note or enforcing any of the security, (b) agrees that I.H.D.A. or other holder hereof shall not be required first to institute suit or exhaust its remedies against the undersigned to enforce its right against any security heretofor in order to enforce payment of this Note by it, (c) consent to any renewal or substitution for this Note in accordance with the Agreement without notice, and (d) consent to any extension or postponement of time of payment of this Note and to any other indulgence with respect hereto without notice.

The undersigned represents and warrants that it has full power, authority and legal right to execute and deliver this Note and that the debt evidence hereby constitutes a valid and binding obligation of the undersigned strictly enforceable in accordance with its terms.

This Note shall be governed by the laws of the State of Illinois, which laws shall also govern and control the construction, enforceability, validity and interpretation of this Note. Nothing herein shall be deemed to limit any rights, powers or privileges which I.H.D.A. may have.

NEIGHBORHOOD LENDING SERVICES, INC.

By: _____
Title: _____
Address: _____

*Exhibit 3.**Certificate and Request for Payout.*

Illinois Housing Development Authority
401 N. Michigan Avenue
Suite 1000
Chicago, Illinois 60611

Attention: Clifford Gatewood

Gentlemen:

Reference is made to the Warehousing Line of Credit Agreement by and between the Illinois Housing Development Authority ("I.H.D.A."), and Neighborhood Lending Services, Inc. ("N.L.S.") dated _____, 1986 (the "Agreement"). All capitalized words and terms used in this Certificate and are used unless the context otherwise requires with the meaning ascribed to such terms in the Agreement.

1. Payout Request.

N.L.S., by deposit of all Required Documentation in connection with the Home Improvement Loan to _____ is secured by a Mortgage on property commonly known as _____, hereby requests that I.H.D.A. make a Payout to it in the amount of \$_____ by depositing (i) such amount to Continental Illinois National Bank & Trust Co. of Chicago account number _____ of N.L.S.; or (ii) depositing such amount with Chicago Title and Trust Company (or other acceptable Escrowee) as Escrowee under its Escrow Trust Number _____.

2. Certification.

N.L.S. hereby certifies as follows:

(i) all information set out in this Certificate is true and accurate as of the date hereof;

(ii) no Event of Default or event which might mature into an Event of Default has occurred and is continuing;

(iii) warranties of N.L.S. contained in the Agreement are true and correct as of the date hereof, with the same effect as though made on the date hereof;

(iv) the Security Agreement is in full force and effect and there are no defaults thereunder;

(v) the Home Improvement Loan and Required Documentation conforms with all of the Loan Characteristics as set forth in the Agreement and the Eligible Borrower or Eligible Investor meets all the characteristics as set forth in the Agreement;

(vi) the sum of the Payouts and Advances made do not exceed the amounts I.H.D.A. has agreed to fund under the Agreement or the Definitive Agreement either cumulatively or annually; and

(vii) all conditions precedent to Payout as set forth in the Agreement have been satisfied.

In Witness Whereof, N.L.S. has caused this Certificate to be executed and delivered this _____ day of _____, 1986.

INC.

NEIGHBORHOOD LENDING SERVICES,

By: _____

Title: _____

Attest:

By: _____

Title: _____

Exhibit 4.

*Origination and Administration Agreement
(the "Agreement".)*

This Agreement, entered into as of the _____ day of _____, 1986 by and between Neighborhood Lending Services, Inc., a not-for-profit Illinois corporation

("N.L.S."), and the Illinois Housing Development Authority, a body politic and corporate ("I.H.D.A.").

Witnesseth:

Whereas, I.H.D.A. has established a non-interest bearing line of credit pursuant to the Warehousing Line of Credit Agreement of even date herewith to make payouts and advances to N.L.S. to provide construction and permanent financing for home improvement loans to eligible borrowers and eligible investors (the "Program"); and

Whereas, N.L.S. has requested that I.H.D.A. provide funds for origination and administration costs of the Program; and

Whereas, I.H.D.A. desires to make funds available to N.L.S. for origination and administration expenses of the Program;

Now, Therefore, in consideration of the premises, the parties hereby agree to the following terms and conditions:

1. Incorporation.

The foregoing recitals are made a part hereof.

2. Definitions.

Capitalized words and terms used in this Agreement and not otherwise defined shall have the same meanings provided in the Warehousing Line of Credit Agreement ("Warehousing Agreement") to which this Agreement is attached as an exhibit.

3. Origination and Delivery of Home Improvement Loans.

Subject to the terms and conditions of this Agreement I.H.D.A. agrees to provide funds for origination and administration of the Program and N.L.S. agrees to market the Program, to accept mortgage loan applications from Eligible Borrowers and Eligible Investors who have entered into home improvement contracts and who meet all requirements of the Program, to underwrite, to close and deliver to I.H.D.A. and C.I.N.B. Home Improvement Loans and to monitor the construction process.

4. Origination and Administrative Costs.

4.1 I.H.D.A. agrees to make funds available for home improvement loan origination, closing and construction monitoring in advance on a quarterly basis in an amount equal to 7% per year on the undisbursed dollar amount under the Definitive Agreement or the Warehousing Agreement plus any principal repayments under the Definitive Agreement, for the five year period commencing on the date of the Warehousing Agreement. N.L.S. shall use the funds solely for expenses of this Program.

4.2 Acceptable expenses for the Program are as follows: salaries of N.L.S. employees including managers, day to day operations persons and clerical staff; employee benefits for

health insurance, F.I.C.A. S.U.T.A. and workmen's compensation insurance; fees to be paid to those entities approved by I.H.D.A. for loan origination which include \$300 per closed Home Improvement Loan plus 5% of the construction amount upon filing completion certificate; and N.L.S. overhead expenses for rent, utilities, maintenance, telephone, equipment, general liability insurance, postage, office supplies, marketing printing costs and reserve account funds.

5. Warranties and Representations of N.L.S.

To induce I.H.D.A. to enter into this Agreement and to make funds available from time to time, N.L.S. hereby makes the following representations and warranties to I.H.D.A. now and is deemed to remake such warranty or representation upon the acceptance of funds hereunder:

5.1 N.L.S. is a not-for-profit corporation duly organized, validly existing and in good standing under the laws of the State of Illinois with full power and authority to carry on its business in Illinois as is now being conducted and is contemplated by this Agreement.

5.2 N.L.S. is an Illinois not-for-profit corporation within the meaning of Section 2 of the Illinois Housing Development Act, as amended.

5.3 N.L.S.'s sole corporate purpose is to originate and service loans under this Program. Funds received pursuant to this Agreement will be used solely by N.L.S. to originate and for acceptable expense loans under this Program and for no other purpose.

5.4 N.L.S. shall not terminate, amend, dissolve, or modify its Articles of Incorporation without the prior written consent of I.H.D.A., which consent shall not be unreasonably withheld.

5.5 N.L.S. is not party to or bound by any agreement or instrument or subject to any charter or other corporate restriction or any judgment, order, writ, injunction, decree, law, rule or regulation which now or in the future may materially and adversely affect the ability of N.L.S. to perform its obligations under this Agreement.

5.6 N.L.S. is not involved in any litigation or proceeding pending or threatened which could affect the validity of N.L.S.'s ability to perform under this Agreement.

5.7 There is no Event of Default as defined in the Definitive Agreement or the Warehousing Agreement, and no event has occurred that with the giving of notice or lapse of time, or both, would constitute an Event of Default.

6. Reporting.

N.L.S. shall provide monthly reports to I.H.D.A. no later than 15 days after the close of the month. Such reports shall, in a format agreeable to the parties, covering, among other things, an itemized statement of the use of funds expended pursuant to this Agreement number of Home Improvement Loans originated, number of Home Improvement Loans under construction and the number of Home Improvement Loans financed under the Permanent Phase of the Program.

Upon prior written notice, N.L.S. shall permit I.H.D.A. to inspect, examine and copy the books and records relating to origination and administration costs of N.L.S. for the purpose of determining compliance with this Agreement, the Act and the rules.

7. Events of Default and Their Effect.

Any of the following shall constitute an Event of Default under this Agreement:

7.1 Default in the due observance or performance of any of the covenants, undertakings and agreements contained, required to be kept or observed under any of the agreements executed in connection herewith including this Agreement, which is not cured within the applicable cure period provided thereunder.

7.2 N.L.S. fails to pay I.H.D.A. under the Note.

7.3 N.L.S. assigns this Agreement without consent of I.H.D.A. or any of the disbursement or any interest thereon or the right to receive any disbursement or portion therein, or if N.L.S. shall by operation of law be deprived of its rights hereunder.

7.4 If a petition in bankruptcy or under any insolvency laws is filed by or against N.L.S. or a receiver or trustee of the property of N.L.S. is appointed, or if N.L.S. makes an assignment for the benefit of creditors or is adjudged insolvent by any state or federal court, except that in the case of an involuntary petition, action or proceeding for the adjudication as a bankrupt or for the appointment of a receiver or trustee of the property of N.L.S. not initiated by N.L.S., N.L.S. shall have sixty (60) days after the service of such petition or the commencement of such action or proceeding as the case may be, within which to obtain a dismissal of such petition, action or proceeding, provided N.L.S. is not otherwise in default under the terms of this Agreement including, but not limited to, the payment of principal or any other payments under the Warehousing Agreement or the Definitive Agreement.

7.5 I.H.D.A. is not permitted, at all reasonable times, to copy, inspect and audit all books, contracts, subcontracts and records of N.L.S.

7.6 N.L.S. fails to comply with the Act and any rules and regulations duly promulgated from time to time by I.H.D.A.

7.7 N.L.S. fails to provide the reports required by paragraph 6.

7.8 If any Event of Default occurs, I.H.D.A.'s obligation to fund under this Agreement is terminated and I.H.D.A. may exercise any of its rights and remedies under the Definitive Agreement, the Warehousing Agreement, the Security Agreement or this Agreement. I.H.D.A. may exercise its remedies hereunder cumulatively, successively and in such order as I.H.D.A., in its sole discretion, deems fits. No failure or delay on I.H.D.A.'s part in exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by I.H.D.A. of any right or remedy shall preclude exercise of the full right or the exercise of any other right or remedy.

8. Term of This Agreement.

Unless terminated sooner as provided herein or by mutual agreement, this Agreement shall terminate 1825 days from the date of this Agreement.

Any unexpended funds paid by I.H.D.A. under this Agreement shall, upon termination of this Agreement be returned to I.H.D.A.

9. Right to Assign.

It is understood that N.L.S. may assign certain tasks in the loan packaging process such as marketing and performing follow-up work with eligible contractors to organizations that are acceptable and approved in writing by I.H.D.A. N.L.S. or I.H.D.A. shall not assign any of its rights and duties under this Agreement, or any portion thereof, without the prior written consent of the other party.

10. Liability of N.L.S.

N.L.S. shall be obligated and liable under this Agreement for funds or property which come into its hands or the hands of its agents which by contract with I.H.D.A., N.L.S. is not entitled to retain or has disbursed or misused. In addition to any other remedy which I.H.D.A. may have, I.H.D.A. has the right to terminate payment under this Agreement if in I.H.D.A.'s sole determination, it finds N.L.S. is misusing funds or is not complying with the Act, the rules and the terms of the documents executed in connection with this Agreement or with applicable State or federal law.

11. Miscellaneous Provisions.

11.1 All notices required in connection with terms of this Agreement shall be in writing and shall be deemed validly delivered when delivered either personally or by deposit in the United States Mail, registered or certified, postage prepaid, return receipt requested, to the parties at the following addresses:

To I.H.D.A. at:
Illinois Housing Development
Authority
401 North Michigan
Chicago, Illinois 60614
Attn: Legal Department

To N.L.S. at:

11.2 This Agreement may not be altered or amended without the prior written approval of all of the parties hereto.

11.3 This Agreement shall be governed by the laws of the State of Illinois.

11.4 The invalidity of any clause, part or provision of this Agreement or any clause shall not affect the validity of the remaining portions of this Agreement.

11.5 No member, officer, agent or employee of the Authority shall be liable personally concerning any matter arising out of or in relation to the undertakings or obligations set forth herein.

11.6 In the event of conflict between this Agreement, the Definitive Agreement or the Warehousing Agreement, this Agreement shall govern and control.

Now, Therefore, the parties hereto have caused this Agreement to be signed on the date first written above.

ILLINOIS HOUSING DEVELOPMENT
AUTHORITY

By: _____

Title: _____

NEIGHBORHOOD LENDING SERVICES, INC.

By: _____

Title: _____

APPROVAL GIVEN TO SALE AND ISSUANCE OF MULTI-FAMILY
HOUSING REVENUE BONDS, SERIES 1986, FOR
JEFFERY APARTMENTS PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the issuance and sale of not to exceed \$4,000,000 aggregate principal amount of Multi-Family Housing Revenue Bonds, Series 1986 (F.H.A. insured mortgage loan -- Jeffery Apartments Project), of the City of Chicago, and authorizing the execution and delivery of certain documents in connection therewith.

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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, The City of Chicago, Illinois (the "City") is a body politic and corporate under the laws of the State of Illinois and a home rule unit of local government under Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, As a home rule unit of local government, the City may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare, to tax and to incur debt; and

WHEREAS, It is necessary and in the best interest of the City to (1) provide for and promote the public health, safety and welfare; (2) relieve conditions of unemployment and encourage the increase of industrial and commercial activities and economic development of the City, so as to reduce the evils attendant upon unemployment; (3) provide for efficient, well planned urban growth and development, including the prevention and elimination of slum areas and urban blight; and (4) preserve and increase the City's *ad valorem* tax base; and

WHEREAS, The City Council of the City has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing which persons, including those of low and moderate income, can afford and that such housing shortage is harmful to the health, prosperity, economic stability and general welfare of the City and adversely affects the tax base; and

WHEREAS, Private enterprise and investment have been unable, without assistance, to provide the needed decent, safe and sanitary rental housing or to provide sufficient mortgage financing at reasonable rates for such rental housing; and

WHEREAS, Pursuant to an ordinance adopted by the City Council of the City on April 14, 1984, the City has entered into a Memorandum of Agreement with Jeffery Partners, an Illinois limited partnership (the "Owner"), regarding the issuance of revenue bonds by the City to assist in financing the acquisition of the real estate located at 7124-36 South Jeffery, 7147 South Jeffery and 1962 East 71st Place in the City, and the substantial rehabilitation and equipping of three buildings situated thereon to be known as Jeffery Apartments, consisting of approximately 150 dwelling units, at least 20% of which will be occupied by eligible income persons (the "Project"); and

WHEREAS, It is necessary and desirable in order to increase the supply of decent, safe and sanitary rental housing within the corporate limits of the City and for the enhancement of the tax base and the general welfare of the City and its inhabitants to assist in financing the acquisition, rehabilitation and equipping the Project; and

WHEREAS, It is proposed that the Trustee (as hereinafter defined), as the mortgagee of record, make an FHA-insured mortgage loan (the "Mortgage Loan") to LaSalle National Bank, not individually, but solely as trustee under a Trust Agreement dated as of October 15, 1986, known as Trust No. 111691 (the "Mortgagor") to enable the Mortgagor, on behalf of the Owner, to accomplish the acquisition, rehabilitation and equipping of the Project all as set forth in the Financing Agreement and Indenture hereinafter referred to; and

WHEREAS, The Federal Housing Administration ("F.H.A."), and organizational unit within the United States Department of Housing and Urban Development ("H.U.D.") has issued a Firm Commitment for insurance of advances under the Mortgage Loan pursuant to the provisions and the requirements of Section 221(d)(4) of the National Housing Act of 1934, as amended; and

WHEREAS, It is proposed that in furtherance of the purposes set forth above and in order to provide moneys to fund the Mortgage Loan, the City shall issue its Multi-Family Housing Revenue Bonds, Series 1986 (F.H.A. Insured Mortgage Loan -- Jeffery Apartments Project) in an aggregate principal amount not to exceed \$4,000,000 (the "Bonds"); and

WHEREAS, Additional funds needed for the acquisition, rehabilitation and equipping of the Project will be available from the United States Department of Housing and Urban Development pursuant to a Housing Development Grant and from the State of Illinois pursuant to an Illinois Development Action Grant; and

WHEREAS, The First National Bank of Chicago and Salomon Brothers Inc., ("Underwriters") will submit to the City a proposed form of Bond Purchase Agreement (hereinafter defined) relating to the Bonds; and

WHEREAS, The City has held a public hearing concerning the issuance of the Bonds following reasonable public notice of such hearing in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986; and

WHEREAS, Proposed forms of the Financing Agreement, the Indenture and the Land Use Restriction Agreement (as respectively defined hereafter) have been presented to and are before this meeting; now, therefore,

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

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

"Bond Purchase Agreement" shall mean a Bond Purchase Agreement relating to the purchase of the Bonds to be entered into by the City, the Owner and the Underwriters.

"Bonds" shall mean the Multi-Family Housing Revenue Bonds, Series 1986 (F.H.A. Insured Mortgage Loan - Jeffery Apartments Project) of the City in an aggregate principal amount not to exceed \$4,000,000 authorized to be issued pursuant to this Ordinance and Article II of the Indenture.

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

"Financing Agreement" shall mean the Financing Agreement relating to the Project and the Bonds, to be entered into by the Mortgagor, the Owner, the City and the Trustee, as approved by this Ordinance, as the same may be amended from time to time in accordance with its terms.

"Indenture" shall mean the Trust Indenture relating to the Bonds, to be entered into by the City and the Trustee, as approved by this Ordinance, as the same may be supplemented from time to time in accordance with its terms.

"Land Use Restriction Agreement" shall mean the Land Use Restriction Agreement relating to the Bonds and the Project, to be entered into by the Mortgagor, the Owner, the City and the Trustee, as approved by this Ordinance, as the same may be amended from time to time in accordance with its terms.

"Mortgage Loan" shall mean the F.H.A.-insured mortgage loan relating to the Project to be funded from Bond proceeds.

"Mortgagor" shall mean LaSalle National Bank, Chicago, Illinois, not individually but solely as trustee under a Trust Agreement dated as of October 15, 1986 known as Trust No. 111691, and any successor owner of the Project.

"Official Statement" means the Preliminary Official Statement describing the Bonds, as the same may be completed and corrected at the time the Bond Purchase Agreement is executed and approved as the final Official Statement for distribution by the Underwriters.

"Owner" shall mean Jeffery Partners, an Illinois limited partnership, and its successors and assigns.

"Project" is defined in the preambles to this Ordinance.

"Project Costs" shall mean and include the sum total of all reasonable or necessary costs incidental to the acquisition, rehabilitation, equipping and financing of the Project, including, without limitation, the following: the costs of studies and surveys; plans and specifications, architectural and engineering services; underwriting fees; legal, accounting, marketing and other special services relating to the Project or incurred in connection with the issuance and sale of the Bonds; necessary commitment, application and other fees to federal, state and local governmental agencies for any requisite permits, licenses and other approvals for construction; acquisition and installation of equipment, appliances and other items of personal property; the relocation of utilities, public ways; and parks; demolition, construction, rehabilitation, reconstruction, repair or remodeling of existing buildings, landscaping and site development and all other necessary and incidental expenses, including trustee, servicer and rating agency fees and expenses, attorneys fees and expenses, initial debt service reserves, together with interest on the Mortgage Loan to a date not subsequent to the completion of the Project; any premium for mortgage insurance or other insurance with respect to the Bonds; and such other expenses as the City may deem appropriate to effectuate the purposes of this Ordinance.

"Trustee" shall mean American National Bank and Trust Company of Chicago, in the City of Chicago, Illinois, and its successors in trust.

"Underwriters" shall mean the underwriters described in the preambles hereto.

SECTION 2. In order to promote the general welfare of the City and its inhabitants by increasing the City's *ad valorem* tax base and in furtherance of the other public purposes set forth above, the Project is authorized to be financed as described herein. A portion of the total estimated costs of the Project will be financed by the Issuance of the Bonds hereinafter authorized and the loan of the proceeds thereof to the Mortgagor pursuant to the Financing Agreement and the Indenture. It is hereby found and declared that the financing of the Project and the use of the Project by the Mortgagor and the Owner is necessary to accomplish the public purposes described herein and in the preambles hereto, and, that in order to further secure the Bonds, the mortgaging of the Project by the Mortgagor to the Trustee, as the mortgagee of record, pursuant to a mortgage, and the assignment by the City to the Trustee, of its rights and interests under the Mortgage Loan pursuant to the Indenture is necessary and proper.

SECTION 3. For the purpose of financing a portion of the Project Costs, the City does hereby authorize the issuance of Bonds to be designated "City of Chicago, Illinois, Multi-Family Housing Revenue Bonds, Series 1986 (F.H.A. Insured Mortgage Loan -- Jeffery Apartments Project)" in the aggregate principal amount of not to exceed \$4,000,000. The Bonds shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Indenture as executed and delivered by the City and shall be sold to the Underwriters at a price of not less than 98% of the aggregate principal amount thereof, plus accrued interest thereon to the date of delivery of the Bonds. The Bonds shall be dated, mature on such dates (not beyond December 1, 2030) and in such principal amounts and bear interest at such rate or rates, or if structured as deferred interest bonds with a yield to maturity, not to exceed ten percent (10%) per annum, payable on such dates, all as shall be approved by either the Mayor or the City Comptroller, and, in addition, the Owner, at the time the Bond Purchase Agreement is executed. The Bonds may be structured as current interest Bonds, the interest on which is payable semiannually on each interest payment date, or as deferred interest bonds, the accrued interest on which is not payable until the maturity or earlier redemption date of such Bonds, or any combination thereof, all as shall be approved by either the Mayor or the City Comptroller, and, in addition, the Owner, at the time the Bond Purchase Agreement is executed.

SECTION 4. The Bonds, together with interest thereon, shall be limited obligations of the City secured by the Trust Estate, as defined in the Indenture, payable solely from the revenues and receipts derived from the Mortgage Loan and other assets and funds held under the Indenture, including without limitation moneys attributable to Bond proceeds, F.H.A. insurance proceeds, certain funds established under the Indenture and the income from the temporary investment thereof, and shall be a valid claim of the owner thereof only against the Trust Estate held by the Trustee under the Indenture. The nature of the obligation represented by the Bonds is as more fully set forth in the Indenture.

SECTION 5. The Bonds shall be executed on behalf of the City in the manner provided in the Indenture. If any of the officials or officers who shall have signed or sealed any of

said Bonds shall cease to be such officials or officers of the City before the Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the City, such bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds had not ceased to be such official or officials or officer or officers of the City; and also any such Bonds may be signed and sealed on behalf of the City by those persons who, at the actual date of the execution of such Bonds, shall be the proper officials or officers of the City, although at the nominal date of such Bonds any such person shall not have been such official or officer of the City.

SECTION 6. The Indenture is hereby approved in substantially the form presented to this meeting and filed in the official records of the City Clerk, and the Mayor or the City Comptroller of the City is hereby authorized and directed to execute, acknowledge and deliver the Indenture on behalf of the City, attested by the City Clerk or Deputy City Clerk, with such changes, insertions and completions therein as shall be approved by such persons executing such document (subject to the limitations set forth in Section 3 hereof), their execution to constitute conclusive evidence of such approvals, and the City Clerk or Deputy City Clerk is hereby authorized and directed to affix to the Indenture the corporate seal of the City. The Trustee is further authorized and directed to execute such instruments, agreements and documents as may be required by H.U.D. of F.H.A. in connection with the Mortgage Loan.

SECTION 7. The Mayor or City Comptroller of the City is hereby authorized and directed to execute and deliver the Bond Purchase Agreement on behalf of the City in such form as may be approved by the officer of the City executing the same (subject to the limitations set forth in Section 3 hereof), and the sale of the Bonds by the City pursuant to the Bond Purchase Agreement is hereby authorized, approved and directed.

SECTION 8. The Financing Agreement is hereby approved in substantially the form presented to this meeting and filed in the official records of the City Clerk, and the Mayor or the City Comptroller of the City is hereby authorized and directed to execute, acknowledge and deliver the Financing Agreement on behalf of the City, attested by the City Clerk or Deputy City Clerk, with such changes, insertions and completions therein as shall be approved by such persons executing such document, their execution to constitute conclusive evidence of such approval, and the City Clerk or Deputy City Clerk is hereby authorized and directed to affix to the Financing Agreement the corporate seal of the City.

SECTION 9. The Land Use Restriction Agreement is hereby approved in substantially the form presented to this meeting and filed in the official records of the City Clerk, and the Mayor or the City Comptroller of the City is hereby authorized and directed to execute, acknowledge and deliver the Land Use Restriction Agreement on behalf of the City, attested by the City Clerk or Deputy City Clerk, with such changes, insertions and completions therein as shall be approved by such persons executing such document, their execution to constitute conclusive evidence of such approval, and the City Clerk or Deputy City Clerk is hereby authorized and directed to affix to the Land Use Restriction Agreement the corporate seal of the City.

SECTION 10. The distribution of the Official Statement by the Underwriters in preliminary and final form is hereby approved. The Official Statement shall state that the

City has not participated in the preparation of the Official Statement and has not made an independent investigation with respect to the information contained therein, and the City assumes no responsibility for the accuracy or completeness of the information contained therein other than the information contained under the heading "The City" and "No Litigation" to the extent applicable to the City.

SECTION 11. The appointment of American National Bank and Trust Company of Chicago, as Trustee under the Indenture, is hereby authorized, approved and confirmed.

SECTION 12. The Mayor, City Comptroller, City Clerk and Deputy City Clerk for and on behalf of the City be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the City under and pursuant to this Ordinance and the Indenture, the execution and delivery of the Bonds and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this ordinance. The Mayor, City Comptroller, City Clerk and Deputy City Clerk be, and they hereby are, further authorized and directed for and on behalf of the City, to execute all documents, certificates and other instruments that may be required under the terms of the Bond Purchase Agreement, the Financing Agreement, the Land Use Restriction Agreement or the Indenture or that may be required for the carrying out of the authority conferred by this Ordinance or to evidence said authority and to exercise and otherwise take all necessary action to the full realization of the rights and purposes of the City under the Bond Purchase Agreement, the Financing Agreement, the Land Use Restriction Agreement and the Indenture and to discharge all of the obligations of the City hereunder and thereunder.

SECTION 13. The Mayor and the City Comptroller may each designate another person to act as their respective proxy and to affix their respective signature to the Bonds, whether in temporary or definitive form, and any instrument, agreement, certificate or document required to be signed by the Mayor or the City Comptroller pursuant to this Ordinance. In such case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, agreements, 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 Proceedings of the City Council and filed with the City Clerk. When the signature of the Mayor is placed on an instrument, agreement, 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 placed on an instrument, agreement, certificate or document at the direction of the City Comptroller in the specified manner, the same, in all respects, shall be binding on the City as if signed by the City Comptroller in person.

SECTION 14. If any section, paragraph, clause or provision of this ordinance shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

SECTION 15. To the extent that any statute, or ordinance, resolution or order of the City, or any part thereof, is in conflict with the provisions of this ordinance, the provisions of this ordinance shall be controlling.

SECTION 16. This ordinance shall be in full force and effect upon its adoption and approval.

[Trust Indenture, Financing Agreement and Land Use Restriction Agreement attached to this ordinance are omitted for printing purposes but on file and available for public inspection in the Office of the City Clerk.]

EXECUTION OF REDEVELOPMENT AGREEMENT FOR
JEFFERY PARTNERS PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a redevelopment agreement whereby Housing Development Action Grant funds in the amount of \$4,300,000.00 will be loaned to the Jeffery Partners to assist in the rehabilitation of apartment facilities, located at 7124 -- 7136 South Jeffery Avenue, 7147 South Jeffery Avenue, and 1962 East 71st Place.

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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, D.O.H. has as its primary purpose the creation of safe, decent, affordable housing for the residents of the City; and

WHEREAS, LaSalle National Bank, as trustee under a trust agreement under which the beneficial owner is Jeffery Partners, an Illinois limited partnership, (collectively, "Borrower") intends to acquire and to rehabilitate three residential buildings located at 7124 -- 7136 and 7147 South Jeffery, and 1962 East 71st Place, Chicago, Illinois 60649, consisting of 8335 square feet of net rentable commercial property and 150 residential

units, of which 147 will be rental units, of which 30 of the rental units will be reserved for qualified lower income persons; and

WHEREAS, D.O.H. has made an application to the United States Department of Housing and Urban Development for a Housing Development Grant for funds to be used for a loan to the Borrower to assist in the financing of the acquisition, rehabilitation and equipping by Borrower of said facility; and

WHEREAS, In response to said application the United States Department of Housing and Urban Development has preliminarily approved H.D.G. Grant No. IL004HG404 (the "H.D.G. Grant"), as amended, which provides that up to \$4,300,000 may be loaned by the City to Borrower; and

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

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

SECTION 1. The Commissioner of the Department of Housing ("Commissioner") is authorized to execute a Housing Development Grant Loan Agreement, substantially in the form attached hereto, and with such changes that may be required to conform to the requirements of the H.D.G. Grant, as amended, or by the Secretary of H.U.D.

SECTION 2. The Commissioner is authorized to execute all collateral documents required under or in compliance with the H.D.G. Grant, and to require the execution or delivery by the Borrower of all collateral documents required under, or in compliance with, the H.D.G. Grant.

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

Housing Development Grant Loan Agreement attached to this ordinance reads as follows:

*Housing Development Grant
Loan Agreement*

This Agreement ("Agreement") made in Chicago, Illinois, dated as of the _____ day of _____, 1986, between the City of Chicago, Illinois (the "City"), by and through its Department of Housing ("D.O.H."), having its offices at 318 South Michigan Avenue, Chicago, Illinois 60604, and LaSalle National Bank, ("Trustee") not individually but solely as trustee under Trust Agreement No. 111691, dated October 15, 1986, the sole beneficiary of which is Jeffery Partners, ("Developer") an Illinois limited partnership (the Trustee and the Developer sometimes collectively referred to as "Borrower").

Recitals:

Whereas, D.O.H. has as its primary purpose the creation of safe, decent, affordable housing for the residents of the City; and

Whereas, Borrower intends to acquire and to rehabilitate three residential buildings located at 7124 -- 7136 and 7147 South Jeffery, and 1962 East 71st Place, Chicago, Illinois 60649, consisting of 8335 square feet of net rentable commercial property and 150 residential units, of which 147 will be rental units, of which 30 of the rental units will be reserved for qualified lower income persons; and

Whereas, D.O.H. has made an application to the United States Department of Housing and Urban Development for a Housing Development Grant for funds to be used for a loan to the Borrower to assist in the financing of the acquisition, rehabilitation and equipping by Borrower of said facility; and

Whereas, in response to said application the United States Department of Housing and Urban Development has approved H.D.G. Grant No. IL004HG404 (the "H.D.G. Grant"), as amended, which provides that \$4,300,000 may be loaned by the City to Borrower; and

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

Now, Therefore, the parties hereto agree as follows:

Section 1. Definitions.

The following terms shall be defined, for purposes of this Agreement, as follows:

"Restrictive Covenants Agreement" shall mean the agreement executed by and between the City and Borrower which agreement shall be recorded as a covenant running with the land.

"Bond Lender" shall mean the City of Chicago, as lender of a portion of proceeds of approximately \$3,610,000 City of Chicago, Illinois Multi-Family Housing Revenue Bonds, Series 1986 (F.H.A. Insured Mortgage Loan--Jeffery Apartment Project).

"Bond Trustee" shall mean American National Bank and Trust Company of Chicago, as Trustee under a Trust Indenture dated as of December 1, 1986 from the City to the Trustee.

"Equity" shall mean the sum of \$_____, which represents the equity contribution that the Borrower must satisfy, as determined by the Secretary, and which represents the maximum sum upon which Borrower is entitled to receive a return on Equity prior to loan repayments as described in Exhibit B of this Agreement.

"F.H.A." shall mean the Federal Housing Administration.

"Force Majeure" means events or occurrences beyond the control of Borrower that cause delay in the completion of the Project, including but not limited to strikes, unavailability of materials, fire or other casualty, weather and acts of God.

"H.D.G. Grant Agreement" or "H.D.G. Grant" shall mean the Agreement Numbered IL004HG404, and dated July 12, 1985, as amended, between the Secretary of Housing and Urban Development and the City.

"I.D.A.G. Lender" shall mean the City of Chicago as lender of \$800,000 of Illinois Development Action Grant funds.

"Land Use Restriction Agreement" shall mean that certain Land Use Restriction Agreement among the City, the Bond Trustee, the Trustee and the Developer relating to the Property.

"Loan Documents" shall mean this Agreement, the Security Agreement, the Mortgage, the Note, the Restrictive Covenants Agreement and all other agreements, instruments and documents heretofore, now and from time to time hereafter executed by or on behalf of Borrower, and delivered to City by Borrower.

"Loan Payment Date" shall mean the first day of the fifth month after the close of the Developer's fiscal year.

"Lower Income Unit" shall mean one of the 30 residential rental units reserved for rental by Qualified Tenants.

"M.B.E." or "W.B.E." shall mean a business enterprise with at least 51% minority (M.B.E.) or female (W.B.E.) ownership, and whose day to day operations are significantly controlled by such minority or female ownership.

"Net Cash Flow" shall mean surplus cash (less any return on Equity allowed under this Agreement) as defined in and computed in accordance with the F.H.A. Regulatory Agreement.

"Project" shall mean all activities of Borrower in acquiring, rehabilitating, equipping and managing the Property (as hereinafter defined).

"Project Term" shall mean twenty (20) years, which is the minimum period of time Borrower must make available 30 residential rental units to Qualified Tenants (as hereinafter defined).

"Property" shall mean that certain real estate located at 7124 and 7136 and 7147 South Jeffery, and 1962 East 71st Place, Chicago, Illinois, and all buildings, facilities, structures and fixtures now existing or hereafter erected thereon.

"Qualified Tenant" shall mean individuals or families of lower income within the meaning of 24 C.F.R. Part 850, Subpart F, eligible to occupy one of the Lower Income Units.

"Secretary" shall mean the Secretary of the United States Department of Housing and Urban Development.

"Senior Financing" or "F.H.A.-insured Mortgage Loan" shall mean the loan of the Bond Lender or permitted replacement thereof, plus accrued and unpaid interest, plus additional

amounts actually advanced upon a failure of Borrower to perform its obligations under such loans.

"Surplus Cash" shall mean surplus cash as defined in and computed in accordance with the F.H.A. Regulatory Agreement for the Property between the Borrower and the Secretary, in connection with the F.H.A.-insured Mortgage Loan.

Section 2. Consideration.

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

Section 3. Loan.

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

Section 4. Borrower's Covenants.

Borrower warrants, represents and covenants to City as follows:

4.1 Borrower shall be governed, adhere to and obey any and all applicable federal, state and local laws, statutes, ordinances, rules, regulations and executive orders as are now, or may be in effect from time to time during the term of this Agreement.

4.2 The Borrower warrants that it has obtained or has reasonable assurance that it will obtain, all federal, state, and local governmental approvals and reviews required by law to be obtained by the Borrower for the Project and that the Project shall be developed in accordance with applicable state and local building codes.

4.3 The parties hereto agree that the City has completed an environmental assessment of the Project in accordance with H.U.D. regulations contained in 24 C.F.R. Part 58.

4.4 The parties hereto agree that they will prepare, implement and maintain a minority and women-owned business development plan, consistent with Presidential Executive Orders No. 11625, 12138, and 12432 and City of Chicago Mayor's Executive Order 85-2 which shall contain specific measurable goals and an affirmative strategy to promote awareness and participation by such businesses in the contracting and procurement activities generated by the Project.

4.5 The Borrower agrees that any duly authorized representative of H.U.D. or the City shall, at all reasonable times during the Project Term and subject to the rights of the tenants under their leases, have access to any parts of the Project in which the Borrower is involved.

4.6 The Borrower agrees to comply with the applicable provisions of: Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3601-19 and implementing regulations; Executive Order 11063 and regulations at 24 C.F.R. Part 107; Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and regulations at 24 C.F.R. Part 1; the Age Discrimination Act of 1975, 42 U.S.C. 6101-07; Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794; Executive Order 11246 and regulations at 41 C.F.R. Chapter 60; and the requirements of Section 3 of the Housing and Urban Development Act of 1968.

4.7 Borrower shall proceed diligently to carry out the Project pursuant to Exhibit A.

4.8 Borrower shall be: (a) bound by and adhere to the applicable requirements of 24 C.F.R. Part 200, Subpart M; and (b) responsible for implementing regulations thereof as found at 24 C.F.R., Part 106, relating to affirmative fair housing marketing, and the same are expressly incorporated herein by reference.

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

4.10 Borrower shall abide by all terms and conditions of the H.D.G. Grant Agreement, as amended from time to time (provided however that no such amendment shall affect any of the rights or obligation of Borrower under this Agreement unless Borrower has consented to such amendment in writing unless such amendment is required by H.U.D. pursuant to Section 12.02 of the Grant Agreement and the same is expressly incorporated herein by reference.

4.11 Borrower Expressly Agrees That The Funds Available Pursuant To This Agreement Shall Not Be Deemed Committed By The City To The Borrower Until The City Has Received A Release Of Funds ("R.O.F.") From The Secretary, And Any Otherwise Eligible Cost Incurred By The Borrower Prior To Said R.O.F. Shall Be At Its Sole Risk, If The United States Department Of Housing And Urban Development Should Later Withdraw The H.D.G. Grant Funds.

4.12 The time frame for the beginning and completion of the Project, including the beginning and completion of each phase of the Project, shall be as specified in Exhibit E of the H.D.G. Grant Agreement, as amended from time to time, subject to events or occurrences beyond Borrower's control, as may be acceptable to the City and to H.U.D.

Section 5. Inspection and Review.

Books and Records. Borrower shall keep and maintain such books, records and other documents as shall be required under rules and regulations now or hereafter applicable to grants made under the H.D.G. Program, and as may be reasonably necessary to reflect and disclose fully the amount and disposition of proceeds of the Loan, the total cost of the activities paid for, in whole or in part, with proceeds of the Loan, and the amount and nature of all investments related to such activities which are supplied or to be supplied by other sources. All such books, records and other documents shall be available at the offices of Borrower for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the Secretary or the Comptroller General of the United States (the "Government"), and/or the City.

Section 6. Labor Standards.

Borrower shall be required to meet (including all contractors of Borrower), for all laborers and mechanics employed on the construction of the Project, labor standards and prevailing wage rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended, 40 U.S.C. 276a-276a-5, and any contracts involving the employment of such persons shall be subject to the provisions of the Contract Work Hours and Safety Standards Act, as amended 40 U.S.C. 327-333.

Section 7. Certificate of Completion.

Promptly after completion by Borrower of each building, as certified to by an architect or other person or entity which is acceptable to the City and H.U.D., the City will at Borrower's request, furnish Borrower with appropriate instruments certifying such completion. Such certifications shall be a conclusive determination of satisfaction, discharge and termination of the covenants in this Agreement with respect to the obligations of Borrower and its successors and assigns to undertake the Project in accordance with the dates for the beginning and completion thereof. The certifications shall be in such form as will enable them to be recorded. If the City shall refuse or fail to provide the certifications within 5 days of a request for such certification by Borrower, the City shall, within 30 days thereafter, provide Developer with a written statement indicating in adequate detail how Borrower has failed to complete the construction or rehabilitation of the improvements in conformity with this Agreement, or is otherwise in default, and what measures or acts will be necessary in the opinion of the City for Borrower to make or perform in order to obtain such certification.

Section 8. Restrictions on Use.

During the term of the Loan, Borrower shall devote the Property solely for purposes of a residential rental facility consisting of 150 rentable apartments and approximately 8,335 net rentable square feet of commercial space.

Section 9. Permitted Liens.

9.1 During the term of the Loan, except for the liens of Bond Lender and I.D.A.G. Lender, Borrower shall not grant security interests in, nor otherwise encumber the security to be created pursuant to Exhibit C to this Agreement unless the City consents.

9.2 Subject to the provisions of Paragraph 9.3 of this Section IX, the following shall be Permitted Liens against the Project: (a) liens for taxes not delinquent or taxes being contested in good faith by appropriate proceedings; (b) deposits or pledges to secure obligations under workmen's compensation, social security or similar laws, or under unemployment insurance; (c) deposits or pledges given in the ordinary course of business to secure bids, tenders, contracts (other than contracts for the payment of money), leases and other like obligations; (d) judgment liens unless the judgment secured shall remain unstayed, undischarged or unbonded for 30 days; (e) mechanics', workmen's, materialmen's, or other like liens arising in the ordinary course of business being contested

in good faith; (f) easements, rights of way, zoning restrictions and similar charges or encumbrances not interfering with the operations of the Borrower, any subsidiary of Borrower or the Project; (g) purchase money mortgages, liens, pledges or security interests existing in collateral or property acquired by Borrower after the date of this Agreement, provided that City's perfected security interest in assets of Borrower granted to secure repayment of the Loan shall have a value (as determined by independent appraisal, if necessary, and paid for solely by Borrower), of no less than 120% of the then outstanding principal balance of the Loan; and (h) liens permitted under Paragraph 9.1.

9.3 Further, Borrower shall promptly give written notice of any Permitted Liens affecting the Property, where the City's prior consent pursuant to this Section IX, is not required. In the event any such Permitted Lien is in excess of \$5,000 and not bonded or insured over by the title insurer, Borrower shall provide evidence of reserves and/or grant additional security to the City, as the latter may reasonably request to assure its security in the H.D.G. Collateral is not materially diminished by such Permitted Lien.

Section 10. Events of Default: Substantive Violations.

10.1 The occurrence of any of the following events or conditions shall be a default of this Agreement: (a) default in the payment ("monetary default"), or performance of any of the obligations or of any covenants or liabilities of Borrower, contained or referred to herein, after the expiration of the Cure Period (as hereinafter defined); (b) any warranty, representation or statement made or furnished to City by or on behalf of Borrower, proving to have been false in any material respect when made or furnished; (c) any action by Borrower in contravention of the H.D.G. Grant Agreement, or which serves to place the City in violation thereof; (d) the making of any levy, seizure or attachment on the H.D.G. Collateral; (e) involuntary dissolution, termination of existence (except occurring upon a sale, partial sale or syndication of the Project pursuant to Section 11 hereof), insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or any guarantor or surety of Borrower, or uncured default on the Loan; (f) a default of any of the Senior Financing. All defaults other than those described in subparagraph (a) are hereinafter referred to as "non-monetary defaults."

If a monetary default or a non-monetary default shall have occurred, and shall continue for 10 or 60 days, respectively, from receipt of notice thereof (deemed to be 3 days after City has placed said notice in the United States Mails, addressed to Borrower and to Lender A and Lender B, first class postage, certified, return receipt requested, all prepaid), Borrower has not cured said default(s), (the "Cure Period"), then the City shall have the right to exercise the remedies provided in Section II of this Agreement; provided, however, that in the event a non-monetary default cannot reasonably be cured within the aforesaid 60 day period, and if Borrower has commenced efforts to cure, then the time to cure such non-monetary default shall be extended so long as Borrower diligently continues to cure such default; provided further, that in the case of a default under the Senior Financing, the cure period granted therein shall be the cure period under this Agreement.

10.2 Violation of any of the following Borrower agreements, covenants and representations shall result in a substantive violation ("Substantive Violation") of this Agreement:

(1) The Borrower agrees not to convert any units in the Project to condominium ownership or to a form of cooperative ownership that is not eligible to receive a H.D.G. during the period beginning on the date on which units in the Project are available for occupancy and continuing for the twenty-year period beginning from the date on which 50 percent of the total units in the Project are occupied (the "Project Term").

(2) The Borrower agrees that during the Project Term the Borrower will not discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State, or local housing assistance program or, except for units specifically identified in this Agreement as designated for the elderly and for units that are too small for the intended occupancy, on the basis that they have a minor child or children who will be living with them.

(3) The Borrower agrees that the number of units by bedroom distribution specified in this Agreement as available for occupancy by lower income households ("Lower Income Units") shall be occupied or available for occupancy by lower income households during the Project Term.

(4) The Borrower acknowledges that rents for Lower Income Units are limited by H.D.G. regulation 24 C.F.R. 850.151, and that lower income rents and tenant income shall be determined in accordance with H.U.D. regulations at 24 C.F.R Part 850, Subpart F.

(5) The Borrower agrees to lease Lower Income Units only to tenants who are lower income at the time of initial occupancy. Furthermore, the Borrower agrees to reexamine the income of each tenant household living in Lower Income Units at least once a year. When a tenant occupying a Lower Income Unit ceases to be lower income, the Borrower agrees to take the appropriate actions described in H.D.G. regulation 24 C.F.R. 850.151(f). The procedures to be followed in implementing this provision are incorporated herein.

(6) The Borrower agrees to recalculate lower income rents at least annually, in accordance with the H.U.D. regulations at 24 C.F.R. Part 850 and to submit the first rent recalculation to the City no later than 60 days prior to initial occupancy.

(7) The Borrower agrees to provide tenants occupying Lower Income Units at least 30 days prior written notice before implementing any increase in rent for the unit occupied by such tenant.

Section 11. Remedies Upon Default or Substantial Violation.

Upon the occurrence of any Event of Default, City shall be entitled, at City's option, to exercise any one or more of the following rights and remedies:

(a) City may (but shall not be obligated to) perform any of the obligations, covenants and/or agreements under the Loan Documents, or to make any of the payments with respect to which the Event of Default has occurred and any amount incurred or expended by City in so doing, plus interest thereon at the rate then payable upon the Loan, shall be secured by all of the security for the Loan and shall be due and payable to City upon demand.

(b) Subject to the limitation contained in Section 25 of this Agreement, City may declare the entire principal amount of the Loan, and all other amounts payable under the other Loan Documents, to be immediately due and payable, together with accrued interest on such amounts, without further notice to or demand on Borrower.

(c) City may exercise any or all other remedies available to City in law or in equity under the terms of the Loan Documents or otherwise.

(d) The remedies and rights of City hereunder are cumulative and are not mutually exclusive. City shall be entitled to resort to any one or more or all of said remedies and rights, in any order of priority, neither to the limit or exclusion of any others.

(e) The waiver by City of any breach, default or non-compliance by any other party hereto under the terms of this Agreement or the other Loan Documents, shall not be deemed, nor shall the same constitute, a waiver of any subsequent breach, default, or non-compliance on the part of such party.

(f) No course of dealing on the part of the City, or any failure by City to exercise, or any delay in its exercising, any right, power or remedy shall operate as a waiver thereof, or otherwise prejudice City's rights, powers and remedies; nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy.

(g) The City agrees that upon a determination of a Substantive Violation by the Borrower of its obligations under Section 10.2, the City shall notify the Owner in writing (A) of the details of the Violation, (B) actions to be taken and the remedies to be applied to cure the Violation, and (C) of a sixty (60) day cure period for the Borrower either to contest the determination of a Violation or to take actions to cure the Violation.

(h) Subject to the limitation contained in Section 25 of this Agreement, if the Borrower does not correct a Substantive Violation, the principal amount of the Loan shall become immediately due and payable plus simple interest accrued at a rate determined by H.U.D. by adding two percent to the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the initial H.D.G. funds were released. The principal amount and accrued interest to be repaid shall be reduced by ten percent for each full year in excess of ten years that intervened between the beginning of the term of this Agreement and the Violation.

Section 12. Borrower Indemnification.

Borrower shall save, defend and hold harmless, the City, from any of all liability of City to H.U.D. occasioned by Borrower's actions which cause the City to violate any provisions of the H.D.G. Grant Agreement.

Section 13. Sale/Partial Sale/Refinancing/Syndication.

During the term of the Loan, Borrower may sell, partially sell, refinance, syndicate or otherwise dispose of the Project so long as Borrower's successor, prior to the conclusion of

one of the aforesaid transactions, expressly agrees to assume (subject to any limitations on liability or recourse contained herein or therein, as may be acceptable to the City) all of the obligations of Borrower under this Agreement, and any and all other agreements, understandings, documents, and/or instruments, now existing or hereafter created, relating to the Loan; provided, however, that the aforesaid rights are subject to any obligations of Borrower under the H.D.G. Grant Agreement. If Borrower concludes a transaction which is not in compliance with the terms of this Section XIII, the City may, in its sole discretion accelerate the Loan, and demand immediate and full payment thereof (including penalties as provided in the H.D.G. Grant Agreement), by Borrower.

Section 14. General.

14.1 No waiver by City of any default shall operate as a waiver of any other default or of the same default on a future occasion. All rights of City hereunder shall inure to the benefit of its successors and assigns; and all obligations of Borrower shall bind its executors or administrators or its successors or assigns.

14.2 This Agreement shall become effective, after signed by the City, when it is signed by the Borrower.

14.3 All rights of City to and under this Agreement, and in and to the H.D.G. Collateral shall pass to and may be exercised by any assignee thereof. Borrower agrees that if City gives notice to Borrower of an assignment of said rights, upon such notice, the liability of Borrower to the assignee shall be immediate and absolute. Borrower shall not set up any claim against the City as a defense, counterclaim or setoff to any action brought by any such assignee for the unpaid balance owed hereunder or for possession of the Collateral, provided that Borrower shall not waive hereby any right of action to the extent that waiver is expressly made unenforceable under applicable law.

Section 15. Housing and Urban Development Approval.

During the term of this Agreement, it shall not be amended in any material respect without the prior written approval of the Secretary. "Material," for purposes of this Section, shall be defined as anything which cancels or reduces any developmental, construction, job creating or financial obligation of Borrower, Bond Lender, or I.D.A.G. Lender by more than 10 percent (10%) in the aggregate, changes the site or character of any development activity or increases any time for performance by a party by more than thirty (30) days other than by reasons of Force Majeure.

Section 16. Equal Employment Opportunity.

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

16.1 Borrower will develop an affirmative action plan to ensure equal employment opportunities without regard to race, color, religion, sex, national origin, age or physical handicap. Such plan may include, but not be limited to, the following: employment upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation, and selection for training, including apprenticeship. Borrower agrees to post in conspicuous places, available to

employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

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

16.3 Borrower will include the provisions of subsections 16.1 and 16.2 of this Section XVI in every contract, and will require the inclusion of these provisions in every subcontract entered into by any of its contractors, so that such provisions will be binding upon each such contractor or subcontractor, as the case may be.

16.4 The Borrower agrees to market units in the Project in accordance with the H.U.D.-approved Affirmative Fair Housing Marketing Plan, Form H.U.D.- 935.2 and all applicable fair housing and equal opportunity requirements.

16.5 The parties hereto acknowledge that local residency requirements shall not be permitted with respect to the occupancy of the Project, but that local residency preferences are permissible to the extent that they are not inconsistent with affirmative fair housing marketing objectives and the Borrower's H.U.D.-approved Affirmative Fair Housing Marketing Plan. Persons expected to reside in the community as a result of current or planned employment will be treated as residents for purposes of a residency preference.

16.6 The Borrower agrees that all management and maintenance functions will be performed in compliance with applicable equal opportunity requirements.

16.7 The parties hereto acknowledge that nothing contained in this Agreement shall preclude enforcement by the Federal Government of this Agreement, civil rights statutes, or other provisions of law that apply to the H.D.G. program.

Section 17. Utilization of Minority and Women Owned Business Enterprises.

17.1 Pursuant to Executive Order 85-2, issued by the Mayor of the City on April 3, 1985, and 24 C.F.R., Part 850.35(b), both of which are expressly incorporated herein by reference, Borrower agrees to develop a plan to expend not less than 25% of the total dollar value of the Loan with one or more certified M.B.E., and not less than 5% of the total dollar value of the Loan with one or more certified W.B.E.

17.2 Borrower's M.B.E./W.B.E. commitments may be met by: (i) contracting or subcontracting a portion of the work on the Project to one or more M.B.E. or W.B.E.; (ii) purchase materials used in completing the Project from one or more M.B.E. or W.B.E.; or (iii) any combination of the foregoing. The Purchasing Agent of the City of Chicago, upon request, will provide assistance in identifying qualified and certified M.B.E. and W.B.E., eligible for consideration as contractors, subcontractors, materialmen and/or vendors. Requests for assistance should be addressed to:

Mr. McNair Grant
City of Chicago Department of
Purchases, Contracts and Supplies

Monitoring and Compliance
Kraft Building -- Room 101A
510 North Peshtigo Court
Chicago, Illinois 60611

17.3 M.B.E. and W.B.E. proposed by Borrower for participation in the Loan, shall be certified by the City as of the date of such submission to the Purchasing Agent. In the alternative, Borrower shall submit an affidavit or acceptable equivalent that the proposed M.B.E. and W.B.E. participant has, as of the date of said submission, a "Form Schedule A - Application for Certification As Qualified and Bona Fide Minority or Woman Owned Business" awaiting review by the Purchasing Agent for eligibility; provided however, that Form Schedule A may be submitted only following a prior determination by the Purchasing Agent that the work contemplated by the Borrower for the proposed M.B.E. and/or W.B.E. requires capabilities and/or expertise not possessed by an existing certified M.B.E. or W.B.E.; Certifications or recertifications shall be effective for one calendar year from the date granted.

A directory of Qualified and Bona Fide Minority and Women Owned Businesses Enterprises is maintained by the Purchasing Agent at its offices as set forth in Paragraph 17.2 above.

17.4 The City endorses the participation of joint ventures in meeting the commitments of this Section XVII. However, in joint ventures with any M.B.E. or W.B.E., full credit may be denied by the Purchasing Agent unless: (i) there exists a written joint venture agreement between the parties evidencing their respective ownership interests and financial involvement in the joint venture; and (ii) the joint venture agreement specifically delineates defined managerial and other significant duties that actually will be performed by the M.B.E. or W.B.E. joint venturer. Where a joint venture entity is proposed, the joint venture agreement, and a completed "Form Schedule B" (obtained from the Purchasing Agent of the City), shall be submitted with the bid or proposal.

17.5 Borrower may request a waiver from the requirements of this Section XVII, in writing, and directed to the Purchasing Agent. The request shall establish by clear and convincing evidence that full compliance with M.B.E./W.B.E. requirements is impossible or economically unreasonable under the circumstances. In the event a waiver request is granted the Borrower, the Purchasing Agent may condition such waiver upon the Borrower's express written agreement to make every effort to comply with the spirit of Executive Order 85- 2. The determination of the Purchasing Agent in this matter shall be final.

17.6 Borrower agrees to report to the Purchasing Agent on all expenditures related to the Loan made to achieve compliance with M.B.E./W.B.E. requirements. Such reports shall include, but not be limited to the name and business address of each M.B.E. and/or W.B.E performing directly or indirectly, on the Project; a description of the work performed and/or products or services supplied. And any other information as may reasonably be requested by the Purchasing Agent in determining Borrower's compliance with this Section XVII.

Section 18. No Assignment or Succession.

No transfer of Loan funds by the City to Borrower shall be, or be deemed to be, an assignment of H.D.G. Grant funds, and Borrower shall not succeed to any rights, benefits or advantages or the City under the H.D.G. Grant, nor attain any rights, privileges, authorities or interests in or under the H.D.G. Grant.

Section 19. Disclaimer of Relationship.

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

Section 20. Conflict of Interest.

Borrower expressly covenants that no member, official or employee of the City shall have any personal interest, direct or indirect, in this Project; nor shall any such member, official or employee participant in any decision relating to this Project which affects its personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

Section 21. Limitation of Liability.

Borrower expressly agrees that no member, official, employee or agent of City shall be individually or personally liable to Borrower, its successors or assigns under this Agreement.

Section 22. Time is of the Essence.

Time is of the essence of this Agreement.

Section 23. Prior Agreements.

This Agreement and the other Loan documents, and any other documents or instruments executed pursuant thereto or contemplated thereby, shall represent the entire, integrated agreement between the parties hereto with respect to the acquisition and rehabilitation of the Project not yet in place, and shall supercede all prior negotiations, representations or agreements pertaining thereto, either oral or written. This Agreement and any provision hereof shall be modified, amended, waived or discharged in any manner other than by written amendment executed by all parties to this Agreement. The Borrower and the City have previously entered into an agreement regarding the Loan. That agreement shall terminate upon the execution of this Agreement by the Borrower and the City.

Section 24. Additional Provisions.

24.1 Borrower shall erect a sign at the Project site which shall be consistent with criteria set by the United States Department of Housing and Urban Development and furnished to Borrower by the City.

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

If to City:	City of Chicago, Illinois c/o Department of Housing 318 South Michigan Avenue Chicago, Illinois 60604 Attention: Commissioner
With Copies to:	City of Chicago c/o Department of Law City Hall -- Room 511 Chicago, Illinois 60602 Attention: Corporation Counsel
If to Borrower:	Jeffery Partner c/o City Lands Corporation 1950 East 71st Street Chicago, Illinois 60649
With Copies to:	Rudnick and Wolfe 30 North LaSalle Street Chicago, Illinois 60602 Attention: Mr. Jay Gilbert
If to Bond Lender:	Same as City

The parties may designate, in writing, any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

24.3 Completion of the Project shall be unconditionally guaranteed by the Borrower, but no general partner of Borrower nor any limited partner of Borrower shall have any personal liability for such completion. Repayment of the Loan shall be solely the responsibility of the Borrower, but no other person, the general partners of Borrower or any limited partner of Borrower shall have personal liability for repayment of the Loan.

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

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

24.6 Land Trustee Exculpation. This Agreement is executed by LaSalle National Bank, not personally but solely as Trustee as aforesaid. All covenants and conditions to be performed hereunder by LaSalle National Bank are undertaken by it solely as Trustee, as aforesaid and not individually, and no personal liability shall be asserted or be enforceable against LaSalle National Bank by reasons of any of the covenants, statements, representations or warranties contained in the Agreement.

Section 25. Acknowledgement of F.H.A. Requirements.

Notwithstanding anything contained herein to the contrary, for so long as the F.H.A. Regulatory Agreement is in effect, the Borrower shall not, without the prior written approval of F.H.A. (a) convey, transfer or encumber any of the mortgaged property, or permit the conveyance, transfer or encumbrance of such property, or (b) assign, transfer, dispose of, or encumber any personal property of the Project, including rents, or payout any funds except from surplus cash, except for reasonable operating expenses and necessary repairs, unless otherwise permitted by F.H.A.

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

[Signature forms omitted for printing purposes.]

Exhibits A, B, C; D and E attached to this Agreement read as follows:

Exhibit A

To Loan Agreement.

1. The City agrees to do the following things, some of which may have already been done prior to the date of this Agreement:

(a) The City shall lend to the Borrower not more than \$4,300,000 in H.D.G. funds, to be used for acquisition, rehabilitation and equipping of the Property for related costs as outlined in the Project Budget included in the City's application for the H.D.G. grant, as supplied by the Borrower. The Loan shall be secured by a second mortgage on the Project. H.D.G. funds shall be drawn down in accordance with the provisions of Section 9.02(e) of the H.D.G. Grant Agreement.

(b) The City shall enter into a Loan Agreement with the Borrower in accordance with Article V of the H.D.G. Grant Agreement.

(c) The City shall provide H.U.D. with the means by which H.D.G. restrictions shall be enforced for the Project Term by entering into a Declaration of Restrictive Covenants Agreement with the Borrower.

(d) The City shall review and approve the Borrower's relocation plan, shall monitor the implementation of the plan, shall hear and judge grievances of permanently displaced persons; and, shall ensure compliance with H.D.G. regulations at 24 C.F.R. Part 850.35(d) and Section 4.06 of the H.D.G. Grant Agreement.

(e) The City as Bond Lender shall issue approximately \$3,610,000 Multi-Family Housing Revenue Bonds, Series 1986 (F.H.A. insured Mortgage Loan -- Jeffery Apartments Project), the proceeds of which shall be loaned to the Borrower for financing a portion of the acquisition, rehabilitation and equipping of the Property and other costs associated with the Project, and to serve as permanent financing for the Project. Bond Lender shall also and monitor the implementation of the relocation plan for the Project.

2. Borrower agrees to do the following things, some of which may have been accomplished prior to the date of this Agreement:

(a) Borrower shall acquire and rehabilitate the Property, and develop the Project into a mixed use facility with 150 residential apartments and 8,335 square feet of commercial space.

(b) Borrower shall commit 30 of the 150 units at H.D.G. rent levels for a period of 20 years to be rented to Qualified Tenants. The 30 units shall be distributed as follows:

- (i) 0 Bedrooms -- 4 rental units
- (ii) 1 Bedrooms -- 11 rental units
- (iii) 2 Bedrooms -- 14 rental units
- (iv) 3 Bedrooms -- 1 rental unit

(c) Borrower shall provide at least \$ _____ in equity (which may be in the form of cash, letters of credit, builder's profit, or any combination thereof) for development of the Project.

(d) Borrower shall borrow from Bond Lender at least \$3,449,400 (subject to reduction in accordance with F.H.A. cost certification requirements) and from I.D.A.G. Lender at least \$800,000, for the acquisition, rehabilitation and equipping and development of the Property.

(e) Borrower shall enter into and execute a Restrictive Covenants Agreement with the City, in recordable form.

(f) Borrower shall develop affirmative programs relating to utilization of M.B.E. and W.B.E. firms, and an Affirmative Fair Housing Marketing Plan.

(g) Borrower shall develop the site identified in the H.D.G. application at Part M-7 and described in Section 1.01(e) of the H.D.G. Grant Agreement.

(h) Borrower shall commit no less than \$222,700 for relocation assistance benefits.

(i) Borrower shall provide all relocation services for tenants temporarily relocated or permanently displaced in accordance with H.D.G. Regulations at 24 C.F.R. 850.35 (d) and Section 4.06 (g) of the H.D.G. Grant Agreement.

(j) H.D.G. loan funds and the owner's equity (to the extent not expended or disbursed at or prior to the initial disbursement of H.D.G. loan funds) shall be held by the Mortgagee under the Senior Financing or another third party trustee or escrow agent acceptable to the City from which disbursements of principal and interest shall be made to the Owner for the costs stated in the Project Budget.

All of the aforesaid activities are for and in connection with the Project as the same is more particularly described in the City's H.D.G. application.

Exhibit B

To Loan Agreement.

The terms and conditions of the loan will be consistent with the following:

1. Acquisition and Construction Loan.

(a) The principal amount of the Loan shall be no more than \$4,300,000, which shall be used for acquisition, rehabilitation and equipping of the Project and other costs as detailed in the Project Budget.

(b) Interest shall be at a rate of 3% per annum, on all loan funds disbursed pursuant to (a) above.

(c) Acquisition shall be completed by the date of initial endorsement by F.H.A.

(c) The construction period, for purpose of this Loan will commence upon the initial disbursement of the H.D.G. Grant funds to Borrower.

(d) The following shall be required of Borrower as conditions precedent to disbursement of Loan proceeds:

(i) Borrower shall certify to City and H.U.D. that Borrower has sufficient funds on hand or irrevocably available to it to complete its obligations under this Agreement and has identified the sources of said funds;

(ii) Borrower shall furnish to City a commitment for an A.L.T.A. policy of mortgage title insurance, in the full amount of the second mortgage on the Property, free of encumbrances and other exceptions to title other than those approved, in advance, by City, and subordinated only to the first mortgage of the Bond Lender to secure a loan in an amount not to exceed \$3,449,400 plus interest, plus additional amounts actually advanced upon Borrower's failure to fulfill its obligations under the Loan from Bond Lender;

(iii) Borrower shall have furnished to City an Insurance policy or policies duly endorsed to indicate City as insured second mortgagee:

(iv) Borrower shall enter into a Disbursement Agreement with Title Services, Inc. ("Company"), which shall provide that Company shall receive from borrower, to review and approve, no more frequently than monthly, the following as a condition precedent to the disbursement of any Loan proceeds to Borrower:

(aa) A Request for Reimbursement, specifying the amount requested, that said amount is for H.D.G. eligible items, and does not exceed the ratio of Loan funds to Private funds, as set forth in Paragraph (vi) below:

(bb) Original executed waivers or releases of mechanics liens Contractors and/or Subcontractors Sworn Statements and other documents required by the Company;

(cc) Copies of the F.H.A.-approved draw documents; and

(dd) Borrower's affidavit of Private Funds (defined as Borrower's cash equity plus the proceeds of the F.H.A. insured loan and the I.D.A.G. Loan expended to date;

(v) All of the evidentiary materials required by Article VII and Exhibit D to the H.D.G. Grant Agreement have been submitted to and approved by the Secretary, and the Secretary has authorized the City to draw down such funds from its letter of credit;

(vi) Loan disbursements shall be made only in an amount which, when taken together with the previous disbursements, would not exceed the ratio of \$1.00 of H.D.G. Grant funds for every \$_____ of private funds expended by Borrower for the Project.

2. Permanent Loan.

(a) The permanent loan shall be the total sum of the principal balance disbursed for acquisition, rehabilitation and equipping of the Project and other costs, as outlined in the Project Budget.

(b) The term of the loan shall be 40 years, commencing on the later to occur of (i) the Initial Occupancy Date (defined as the date the first Qualified Tenant moves into a Lower Income Unit), or (ii) the date on which full disbursement of the Loan occurs, or (iii) the date that amortization is scheduled to commence under the Senior Financing.

(c) Repayment of the Loan by Borrower to City shall be as follows:

(i) Interest shall accrue on the amount of Loan proceeds disbursed from time to time at the rate of three percent (3%) per annum. To the extent that interest that has accrued during any fiscal year of the Developer is not paid because the amount of Surplus Cash required to be paid to City on the Loan Payment Date following the end of such fiscal year is not sufficient to pay such accrued interest, the unpaid interest shall not be compounded (viz. it shall not be added to principal or bear further interest).

(ii) Commencing on the first Loan Payment Date and on each Loan Payment Date in years one (1) through ten (10) of the Loan Term, the Borrower will pay to the City fifty percent (50%) of the net Cash Flow after Borrower has received a non-cumulative, seven percent (7%) return on Equity, which payment shall be applied first toward accrued Interest and next toward Principal on the balance of the Loan then outstanding. Thereafter, in years eleven (11) through twenty (20) of the Loan Term, the Borrower will pay to the City twenty-five percent (25%) of the Net Cash Flow after Borrower has received a non-cumulative, fourteen percent (14%) return on Equity, which payment shall be applied first toward accrued Interest and next toward Principal on the balance of the Loan then outstanding. If the Developer has not received such return on equity for any fiscal year, no payment of Net Cash Flow shall be due on the Loan Payment Date following the end of such fiscal year.

Provided however, that if there are no remaining payments due and owing under the Loan of the I.D.A.G. lender on any Loan Payment Date hereunder in years one (1) through ten (10) of the Loan Term hereunder, then the Borrower will pay to the City one hundred percent (100%) of the Net Cash Flow after Borrower has received a non-cumulative, seven percent (7%) return on Equity, which payments shall be applied in accordance with the immediately preceding paragraph, and, if there are no remaining payments due and owing under the loan of the I.D.A.G. Lender on any Loan Payment Date hereunder in years eleven (11) through twenty (20) of the Loan Term hereunder, then the Borrower will pay to the City fifty (50%) of the Net Cash Flow, after the Borrower has received a non-cumulative, fourteen (14%) return on Equity payments shall be applied in accordance with the immediately preceding paragraph.

(iii) Payment of the entire unpaid principal amount of the Loan, plus all accrued and unpaid interest, shall be due and payable on the last day of the Loan term (the "Maturity Date"); provided, however, that the Maturity Date shall be extended, at the direction of F.H.A., in the event the F.H.A.-insured Mortgage Loan has not been repaid in full and there is no Surplus Cash or net sale or refinancing proceeds available to repay the Loan. In the event of a sale of the

Property in which the F.H.A.-insured Mortgage Loan is repaid in full, the City may declare the Loan to be immediately due and payable.

3. Renegotiation of Terms.

In the event of refinancing of the Senior Financing, the terms of the Loan may be renegotiated based upon the then current and projected cash flow analyses.

4. Borrower shall submit to City within 120 days of the close of each fiscal year during the term of the Loan, financial statements prepared by a certified public accountant, in accordance with generally accepted accounting principals consistently applied, and certified by Borrower's general partner, setting forth among other things the annual gross revenues and expenditures of the Project and interest due and owing the City, if any, together with evidence that a check in the amount therefor has been remitted to the City.

5. The Loan may not be prepaid, in whole or in part until 20 years from the Initial Occupancy Date of the Project, at which time it may be prepaid without premium or penalty.

6. Nondisturbance Agreements. City agrees, upon request from Borrower to execute and deliver, nondisturbance and attornment agreements reasonably satisfactory to Borrower and City wherein City shall agree that, with respect to any leases of the Project, the tenants under such leases shall be entitled to the quiet enjoyment of the leased premises without disturbance from City if and so long as such tenants shall not be in default under such leases.

Exhibit C

To Loan Agreement.

The Loan made pursuant to this Agreement shall be secured by the following:

1. A second mortgage or deed of trust in favor of the City on the land, building and fixtures comprising the Project subordinated only to the first mortgage of Bond Lender in an amount not to exceed \$3,450,000 plus interest, plus such additional sums as may be actually advanced upon Borrower's failure to fulfill its obligations under the Senior Financing.

2. A grant of security interest in all personal assets of the Project, subordinated only to interests granted to Bond Lender.

3. The completion of the Project shall be unconditionally guaranteed by the Borrower but only to the extent of the assets of the Borrower, and no personal liability shall attach to any general partner or limited partner of the Borrower.

Exhibit D

To Loan Agreement.

1. The City shall loan the sum of \$4,300,000 in H.D.G. funds to Borrower for the purpose of acquisition rehabilitation and equipping of the Property and other Project costs.

2. The Bond Lender shall loan at least \$3,450,000 to Borrower for the purpose of acquisition, construction and other approved costs and permanent financing of the Project.

3. The I.D.A.G. Lender shall loan at least \$800,000 to Borrower for the purpose of acquisition of the Project.

4. Borrower shall provide not less than \$ _____ as an equity contribution for the development of the Project.

Exhibit E

To Loan Agreement.

The following documentation shall be completed and submitted to the City prior to the disbursement of any Grant Funds:

1. Not less than sixty days prior to the initiation of any construction, the Borrower shall provide to the City a request for wage determination for all crafts to be utilized on the project, utilizing U. S. Department of Labor Form 308, or equivalent.

2. Borrower shall provide to the City fully executed Contractor's Certification Concerning Labor Standards and Prevailing Wage Requirements from each contractor and subcontractor participating in the project, utilizing U. S. Department of Housing and Urban Development Form H.U.D.-1421 (6-75) or equivalent.

The following documentation shall be completed and submitted to the City, as may be required throughout the entire term of the Loan:

1. Upon initiation of construction activities the Borrower shall insure that the approved wage determination materials, together with a poster (U. S. Department of Labor W.H.-1321) shall be conspicuously displayed, which informs employees of their rights and indicates that the City will receive complaints.

2. From and after the initiation of any construction activities through the final disbursement of Grant Funds, the Borrower shall submit to the City on a timely basis a completed certified weekly payroll, utilizing U. S. Department of Labor Form W.H.-347 or equivalent. In addition to the requested information contained thereon, the Borrower shall require all participating contractors and subcontractors to provide information as to the race and gender of each employee. All of the above information is due weekly. The cure period shall be two weeks.

ILLINOIS DEVELOPMENT ACTION GRANT REDEVELOPMENT
AGREEMENT APPROVED FOR JEFFERY PARTNERS
TO ASSIST IN CERTAIN LAND
ACQUISITION COSTS.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, approving an Illinois Development Action Grant Redevelopment Agreement whereby funds in the amount of \$800,000.00, will be loaned to the Jeffery Partners to assist in land acquisition costs for the Jeffery Apartments, located at 7124 -- 7136 South Jeffery Avenue, 7147 South Jeffery Avenue, and 1962 East 71st Place.

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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, City has applied to the Illinois Development Finance Authority ("Authority") for an Illinois Development Action Grant ("I.D.A.G."); and

WHEREAS, Authority has approved a Grant Agreement whereby Authority will grant to City an amount of \$800,000 to enable the City to finance or reimburse LaSalle National Bank, as trustee under a trust agreement with Jeffery Partners, an Illinois limited partnership (collectively, "Borrower") and other Project participants for a portion of the cost of the Project, such grant being subject to the terms and conditions of, and for the purposes set forth in the Grant Agreement; and

WHEREAS, City is willing to make a loan of the proceeds of the Grant to the Borrower, subject to the terms and conditions stated in this Agreement; and

WHEREAS, Borrower is willing to borrow the proceeds of the Grant from the City, subject to the terms and conditions stated in this Agreement; and

WHEREAS, Borrower intends to use the loan for land acquisition costs associated with the Project, as set forth in this Agreement, and for no other purpose; and

WHEREAS, Borrower agrees to repay the loan to the City in accordance with this Agreement and the other Loan Documents; now, therefore,

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

SECTION 1. The Commissioner of the Department of Housing ("Commissioner") is authorized to execute an Illinois Development Action Grant Redevelopment Agreement, substantially in the form attached hereto, and with such changes that may be required to conform to the requirements of the I.D.A.G. Grant, as amended, or of the Authority.

SECTION 2. The Commissioner is authorized to execute all collateral documents required under or in compliance with the I.D.A.G. Grant, and to require the execution or delivery by the Borrower of all collateral documents required under or in compliance with the I.D.A.G. Grant.

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

Illinois Development Action Grant Redevelopment Agreement attached to this ordinance reads as follows:

Illinois Development Action Grant

Redevelopment Agreement.

Agreement made in Chicago, Illinois, as of the _____ day of _____, 1986, between the City of Chicago, Illinois (the "City"), by and through the Department of Housing ("Department"), and Jeffery Partners, an Illinois limited partnership ("Developer"), and LaSalle National Bank, ("Trustee") not individually but solely as Trustee under trust agreement No. 111691, dated October 15, 1986, the sole beneficiary of which is the Developer (the Trustee and Developer are sometimes referred to collectively herein as "Borrower").

Recitals:

1. City has applied to the Illinois Development Finance Authority ("Authority") for an Illinois Development Action Grant ("I.D.A.G.").

2. Authority and City have entered into a grant agreement whereby Authority will grant to City an amount of \$800,000, to enable the City to finance or reimburse the Borrower and other Project participants for a portion of the cost of the Project, such grant being subject to the terms and conditions of, and for the purposes set forth in the Grant Agreement.

3. City is willing to make a loan of the proceeds of the Grant to the Borrower, subject to the terms and conditions stated in this Agreement.

4. Borrower is willing to borrow the proceeds of the Grant from the City, subject to the terms and conditions stated in this Agreement.

5. Borrower intends to use the loan for land acquisition costs associated with the Project, as set forth in this Agreement, and for no other purpose.

6. Borrower agrees to repay the loan to the City in accordance with this Agreement and the other Loan Documents.

In Consideration, of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the City and the Borrower hereto agree as follows:

Section 1. Incorporation of Recitals.

The above recitals are incorporated into this Agreement by this reference.

Section 2. Definitions.

"Act" means Illinois Development Finance Authority Act, Illinois Revised Statutes, Chapter 48, §850.01 *et seq.*, as amended.

"Agreement" means this Agreement unless the context clearly indicates otherwise.

"Application" means the Application for an I.D.A.G. filed with the Authority by the City, based upon certain representations made by the Borrower to the City, and such other documents submitted with the Application as required under the Regulations.

"Authority" means the Illinois Development Finance Authority.

"Bonds" means the approximately \$3,610,000 City of Chicago Multi-Family Housing Revenue Bonds issued or to be issued in connection with the Project.

"Collateral" means all real property, personal property and fixtures secured under any of the Loan Documents.

"Completion Date" means the date of completion of construction, as certified to the City by Borrower's architect or any other certifying official as is acceptable to the City, but in no event later than September 30, 1988, subject to extension by reason of *Force Majeure*.

"Eligible Costs" means the items listed as eligible costs in Exhibit A to the Grant Agreement, and no other costs, unless otherwise authorized by the Authority.

"Equity" means the sum of \$ _____, which represents the H.O.D.A.G.- approved equity contribution that Borrower must satisfy, and which

represents the maximum sum upon which Borrower is entitled to receive a return on Equity prior to loan repayments as described in Section 3 of this Agreement.

"F.H.A. Regulatory Agreement" means that agreement between F.H.A. and the Borrower executed pursuant to the F.H.A. insurance of the mortgage insuring the Bonds.

"Force Majeure" means events or occurrences beyond the control of Borrower that cause delay in the completion of the Project, including but not limited to strikes, unavailability of materials, fire or other casualty, weather and acts of God.

"Grant" means the I.D.A.G. grant made by the Authority to the City, the proceeds of which shall be used to make the Loan to the Borrower.

"Grant Agreement" means that certain Grant Agreement between the Authority and the City dated _____, 1986.

"H.O.D.A.G." means the Housing and Urban Development Action Grant and loan in the amount of approximately \$4,300,000 made or to be made pursuant thereto in connection with the Project.

"H.U.D." means the U.S. Department of Housing and Urban Development.

"I.D.A.G." means the Illinois Development Action Grant.

"Loan" means the loan made by the City to the Borrower pursuant to this Agreement.

"Loan Documents" means this Agreement, the Mortgage, the Security Agreement, the Note, the Financing Statements, and any other documents required by Lender as a condition precedent to disbursement of the Loan.

"Loan Payment Date" means the first day of the fifth month following the close of Borrower's fiscal year in which the Completion Date occurs and every first day of the same month for every consecutive year thereafter, for so long as the Loan is outstanding prior to the Maturity Date.

"Mortgage" means that certain Junior Mortgage, Assignment of Rents, Leases and Security Agreement, between the City and the Trustee, of even date with this Agreement, which secures the Note.

"Maturity Date" means the first day of the 240th month following the Completion Date.

"Net Cash Flow" means surplus cash as that term is defined in and computed in accordance with the F.H.A. Regulatory Agreement.

"Note" means that certain Promissory Note dated of even date herewith, given by the Borrower unto the City which evidences the Loan made hereunder.

"Project" means the group of integrally related activities which are to be carried out by the Borrower, or its agents, as described in Exhibit A of the Grant Agreement.

"Property" means the land, buildings and fixtures which comprise the Project, as further described in Schedule 1 of the Mortgage.

"Security Agreement" means that certain agreement between the Borrower and the City as security in addition to the Mortgage, of even date with this Agreement.

"Senior Financing" means the loans made pursuant to the Bond and H.O.D.A.G. financing, or permitted replacement(s) thereof, plus accrued and unpaid interest, plus additional amounts actually advanced to complete the Project or upon a failure of Borrower to perform its respective obligations under such loans.

"State" shall mean the State of Illinois.

Section 3. Loan.

The Loan shall be made upon the following terms and conditions:

3.01 Principal. The principal sum of the Loan shall be Eight Hundred Thousand Dollars (\$800,000).

3.02 Interest. The interest rate shall be three percent (3%) per annum on a non-compounding basis.

3.03 Term. The term of the Loan shall be 20 years, commencing on the first day of the first month in which a principal payment is due on the F.H.A.-insured mortgage.

3.04 Repayment. The Loan shall be repaid as follows:

(1) On each Loan Payment Date in years one (1) through ten (10) of the Loan Term, the Borrower will pay to the City fifty percent (50%) of the Net Cash Flow after Borrower has received a non-cumulative seven percent (7%) return on Equity, which payment shall be applied first toward Interest and next toward Principal on the balance of the Loan then outstanding. Thereafter, in years eleven (11) through twenty (20) of the Loan Term, the Borrower will pay to the City twenty-five percent (25%) of the Net Cash Flow after Borrower has received a non-cumulative fourteen percent (14%) return on Equity, which payment shall be applied first toward Interest and next toward Principal on the balance of the Loan then outstanding.

(2) If, in any fiscal year which precedes a Loan Payment Date, the Borrower has not received the return on Equity described in the immediately preceding paragraph, no payment of Net Cash Flow shall be due on that date.

3.05 Maturity. (3) Any Principal and Interest that remains outstanding on the Maturity Date, shall be made as a balloon payment on that date to retire the Loan, provided, however, that the Maturity Date shall be extended, at the direction of F.H.A., in the event there are no surplus cash or residual receipts funds available to repay the Loan and the F.H.A.-insured mortgage has not been retired in full.

3.06 Purpose. The Loan shall be used for Eligible Costs of the Project described in Exhibit A of the Grant Agreement and for no other purpose.

Section 4. Security.

The loan shall be secured by the following:

4.01 Real Estate. A third mortgage, assignment of rents and leases, and security interest in the land, buildings, fixtures, equipment and other items of personal property, as provided in the Mortgage.

4.02 Other Collateral. All other items of collateral as provided herein, in the Security Agreement, or in any of the other Loan Documents.

4.03 Recording of Security Instruments. Borrower shall execute such instruments and financing statements as City may reasonably require to perfect City's security interest described hereunder. All costs of filing and recordation shall be borne by the Borrower.

Section 5. Conditions Precedent to Disbursement of Loan.

The following, some of which may have already been accomplished prior to the date of this Agreement, are required of Borrower as conditions precedent to disbursements of the Loan.

5.01 Evidentiary Items. Borrower must furnish to the City each and every item listed in Exhibit B of the Grant Agreement, in a form acceptable to the City, at least one week prior to the submission date stated in the Grant Agreement. Borrower acknowledges that under the terms of the Grant Agreement, the Authority has the right to terminate the Grant, and not pay out any Grant monies if the City fails to submit all evidentiary material required in the Grant Agreement by the date stated therein, upon the occurrence of which, no Loan proceeds will be paid to Borrower at any time hereunder.

5.02 Execution of Loan Documents. Borrower shall have executed, and City shall have accepted all of the Loan Documents.

5.03 Senior Loans. Borrower shall have furnished to the City, in a form satisfactory to the City, evidence that all H.O.D.A.G. Loan requirements and approvals have been satisfied and the Bond issue has been closed.

5.04 Project Account.

(a) Borrower and City shall enter into a disbursement agreement which provides that the City shall establish or cause to be established with a separate trustee, escrowee or fiscal agent (which separate trustee, escrowee or fiscal agent shall be a commercial bank or trust or title company within the State organized under the laws of the State or the United States of America) a separate and segregated account appropriately designated to identify it to this Agreement and the Project.

The Project account must be established pursuant to an escrow, trust or fiscal agency agreement the terms of which are acceptable to the Authority. The Project account shall be maintained until the Loan has been fully disbursed. All Loan funds shall be deposited in the Project account and income earned from the investment or reinvestment of Grant funds shall be deposited by the City in such account, until expended on Eligible Costs of the Project.

(b) Moneys on deposit in the Project account established pursuant to paragraph 5.04 (a) above, shall be invested and reinvested only in those investments constituting permitted investments of public funds as specified in the Investment of Public Funds Act, Ill. Rev. Stat. Ch. 85 §902, as amended.

(c) All income from the investment or reinvestments of Loan funds shall be credited to the Loan Principal and shall be treated as such for all purposes.

5.05 Approvals and Assurances. Prior to initial disbursement of Loan funds the City shall have also received the following:

(a) copies of all approvals, authorizations, consents, permits or licenses required by any governmental body, agency or officer for the acquisition, construction, installation or completion of each portion of the Project.

(b) a certificate from each person who will acquire Loan proceeds ("Participating Party") that (i) it has complied with all applicable provisions of law requiring any notification, declaration, filing or registration with any governmental body or officer in connection with the acquisition, construction and installation of the Project and (ii) there is no litigation or legal or governmental action, proceeding, inquiry or investigation threatened (to Borrower's knowledge) or pending to which such Participating Party is a party thereto or to which any property of the Participating Party is or may be subject, which, if determined adversely to the Participating Party, would materially and adversely affect the ability of the party to complete its portion of the Project.

(c) a bill or bills of sale, acquisition or construction contract or contracts, invoice or invoices, purchase order or purchase orders or other evidence satisfactory to the City that the portion of the Project for which the Participating Party is to be paid with Loan funds has been substantially completed and that payment for such portion of the Project is due and owing, or if such payments are for reimbursement of the Participating Party that payment has in fact been made by such Participating Party.

5.06 Requisition for Eligible Costs. Borrower shall have made a request for disbursement based on costs incurred which are Eligible Costs under Exhibit A of the Grant Agreement.

5.07 Other Documentation. Borrower shall have delivered (and where appropriate, executed) and City shall have accepted all other documentation which City may reasonably require.

5.08 Costs. All costs incurred in fulfilling the obligations of this Section 5, shall be borne by the Borrower, unless the City agrees otherwise.

5.09 Cost Overruns or Loan Out of Balance. Subject to the limitation contained in Section 27 of this Agreement, City shall make no further disbursements hereunder if the Loan and any other sources of funds allowed hereunder are out of balance in relation to total Project cost projections at anytime hereunder, until Borrower has cured the overrun or imbalance and had provided the City with satisfactory evidence of the same, as determined by the City.

5.10 Time Limitation. Any Loan funds which are not disbursed or legally obligated by the City to the Borrower by the date which is two years subsequent to the date of execution of the Grant Agreement, shall be returned to the Authority within forty-five (45) days after such date, if such funds are not already on deposit with the Authority or the State Treasurer of the State of Illinois, and thereupon will no longer be disbursed hereunder.

5.11 Source of Funds. Disbursements will be made only from money made available by the Authority to the City pursuant to the Grant Agreement, and nothing hereunder shall be construed to obligate the City to make disbursements from any other source of funds. In this connection, Borrower acknowledges and agrees that the amount of the Grant funds received by the City pursuant to the Grant Agreement has been determined by the Authority in reliance upon the cost estimates contained in the Application, which cost estimates were supplied by Borrower to the City. Borrower further acknowledges and agrees that the Authority reserves the right to reduce the Grant amount pursuant to the terms described in the Grant Agreement.

5.12 Excess Funds. Any money which remains in the Project Account after the Completion of Construction or the termination of the Grant Agreement shall be disposed of in accordance with the Grant Funds Recovery Act, Ill. Rev. Stat. ch. 127, @2301 *et seq.*

5.13 Defaults. Subject to the limitation contained in Section 23 of this Agreement, if an Event of Default under this Agreement shall have occurred, the City shall not pay out any Loan funds. Nor shall the City disburse any Loan funds after receiving notice from the Authority suspending the City's authority to expend Grant funds under the terms of the Grant Agreement, subject to the limitation contained in Section 23 of this Agreement.

Section 6. Events of Defaults.

An Event of Default by the Borrower shall mean the occurrence of any or all of the following:

(a) Any use of Loan funds for any purpose other than an Eligible Cost authorized in Exhibit A of the Grant Agreement.

(b) Any breach of any covenant, warranty, representation, obligation, assurance, duty, or agreement contained in this Agreement, which breach is not cured within thirty (30) days after notice thereof to Borrower.

(c) Any breach of any covenant, warranty, representation, obligation, assurance, duty, or agreement contained in any of the other Loan Documents, which breach is not cured within thirty (30) days after notice thereof to Borrower.

(d) Any default in the payment of any sum, including principal, interest or other amount due under the terms of this Agreement or any of the other Loan Documents, which default is not cured within ten (10) days after notice thereof to Borrower; provided however, that Borrower shall only be entitled to two (2) notices of default under this section (d) and no such notice shall be required for the third or any subsequent default hereunder.

(e) Any default under or receipt by Borrower of any notice of default under the terms of the H.O.D.A.G. Loan and/or the Bond financing.

(f) Any default under the Grant Agreement.

(g) Any petition filed by Borrower seeking relief, reorganization, protection, bankruptcy or any other action instituted by, on behalf of, or with reference to Borrower pursuant to Title 11 of the United States Code, ("Bankruptcy Code") or any order, judgment or decree entered against Borrower pursuant to the Bankruptcy Code, or under any law or by operation of law by any court of competent jurisdiction.

Section 7. Remedies Upon Default.

Upon the occurrence of any Event of Default, unless such Event of Default is subsequently cured or waived in a writing signed by the Commissioner, City shall be entitled, at City's option, to exercise any one or more of the following rights and remedies:

(a) City may (but shall not be obligated to) perform any of the obligations, covenants and/or agreements under the Loan Documents, or make any of the payments with respect to which the Event of Default has occurred provided however, that any amount incurred or expended by the City in so doing, plus interest thereon at the rate then payable upon the Loan, shall be secured by all of the security for the Loan and shall be due and payable to City upon demand.

(b) Subject to the limitation contained in Section 27 of this Agreement, City may declare the entire principal amount of the Loan, and all other amounts payable under the other Loan Documents, to be immediately due and payable, together with accrued interest on such amounts, without further notice to or demand on Borrower. City may also declare all said amounts due and payable, with interest as aforesaid, upon the occurrence of any event or circumstance allowing City to so do, pursuant to any provisions of the other Loan Documents.

(c) Subject to the limitation contained in Section 27 of this Agreement, City may exercise any or all other remedies available to City in law or in equity under the terms of the Loan Documents or otherwise.

(d) The remedies and rights of City hereunder are cumulative and are not mutually exclusive. City shall be entitled to resort to any one or more or all of said remedies and rights, in any order of priority, neither to the limit or exclusion of any others.

(e) The waiver by City of any breach, default or non-compliance by any other party hereto under the terms of this Agreement or the other Loan Documents, shall not be deemed nor shall the same constitute, a waiver of any subsequent breach, default, or non-compliance on the part of such party.

(f) No course of dealing on the part of the City, or any failure by City to exercise, or any delay in its exercising, any right, power or remedy shall operate as a waiver thereof, or otherwise prejudice City's rights, powers and remedies; nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy.

Section 8. Covenants, Warranties and Representations.

The Borrower represents covenants, and warrants to City as follows:

8.1 Borrower shall be governed, adhere to and obey any and all applicable federal, state and local laws, statutes, ordinances, rules, regulations and executive orders as may be in effect from time to time during the term of this Agreement, including the Act and the Regulations.

8.2 Borrower shall abide by all terms and conditions of the Grant Agreement (as amended from time to time, with the consent of Borrower and, with respect to certain matters contained in Section 27 of this Agreement, F.H.A., unless such amendment is required by the Authority), and the same is expressly incorporated herein by reference.

8.3 Borrower shall abide by all the terms and conditions of this Agreement.

8.4 (a) Borrower is now a limited partnership duly organized and existing and in good standing under the laws of the State and qualified or licensed to do business in any and all other states in which the laws thereof require Borrower to be so qualified and/or licensed; (b) Borrower has the right and power and is duly authorized and empowered to enter into, execute, deliver and perform this Agreement; (c) the execution, delivery and performance by Borrower of this Agreement shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or breach of any provision contained in Borrower's partnership agreement, or any instrument or document to which Borrower is now a party or by which it is bound; (d) Borrower is now solvent and able to pay its debts as they mature; (e) there are no actions or proceedings which are threatened (to Borrower's knowledge) or pending against Borrower which might result in any material and adverse change to Borrower's financial condition, or materially affect Borrower's assets or the security given to City pursuant to this Agreement or any of the other Loan Documents, as of the date of this Agreement; (g) Borrower has, and is in good standing with respect to, all

government permits, certificates, consents (including, without limitation, appropriate environmental clearances and approvals) and franchises necessary to continue to conduct its business, and to own or lease and operate its properties (including but not limited to the Property) as now owned or leased by it; (h) Borrower is not in default with respect to any indenture, loan agreement, mortgage, deed, note or any other agreement relating to the borrowing of monies to which it is a party or by which it is bound; (i) the Financial disclosure presented by Borrower to the City ("Financials") fairly and accurately present the assets, liabilities and financial conditions and results of operations of Borrower as of the dates of the Financials; and (j) there has been no material and/or adverse change in the assets, liabilities or financial condition of Borrower since the dates of the aforesaid Financials other than as a result of the Loan and the Senior Financing.

8.5 Borrower shall cause all current outstanding loans and/or liens to be subordinated to this Loan if such subordination is necessary to assure that the City occupies no less than a third secured lien position on all of the Collateral. Borrower shall furnish the City documents satisfactory to the City which evidence Borrower's compliance with this Paragraph 8.5 prior to disbursement of Loan proceeds.

8.6 Borrower shall pay promptly when due, all of the taxes, assessments, levies or other charges or impositions of any taxing body or other governmental authority assessed, levied or imposed upon Borrower or upon any of the earnings, operations, stock or any property or asset when the same is due and payable.

8.7 Developer shall maintain financial records prepared by a certified public accountant in accordance with generally accepted accounting principles consistently applied, not less frequently than annually, and certified to the City by a general partner of the Developer. The form and content of such financial statements and records shall be the same as required by F.H.A., unless the City specifies additional or different requirements. Within 120 days following the close of each fiscal year of Developer, the Developer shall provide a copy of the aforesaid annual financial statement(s) to the City. In addition, upon request by the Department, Developer shall submit to the Department no more frequently than once per calendar quarter, statements of Developer's employment profile and Borrower's financial condition.

8.8 Borrower shall immediately notify the City of any and all events or actions which may materially affect Borrower's abilities to carry on its operations or perform all of its obligations under this Agreement or any other agreements with respect to the Project, whether senior or junior to the Loan, and whether now existing or hereafter entered into by Borrower with respect to the Project, so long as the indebtedness hereunder or under any of the other Loan Documents remain unsatisfied.

8.9 The time frame for the beginning and completion of the Project, shall be as specified in Exhibit A of the Grant Agreement, as amended from time to time.

8.10 All representations and warranties of Borrower, contained in this Agreement shall be true at the time of its execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto.

Section 9. Governmental Approvals.

Borrower warrants that it has obtained or has reasonable assurance that it will obtain, all federal, state and local governmental approvals and reviews required by law to be obtained for the Project. Borrower shall obtain a similar warranty from any person who receives Loan funds hereunder.

Section 10. Completion of the Project.

Borrower represents that it acknowledges that the Authority, in selecting the City for the Grant award, relied in material part upon the assured completion of the Project, and, Borrower hereby warrants that such activity will be completed.

Section 11. Assurances of Project Jobs.

Borrower shall use its best efforts to create or cause to be created, within the time specified in Exhibit A of the Grant Agreement, the specified number of new permanent job opportunities and construction job opportunities including the specified number of new permanent job opportunities for minorities, J.T.P.A.- eligible persons, or persons who, at the time of their hiring, will be persons of low and moderate income. In order to assist and enable the City to report to the Authority, as the Authority may require, the Borrower agrees to report to the City as the City may from time to time require, on the numbers and kinds of such jobs created or caused to be created and filled, and, provide such other information or documentation as the City may reasonably require to enable the City to comply with any reporting requirements of the Authority.

Section 12. Inspection and Review.

12.1 Books and Records. Borrower shall keep and maintain such books, records and other documents as shall be required under rules and regulations now or hereafter applicable to grants made under the I.D.A.G. Program, and as may be reasonably necessary to reflect and disclose fully the amount and disposition of proceeds of the Loan, the total cost of the activities paid for, in whole or in part, with proceeds of the Loan, and the amount and nature of all investments related to such activities which are supplied or to be supplied by other sources. All such books, records and other documents shall be available at the offices of Borrower for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the City, or the Authority or the Comptroller General of the United States.

12.2 Site Visits. Any duly authorized representative of the City or the Authority shall, at all reasonable times, have access to all portions of the Project.

12.3 Duration of Inspection Rights. The rights of access and inspection provided in this Section 9 shall be as follows:

- (a) For the Authority, until the completion of all closeout procedures respecting the I.D.A.G. Grant and final settlement and conclusion of all matters arising therefrom;
- (b) For the City, until the Loan is paid in full and final settlement and conclusion of all matters arising therefrom.

Section 13. Acceleration Upon a Sale, Refinancing or Syndication.

Subject to the limitations contained in Section 27, upon a sale, partial sale, refinancing or syndication of the Project, the outstanding principal balance of the Loan together with any accrued and unpaid interest thereon, plus any late charges, attorneys or collection fees due and owing, shall at the sole option of the City, without further notice, demand or presentment to Borrower by City, become immediately due and payable.

Section 14. No Waiver of Defaults.

No waiver by City of any default shall operate as a waiver of any other default or of the same default on a future occasion.

Section 15. Assignment by the City.

All rights of the City to and under this Agreement and in and to the Security hereunder or under any of the other Loan Documents shall pass to and may be exercised by an assignee thereof. Borrower agrees that if City gives notice to Borrower of an assignment of said rights, upon such notice, the liability of Borrower to the assignee shall be immediate and absolute. Borrower shall not set up any claim against City as a defense, counterclaim or setoff to any action brought by any such assignee for the unpaid balance owed hereunder or for possession of the Collateral, provided that the Borrower shall not waive hereby any right of action to the extent that waiver is expressly made unenforceable under applicable law.

Section 16. Illinois Development Finance Authority Approval.

During the term of this Agreement, it shall not be amended in any material respect without the prior written approval of the Authority. "Material," for purposes of this Section, shall be defined as anything which cancels or reduces any developmental, construction, job creating or financial obligation of Borrower or Senior Lender by more than 10 percent (10%), changes the site or character of any development activity or increases any time for performance by a party by more than thirty (30) days, other than by reason of Force Majeure.

Section 17. Equal Employment Opportunity.

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

(1) It will not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service; and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.

(2) That, if it hires additional employees in order to perform its portion of the Project, it will determine the availability (in accordance with the Department's and the City's rules

and regulations) of minority and women in the area(s) from which it may reasonably recruit and it will hire for each job classification for which employees are hired in such a way that minorities and women are not underutilized.

(3) That in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military service.

(4) That it will send to each labor organization or representative of workers with which it has or is bound by a collective bargaining or other agreement or understanding, a notice advising such labor organization or representative of the contractor's obligations under the Illinois Human Rights Act and the Department's or City's rules and regulations. If any such labor organization or representative fails or refuses to cooperate with the contractor in its efforts to comply with the Illinois Human Rights Act and the Department's or City's rules and regulations, the Borrower and his contractor will promptly so notify the Department, the Authority and the City, and will recruit employees from other sources when necessary to fulfill its obligations thereunder.

(5) That it will submit reports as required by the Department's rules and regulations, furnish all relevant information as may from time to time be requested by the Department or the Authority, or the City, and in all respects comply with the Illinois Human Rights Act and the Department's rules and regulations.

(6) Borrower will include the provisions of hereof in every contract, and will require the inclusion of these provisions in every subcontract entered into by any of its contractors, so that such provisions will be binding upon each such contractor or subcontractor, as the case may be.

Section 18. No Assignment or Succession.

No transfer of Loan funds by the City to Borrower shall be, or be deemed to be, an assignment of Grant funds, and Borrower shall not succeed to any rights, benefits or advantages of the City under the Grant, nor attain any rights, privileges, authorities or interests in or under the Grant.

Section 19. Disclaimer of Relationship.

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

Section 20. Conflict of Interest.

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

Section 21. Limitation of Liability.

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

Section 22. Time of the Essence.

Time is of the essence of this Agreement.

Section 23. Notices.

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

If to City:

City of Chicago, Illinois Department of
Housing

Chicago, Illinois 60602
Attention: Commissioner

If to Borrower:

c/o City Lands Corporation
1950 East 71st Street
Chicago, Illinois 60649
Attention: Sara Lindholm

With Copy to:

Illinois Development Finance Authority
Two North LaSalle Street
Suite 789
Chicago, Illinois 60602

and Copy to:

City of Chicago
c/o Department of Law
City Hall -- Room 511
Chicago, Illinois 60602
Attention: Corporation Counsel

and Copy to:

Rudnick & Wolfe
30 North LaSalle Street
Chicago, Illinois 60602
Attention: Jay Gilbert

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

Section 24. Severability.

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

Section 25. Governing Law.

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

Section 26. Indemnification.

To the fullest extent permitted by law, Borrower hereby agrees to protect, indemnify, defend and save harmless, the City and its officers, agents and employees from and against any and all liability, expense or damage of any kind or nature and from any suits, claims, or demands, including legal fees and expenses on account of any matter or thing or action or failure to act by the City, whether in suit or not, arising out of this Agreement, or under any of the other Loan Documents, or under the Grant Agreement, in connection herewith or therewith, unless such suit, claim or damage is caused by or results from any act, omission or willful malfeasance of the City, its officers, agents and authorized employees. This obligation on the part of Borrower shall survive the closing of the Loan, the repayment thereof and any cancellation of this Agreement.

Section 27. Acknowledgement of F.H.A. Requirements.

Notwithstanding anything contained herein to the contrary, for so long as the F.H.A. Regulatory Agreement is in effect, the Borrower shall not, without the prior written approval of F.H.A., (a) convey, transfer or encumber any of the mortgaged property, or permit the conveyance, transfer or encumbrance of such property, or (b) assign, transfer, dispose of, or encumber any personal property of the Project, including rents, or payout any funds except from surplus cash, except for reasonable operating expenses and necessary repairs, unless otherwise permitted by F.H.A.

Borrower and the City will enter into an agreement with F.H.A. which will give F.H.A. certain supervisory rights with respect to the disbursement of funds and declaration of defaults hereunder, in accordance with 24 C.F.R. 207 19 (c), and F.H.A. rules and procedures.

In the event of a conflict with the terms of this Agreement and the terms of the F.H.A. Regulatory Agreement, with respect to disbursement of Loan funds, repayment or recall of Loan proceeds (including repayment of Principal, Interest and participation in Net Cash Flow), the attachment of any collateral held pursuant to this Agreement, the payment of

any penalties or any other sum due and owing under the terms of this Agreement, the F.H.A. Regulatory Agreement will control, as determined by the Secretary of H.U.D.

Section 28. Non-Recourse.

The obligations of the Developer created under this Agreement and the other Loan Documents are solely that of the Developer and none of the partners of the Developer shall have any liability for the payment of any sums due hereunder, and, there shall be no recourse against the partners of Developer individually or any assets of such partners which are not assets of the Developer, except with respect to duties to indemnify the City hereunder.

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

[Signature forms omitted for printing purposes.]

APPROVAL GIVEN FOR ISSUANCE AND SALE OF MULTI-FAMILY
HOUSING REVENUE BONDS, SERIES 1986, FOR
CHICAGO BEACH APARTMENTS PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, approving the issuance and sale of Multi-Family Housing Revenue Bonds, Series 1986 in the amount not to exceed \$3,800,000.00 (Industrial Development Bond Insurance -- Chicago Beach Apartments) for the acquisition of the real estate located at the corner of East 51st Street and South Cornell Avenue and rehabilitation of apartment facilities located at 5100 South Cornell Avenue.

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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuller, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, The City of Chicago, Illinois (the "City") is a body politic and corporate under the laws of the State of Illinois and a home rule unit of local government under Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois; and

WHEREAS, As a home rule unit of local government, the City may exercise any power and perform any function pertaining to its government and affairs including, but not limited to, the power to regulate for the protection of the public health, safety, morals and welfare, to license, to tax and to incur debt; and

WHEREAS, It is necessary and in the best interest of the City to (1) provide for and promote the public health, safety and welfare; (2) relieve conditions of unemployment and encourage the increase of industrial and commercial activities and economic development of the City, so as to reduce the evils attendant upon unemployment; (3) provide for efficient, well planned urban growth and development, including the prevention and elimination of slum areas and urban blight; and (4) preserve and increase the City's *ad valorem* tax base; and

WHEREAS, The City Council of the City has heretofore found and does hereby find that there exists within the City a serious shortage of decent, safe and sanitary rental housing which persons, including those of low and moderate income, can afford and that such housing shortage is harmful to the health, prosperity, economic stability and general welfare of the City and adversely affects the tax base; and

WHEREAS, Private enterprise and investment have been unable, without assistance, to provide the needed decent, safe and sanitary rental housing or to provide sufficient mortgage financing at reasonable rates for such rental housing; and

WHEREAS, Pursuant to an ordinance adopted by the City Council of the City on April 25, 1985, the City has entered into a Memorandum of Agreement with 5100 Cornell Partners, an Illinois limited partnership (the "Owner"), regarding the issuance of revenue bonds by the City to assist in financing the acquisition of the real estate located at the southwest corner of East 51st Street and Cornell Avenue in the City, and the substantial rehabilitation and equipping of a building situated thereon to be known as Chicago Beach Apartments, to consist of approximately 95 dwelling units, at least 20% of which will be occupied by eligible income persons (the "Project"); and

WHEREAS, It is necessary and desirable in order to increase the supply of decent, safe and sanitary rental housing within the corporate limits of the City and for the enhancement of the tax base and the general welfare of the City and its inhabitants to assist in financing the acquisition, rehabilitation and equipping of the Project; and

WHEREAS, It is proposed that the City provide funds to make a permanent mortgage loan (the "Mortgage Loan") to American National Bank and Trust Company of Chicago, not individually, but solely as trustee under a Trust Agreement dated as of March 4, 1986, known as Trust No. 66746 (the "Mortgagor") to enable the Mortgagor, on behalf of the Owner, to accomplish the acquisition, rehabilitation and equipping of the Project, all as set forth in the Loan Agreement and Indenture hereinafter referred to; and

WHEREAS, Additional funds needed for the acquisition, rehabilitation and equipping of the Project will be available from the United States Department of Housing and Urban Development pursuant to a Housing Development Grant; and

WHEREAS, It is further proposed that in order to provide moneys to fund the Mortgage Loan, the City shall issue its Multi-Family Housing Revenue Bonds, Series 1986 (Chicago Beach Apartments Project) in an aggregate principal amount not to exceed \$3,800,000 (the "Bonds"); and

WHEREAS, The Bonds will be insured upon initial issuance pursuant to a bond insurance policy issued by Firemen's Insurance Company of Newark, New Jersey; and

WHEREAS, The Chicago Corporation, The First National Bank of Chicago and Salomon Brothers Inc. (the "Underwriters"), will submit to the City a proposed form of Bond Purchase Agreement (hereinafter defined) relating to the Bonds; and

WHEREAS, The City held a public hearing concerning the issuance of the Bonds following reasonable public notice of such hearing in accordance with the requirements of Section 147(f) of the Internal Revenue Code of 1986; and

WHEREAS, Proposed forms of the Loan Agreement, the Indenture and a Land Use Restriction Agreement (as respectively defined hereafter) have been presented to and are before this meeting; now, therefore,

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

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

"Bond Purchase Agreement" shall mean a Bond Purchase Agreement relating to the purchase of the Bonds to be entered into by the City, the Owner and the Underwriters.

"Bonds" shall mean the Multi-Family Housing Revenue Bonds, Series 1986 (Chicago Beach Apartments Project) of the City in an aggregate principal amount not to exceed \$3,800,000 authorized to be issued pursuant to this Ordinance and the Indenture.

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

"Indenture" shall mean the Trust Indenture relating to the Bonds, to be entered into by the City and the Trustee, as approved by this Ordinance, as the same may be supplemented from time to time in accordance with its terms.

"Land Use Restriction Agreement" shall mean the Land Use Restriction Agreement relating to the Bonds and the Project, to be entered into by the Mortgagor, the Owner, the City and the Trustee, as approved by this Ordinance, as the same may be amended from time to time in accordance with its terms.

"Loan Agreement" shall mean the Loan Agreement to be entered into among the Owner, the Mortgagor and the City, as approved by this Ordinance, as the same may be amended from time to time in accordance with its terms.

"Mortgage Loan" shall mean the mortgage loan relating to the Project to be funded from Bond proceeds.

"Mortgagor" shall mean American National Bank and Trust Company of Chicago, Chicago, Illinois, not individually but solely as trustee under a Trust Agreement dated as of March 4, 1986 known as Trust No. 66746, and any successor owner of the Project.

"Official Statement" means the Preliminary Official Statement describing the Bonds, as the same may be completed and corrected at the time the Bond Purchase Agreement is executed and approved as the Final Official Statement for distribution by the Underwriters.

"Owner" shall mean 5100 Cornell Partners, an Illinois limited partnership, and its successors and assigns.

"Project" is defined in the preambles to this Ordinance.

"Project Costs" shall mean and include the sum total of all reasonable or necessary costs incidental to the acquisition, rehabilitation, equipping and financing of the Project, including, without limitation, the following: the costs of studies and surveys; plans and specifications, architectural and engineering services; underwriting fees; legal, accounting, marketing and other special services relating to the Project or incurred in connection with the issuance and sale of the Bonds; necessary commitment, application and other fees to federal, state and local governmental agencies for any requisite permits, licenses and other approvals for construction; acquisition and installation of equipment, appliances and other items of personal property; the relocation of utilities, public ways; and parks; demolition, construction, rehabilitation, reconstruction, repair or remodeling of existing buildings, landscaping and site development and all other necessary and incidental expenses, including trustee, servicer and rating agency fees and expenses, attorneys fees and expenses, initial debt service reserves, together with interest on the Mortgage Loan to a date not subsequent to the estimated date of completion; any premium for mortgage insurance or other insurance with respect to the Bonds; and such other expenses as the City may deem appropriate to effectuate the purposes of this Ordinance.

"Trustee" shall mean American National Bank and Trust Company of Chicago, in the City of Chicago, Illinois, and its successors in trust as trustee under the Indenture.

"Underwriters" shall mean the underwriters described in the preambles hereto.

SECTION 2. In order to promote the general welfare of the City and its inhabitants by increasing the City's *ad valorem* tax base and in furtherance of the other public purposes set forth above, the Project is authorized to be financed as described herein. A portion of the total estimated costs of the Project will be financed by the Issuance of the Bonds hereinafter authorized and the loan of the proceeds thereof to the Mortgagor pursuant to the Loan Agreement and the Indenture. It is hereby found and declared that the financing of the Project and the use of the Project by the Mortgagor and the Owner is necessary to accomplish the public purposes described herein and in the preambles hereto.

SECTION 3. For the purpose of financing a portion of the Project Costs, the City does hereby authorize the issuance of Bonds to be designated "City of Chicago, Illinois, Multi-Family Housing Revenue Bonds, Series 1986 (Chicago Beach Apartments Project)" in the aggregate principal amount of not to exceed \$3,800,000. The Bonds shall be subject to redemption and tender prior to maturity upon the terms and conditions set forth in the Indenture as executed and delivered by the City and shall be sold to the Underwriters at a price of not less than 98% of the aggregate principal amount thereof, plus accrued interest thereon to the date of delivery of the Bonds. The Bonds shall be dated, mature on such dates and in such principal amounts and bear interest at such rate or rates (not to exceed ten percent (10%) per annum) payable on such dates (not beyond December 1, 2023), all as shall be approved by either the Mayor or the City Comptroller, and, in addition, the Owner, at the time the Bond Purchase Agreement is executed.

SECTION 4. The Bonds, together with interest thereon, shall be limited obligations of the City secured by the Trust Estate, as defined in the Indenture, payable solely from the revenues and receipts derived from the Mortgage Loan and other assets and funds held under the Indenture, including without limitation moneys attributable to Bond proceeds, bond insurance proceeds, certain funds established under the Indenture and the income from the temporary investment thereof, and shall be a valid claim of the owner thereof only against the Trust Estate held by the Trustee under the Indenture. The nature of the obligation represented by the Bonds is as more fully set forth in the Indenture.

SECTION 5. The Bonds shall be executed on behalf of the City in the manner provided in the Indenture. If any of the officials or officers who shall have signed or sealed any of said Bonds shall cease to be such officials or officers of the City before the Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the City, such bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds had not ceased to be such official or officials or officer or officers of the City; and also any such Bonds may be signed and sealed on behalf of the City by those persons who, at the actual date of the execution of such Bonds, shall be the proper officials or officers of the City, although at the nominal date of such Bonds any such person shall not have been such official or officer of the City.

SECTION 6. The Indenture is hereby approved in substantially the form presented to this meeting and filed in the official records of the City Clerk, and the Mayor or the City Comptroller of the City is hereby authorized and directed to execute, acknowledge and deliver the Indenture on behalf of the City, attested by the City Clerk or Deputy City Clerk, with such changes, insertions and completions therein as shall be approved by such persons executing such document (subject to the limitations set forth in Section 3 hereof), their execution to constitute conclusive evidence of such approvals, and the City Clerk or Deputy City Clerk is hereby authorized and directed to affix to the Indenture the corporate seal of the City. The Policy (as defined in the Indenture) is hereby approved.

SECTION 7. The Mayor or City Comptroller of the City is hereby authorized and directed to execute and deliver the Bond Purchase Agreement on behalf of the City, in such form as may be approved by the officer of the City executing the same (subject to the limitations set forth in Section 3 hereof), and the sale of the Bonds by the City pursuant to the Bond Purchase Agreement is hereby authorized, approved and directed.

SECTION 8. The Loan Agreement is hereby approved in substantially the form presented to this meeting and filed in the official records of the City Clerk, and the Mayor or the City Comptroller of the City is hereby authorized and directed to execute, acknowledge and deliver the Loan Agreement on behalf of the City, attested by the City Clerk or Deputy City Clerk, with such changes, insertions and completions therein as shall be approved by such persons executing such document, their execution to constitute conclusive evidence of such approval, and the City Clerk or Deputy City Clerk is hereby authorized and directed to affix to the Loan Agreement the corporate seal of the City.

SECTION 9. The Land Use Restriction Agreement is hereby approved in substantially the form presented to this meeting and filed in the official records of the City Clerk, and the Mayor or the City Comptroller of the City is hereby authorized and directed to execute, acknowledge and deliver the Land Use Restriction Agreement on behalf of the City, attested by the City Clerk or Deputy City Clerk, with such changes, insertions and completions therein as shall be approved by such persons executing such document, their execution to constitute conclusive evidence of such approval, and the City Clerk or Deputy City Clerk is hereby authorized and directed to affix to the Land Use Restriction Agreement the corporate seal of the City.

SECTION 10. The distribution of the Official Statement by the Underwriters in preliminary and final form is hereby approved. The Official Statement shall state that the City has not participated in the preparation of the Official Statement and has not made an independent investigation with respect to the information contained therein, and the City assumes no responsibility for the accuracy or completeness of the information contained therein other than the information contained under the heading "The City" and "No Litigation" to the extent applicable to the City.

SECTION 11. The appointment of American National Bank and Trust Company of Chicago, as Trustee under the Indenture, is hereby authorized, approved and confirmed.

SECTION 12. The Mayor, City Comptroller, City Clerk and Deputy City Clerk for and on behalf of the City be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the City under and pursuant to this Ordinance and the Indenture, the execution and delivery of the Bonds and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor, City Comptroller, City Clerk and Deputy City Clerk be, and they hereby are, further authorized and directed for and on behalf of the City, to execute all documents, certificates and other instruments that may be required under the terms of the Bond Purchase Agreement, the Loan Agreement, the Land Use Restriction Agreement or the Indenture or that may be required for the carrying out of the authority conferred by this Ordinance or to evidence said authority and to exercise and otherwise take all necessary action to the full realization of the rights and purposes of the City under the Bond Purchase Agreement, the Loan Agreement, the Land Use Restriction Agreement and the Indenture and to discharge all of the obligations of the City hereunder and thereunder.

SECTION 13. The Mayor and the City Comptroller may each designate another person to act as their respective proxy and to affix their respective signature to the Bonds, whether

in temporary or definitive form, and any instrument, agreement, certificate or document required to be signed by the Mayor or the City Comptroller pursuant to this Ordinance. In such case, each shall send to the City Council written notice of the person so designated by each, such notice stating the name of the person so selected and identifying the instruments, agreements, 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, agreement, 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 placed on an instrument, agreement, certificate or document at the direction of the City Comptroller in the specified manner, the same, in all respects, shall be binding on the City as if signed by the City Comptroller in person.

SECTION 14. If any section, paragraph, clause or provision of this Ordinance shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

SECTION 15. To the extent that any statute, or ordinance, resolution or order of the City, or any part thereof, is in conflict with the provisions of this Ordinance, the provisions of this Ordinance shall be controlling.

SECTION 16. This Ordinance shall be in full force and effect upon its adoption and approval.

[Trust Indenture, Loan Agreement and Land Use Restriction
Agreement attached to this ordinance omitted for
printing purposes but on file and available
for inspection in the Office of the
City Clerk.]

EXECUTION OF REDEVELOPMENT AGREEMENT FOR
5100 CORNELL PARTNERS PROJECT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a redevelopment agreement whereby Housing Development Action Grant Funds in the amount of \$816,463.00, will be loaned to assist in the rehabilitation of the apartment facilities, located at 5100 South Cornell Avenue.

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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuller, Volini, Orr, Stone -- 42.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, D.O.H. has as its primary purpose the creation of safe, decent, affordable housing for the residents of the City; and

WHEREAS, American National Bank and Trust Company, as trustee under a trust agreement with 5100 Cornell Partners, an Illinois limited partnership, (collectively, "Borrower") intends to acquire real estate located at the southwest corner of East 51st Street and Cornell Avenue in Chicago, Illinois, and the substantial rehabilitation and equipping of a building situated thereon to be known as Chicago Beach Apartments, to consist of approximately 95 dwelling units, at least 20% of which will be reserved for occupancy by eligible low income persons ("the Project"); and

WHEREAS, D.O.H. has made an application to the United States Department of Housing and Urban Development for a Housing Development Grant for funds to be used for a loan to the Borrower to assist in the financing of the acquisition, rehabilitation and equipping by Borrower of said facility; and

WHEREAS, In response to said application the United States Department of Housing and Urban Development ("H.U.D.") has preliminarily approved H.D.G. Grant No. IL004HG502 (the "H.D.G. Grant"), as amended, which provides that up to \$816,463 may be loaned by the City to Borrower; and

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

WHEREAS, The substantial terms of the aforesaid H.D.G. Grant, as amended, are incorporated in the Housing Development Grant Loan Agreement, the form of which is presented before this meeting; now, therefore,

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

SECTION 1. The Commissioner of the Department of Housing ("Commissioner") is authorized to execute a Housing Development Grant Loan Agreement, substantially in the form attached hereto, and with such changes that may be required to conform to the requirements of the H.D.G. Grant, as amended, or by the Secretary of H.U.D.

SECTION 2. The Commissioner is authorized to execute all collateral documents required under or in compliance with the H.D.G. Grant, and to require the execution or

delivery by the Borrower of all collateral documents required under or in compliance with the H.D.G. Grant.

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

Housing Development Grant Loan Agreement attached to this ordinance reads as follows:

Housing Development Grant Loan Agreement.

This Agreement ("Agreement") made in Chicago, Illinois, dated as of the _____ day of _____, 1986, between the City of Chicago, Illinois (the "City"), by and through its Department of Housing ("D.O.H."), having its offices at 318 South Michigan Avenue, Chicago, Illinois 60604, and, American National Bank and Trust Company, ("Trustee") not individually but solely as trustee under Trust Agreement No. 66746, dated March 4, 1986, and, 5100 Cornell Partners, ("Developer"), an Illinois limited partnership, the sole beneficiary of the aforementioned land trust (the Trustee and the Developer sometimes collectively referred to as "Borrower").

Recitals:

Whereas, D.O.H. has as its primary purpose the creation of safe, decent, affordable housing for the residents of the City; and

Whereas, Borrower intends to acquire real estate located at the southwest corner of East 51st Street and Cornell Avenue in Chicago, Illinois, and the substantial rehabilitation and equipping of a building situated to be known as Chicago Beach Apartments, to consist of approximately 95 dwelling units, at least 20% of which will be reserved for occupancy by eligible low income persons ("the Project"); and

Whereas, D.O.H. has made an application to the United States Department of Housing and Urban Development for a Housing Development Grant for funds to be used for a loan to the Borrower to assist in the financing of the acquisition, rehabilitation and equipping by Borrower of said facility; and

Whereas, in response to said application the United States Department of Housing and Urban Development has preliminarily approved H.D.G. Grant No. IL004HG502 (the "H.D.G. Grant"), as amended, which provides that up to \$816,463 may be loaned by the City to Borrower; and

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

Now, Therefore, the parties hereto agree as follows:

Section 1. Definitions.

The following terms shall be defined, for purposes of this Agreement, as follows:

"Restrictive Covenants Agreement" shall mean the agreement executed by and between the City and Borrower which agreement shall be recorded as a covenant running with the land.

"Bond Lender" shall mean the City of Chicago, as lender of the a portion of proceeds of approximately \$3,800,000 City of Chicago, Illinois Multi-Family Housing Revenue Bonds, Series 1986 (Chicago Beach Apartments Project).

"Bond Trustee" shall mean American National Bank and Trust Company of Chicago, as Trustee under a Trust Indenture dated as of December 1, 1986 from the City to the Trustee.

"Equity" shall mean the sum of \$ _____, which represents the equity contribution that the Borrower must satisfy, as determined by the Secretary, and which represents the maximum sum upon which Borrower is entitled to receive a return on Equity prior to loan repayments as described in Exhibit B of this Agreement.

"Force Majeure" means events or occurrences beyond the control of Borrower that cause delay in the completion of the Project, including but not limited to strikes, unavailability of materials, fire or other casualty, weather and acts of God.

"H.D.G. Grant Agreement" or "H.D.G. Grant" shall mean the Agreement Numbered IL004HG502, and dated _____, as amended, between the Secretary of Housing and Urban Development and the City.

"Land Use Restriction Agreement" shall mean that certain Land Use Restriction Agreement among the City, the Bond Trustee, the Trustee and the Developer relating to the Property.

"Loan Documents" shall mean this Agreement, the Security Agreement, the Mortgage, the Note, the Restrictive Covenants Agreement and all other agreements, instruments and documents heretofore, now and from time to time hereafter executed by or on behalf of Borrower, and delivered to City by Borrower.

"Loan Payment Date" shall mean the first day of the fifth month after the close of the Developer's Fiscal year.

"Lower Income Unit" shall mean one of the 19 residential rental units reserved for rental by Qualified Tenants.

"M.B.E." or "W.B.E." shall mean a business enterprise with at least 51% minority (M.B.E.) or female (W.B.E.) ownership, and whose day to day operations are significantly controlled by such minority or female ownership.

"Net Cash Flow" shall mean all operating income and receipts of the Project, less debt service on the first mortgage not to exceed \$3,800,000, real estate taxes and reasonable operating expenses (including a management fee not to exceed 5% of operating income allowable for Federal income tax purposes excluding reserves for capital improvement, depreciation and other non-cash items as may be acceptable to the City).

"Project" shall mean all activities of Borrower in acquiring, rehabilitating, equipping and managing the Property (as hereinafter defined).

"Project Term" shall mean twenty (20) years, which is the minimum period of time Borrower must make available 19 residential rental units to Qualified Tenants (as hereinafter defined).

"Property" shall mean that certain real estate located at 5100 S. Cornell, Chicago, Illinois, and all buildings, facilities, structures and fixtures now existing or hereafter erected thereon.

"Qualified Tenant" shall mean individuals or families of lower income within the meaning of 24 C.F.R. Part 850, Subpart F, eligible to occupy one of the Lower Income Units.

"Secretary" shall mean the Secretary of the United States Department of Housing and Urban Development.

"Senior Financing" or shall mean the loan of the Bond Lender or permitted replacement thereof, plus accrued and unpaid interest, plus additional amounts actually advanced upon a failure of Borrower to perform its obligations under such loans.

Section 2. Consideration.

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

Section 3. Loan.

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

Section 4. Borrower's Covenants.

Borrower warrants, represents and covenants to City as follows:

4.1 Borrower shall be governed, adhere to and obey any and all applicable federal, state and local laws, statutes, ordinances, rules, regulations and executive orders as are now, or may be in effect from time to time during the term of this Agreement.

4.2 The Borrower warrants that it has obtained or has reasonable assurance that it will obtain, all federal, state, and local governmental approvals and reviews required by law to be obtained by the Borrower for the Project and that the Project shall be developed in accordance with applicable state and local building codes.

4.3 The parties hereto agree that no construction shall commence until the City has completed an environmental assessment of the Project in accordance with H.U.D. regulations contained in 24 CFR Part 58.

4.4 The parties hereto agree that they will prepare, implement and maintain a minority and women-owned business development plan, consistent with Presidential Executive Orders No. 11625, 12138, and 12432 and City of Chicago Mayor's Executive Order 85-2 which shall contain specific measurable goals and an affirmative strategy to promote awareness and participation by such businesses in the contracting and procurement activities generated by the Project.

4.5 The Borrower agrees that any duly authorized representative of H.U.D. or the City shall, at all reasonable times during the Project Term and subject to the rights of the tenants under their leases, have access to any parts of the Project in which the Borrower is involved.

4.6 The Borrower agrees to comply with the applicable provisions of: Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3601-19 and implementing regulations; Executive Order 11063 and regulations at 24 CFR Part 107; Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and regulations at 24 CFR Part 1; the Age Discrimination Act of 1975, 42 U.S.C. 6101-07; Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794; Executive Order 11246 and regulations at 41 CFR Chapter 60; and the requirements of Section 3 of the Housing and Urban Development Act of 1968.

4.7 Borrower shall proceed diligently to carry out the Project pursuant to Exhibit A.

4.8 Borrower shall be: (a) bound by and adhere to the applicable requirements of 24 CFR Part 200, Subpart M; and (b) responsible for implementing regulations thereof as found at 24 CFR, Part 106, relating to affirmative fair housing marketing, and the same are expressly incorporated herein by reference.

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

4.10 Borrower shall abide by all terms and conditions of the H.D.G. Grant Agreement, as amended from time to time (provided however that no such amendment shall affect any of the rights or obligation of Borrower under this Agreement unless Borrower has consented to such amendment in writing unless such amendment is required by H.U.D. pursuant to Section 12.02 of the Grant Agreement and the same is expressly incorporated herein by reference.

4.11 Borrower Expressly Agrees That The Funds Available Pursuant To This Agreement Shall Not Be Deemed Committed By The City To The Borrower Until The City Has Received A Release Of Funds ("R.O.F.") From The Secretary, And Any Otherwise Eligible Cost Incurred By The Borrower Prior To Said R.O.F. Shall Be At Its Sole Risk, If The United States Department Of Housing And Urban Development Should Later Withdraw The H.D.G. Grant Funds.

4.12 The time frame for the beginning and completion of the Project, including the beginning and completion of each phase of the Project, shall be as specified in Exhibit E of the H.D.G. Grant Agreement, as amended from time to time, subject to events or occurrences beyond Borrower's control, as may be acceptable to the City and to H.U.D.

Section 5. Inspection and Review.

Books and Records. Borrower shall keep and maintain such books, records and other documents as shall be required under rules and regulations now or hereafter applicable to grants made under the H.D.G. Program, and as may be reasonably necessary to reflect and disclose fully the amount and disposition of proceeds of the Loan, the total cost of the activities paid for, in whole or in part, with proceeds of the Loan, and the amount and nature of all investments related to such activities which are supplied or to be supplied by other sources. All such books, records and other documents shall be available at the offices of Borrower for inspection, copying, audit and examination at all reasonable times by any duly authorized representative of the Secretary or the Comptroller General of the United States (the "Government"), and/or the City.

Section 6. Labor Standards.

Borrower shall be required to meet (including all contractors of Borrower), for all laborers and mechanics employed on the construction of the Project, labor standards and prevailing wage rates not less than those prevailing on similar construction in the locality, as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended, 40 U.S.C. 276a-276a-5, and any contracts involving the employment of such persons shall be subject to the provisions of the Contract Work Hours and Safety Standards Act, as amended 40 U.S.C. 327-333.

Section 7. Certificate of Completion.

Promptly after completion by Borrower of each building, as certified to by an architect or other person or entity which is acceptable to the City and H.U.D., the City will at Borrower's request, furnish Borrower with appropriate instruments certifying such completion. Such certifications shall be a conclusive determination of satisfaction, discharge and termination of the covenants in this Agreement with respect to the obligations of Borrower and its successors and assigns to undertake the Project in accordance with the dates for the beginning and completion thereof. The certifications shall be in such form as will enable them to be recorded. If the City shall refuse or fail to provide the certifications within 5 days of a request for such certification by Borrower, the City shall, within 30 days thereafter, provide Developer with a written statement indicating in adequate detail how Borrower has failed to complete the construction or rehabilitation of the improvements in conformity with this Agreement, or is otherwise in default, and what measures or acts will be necessary in the opinion of the City for Borrower to make or perform in order to obtain such certification.

Section 8. Restrictions on Use.

During the term of the Loan, Borrower shall devote the Property solely for purposes of a residential rental facility consisting of 150 rentable apartments and approximately 8,335 net rentable square feet of commercial space.

Section 9. Permitted Liens.

9.1 During the term of the Loan, except for the liens of Bond Lender and I.D.A.G. Lender, Borrower shall not grant security interests in, nor otherwise encumber the security to be created pursuant to Exhibit C to this Agreement unless the City consents.

9.2 Subject to the provisions of Paragraph 9.3 of this Section IX, the following shall be Permitted Liens against the Project: (a) liens for taxes not delinquent or taxes being contested in good faith by appropriate proceedings; (b) deposits or pledges to secure obligations under workmen's compensation, social security or similar laws, or under unemployment insurance; (c) deposits or pledges given in the ordinary course of business to secure bids, tenders, contracts (other than contracts for the payment of money), leases and other like obligations; (d) judgment liens unless the judgment secured shall remain unstayed, undischarged or unbonded for 30 days; (e) mechanics', workmen's, materialmen's, or other like liens arising in the ordinary course of business being contested in good faith; (f) easements, rights of way, zoning restrictions and similar charges or encumbrances not interfering with the operations of the Borrower, any subsidiary of Borrower or the Project; (g) purchase money mortgages, liens, pledges or security interests existing in collateral or property acquired by Borrower after the date of this Agreement, provided that City's perfected security interest in assets of Borrower granted to secure repayment of the Loan shall have a value (as determined by independent appraisal, if necessary, and paid for solely by Borrower), of no less than 120% of the then outstanding principal balance of the Loan; and (h) liens permitted under Paragraph 9.1.

9.3 Further, Borrower shall promptly give written notice of any Permitted Liens affecting the Property, where the City's prior consent pursuant to this Section IX, is not required. In the event any such Permitted Lien is in excess of \$5,000 and not bonded or insured over by the title insurer, Borrower shall provide evidence of reserves and/or grant additional security to the City, as the latter may reasonably request to assure its security in the H.D.G. Collateral is not materially diminished by such Permitted Lien.

Section 10. Events of Default; Substantive Violations.

10.1 The occurrence of any of the following events or conditions shall be a default of this Agreement: (a) default in the payment ("monetary default"), or performance of any of the obligations or of any covenants or liabilities of Borrower, contained or referred to herein, after the expiration of the Cure Period (as hereinafter defined); (b) any warranty, representation or statement made or furnished to City by or on behalf of Borrower, proving to have been false in any material respect when made or furnished; (c) any action by Borrower in contravention of the H.D.G. Grant Agreement, or which serves to place the City in violation thereof; (d) the making of any levy, seizure or attachment on the H.D.G. Collateral; (e) involuntary dissolution, termination of existence (except occurring upon a sale, partial sale or syndication of the Project pursuant to Section 11 hereof), insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or

insolvency laws by or against Borrower or any guarantor or surety of Borrower, or uncured default on the Loan; (f) a default of any of the Senior Financing. All defaults other than those described in subparagraph (a) are hereinafter referred to as "non-monetary defaults."

If a monetary default or a non-monetary default shall have occurred, and shall continue for 10 or 60 days, respectively, from receipt of notice thereof (deemed to be 3 days after City has placed said notice in the United States Mails, addressed to Borrower and to Lender A and Lender B, first class postage, certified, return receipt requested, all prepaid), Borrower has not cured said default(s), (the "Cure Period"), then the City shall have the right to exercise the remedies provided in Section II of this Agreement; provided, however, that in the event a non-monetary default cannot reasonably be cured within the aforesaid 60 day period, and if Borrower has commenced efforts to cure, then the time to cure such non-monetary default shall be extended so long as Borrower diligently continues to cure such default; provided further, that in the case of a default under the Senior Financing, the cure period granted therein shall be the cure period under this Agreement.

10.2 Violation of any of the following Borrower agreements, covenants and representations shall result in a substantive violation ("Substantive Violation") of this Agreement:

(1) The Borrower agrees not to convert any units in the Project to condominium ownership or to a form of cooperative ownership that is not eligible to receive a H.D.G. during the period beginning on the date on which units in the Project are available for occupancy and continuing for the twenty-year period beginning from the date on which 50 percent of the total units in the Project are occupied (the "Project Term").

(2) The Borrower agrees that during the Project Term the Borrower will not discriminate against prospective tenants on the basis of their receipt of or eligibility for housing assistance under any Federal, State, or local housing assistance program or, except for units specifically identified in this Agreement as designated for the elderly and for units that are too small for the intended occupancy, on the basis that they have a minor child or children who will be living with them.

(3) The Borrower agrees that the number of units by bedroom distribution specified in this Agreement as available for occupancy by lower income households ("Lower Income Units") shall be occupied or available for occupancy by lower income households during the Project Term.

(4) The Borrower acknowledges that rents for Lower Income Units are limited by H.D.G. regulation 24 CFR 850.151, and that lower income rents and tenant income shall be determined in accordance with H.U.D. regulations at 24 C.F.R Part 850, Subpart F.

(5) The Borrower agrees to lease Lower Income Units only to tenants who are lower income at the time of initial occupancy. Furthermore, the Borrower agrees to reexamine the income of each tenant household living in Lower Income Units at least once a year. When a tenant occupying a Lower Income Unit ceases to be lower income, the Borrower agrees to take the appropriate actions described in H.D.G. regulation 24 CFR 850.151(f). The procedures to be followed in implementing this provision are incorporated herein.

(6) The Borrower agrees to recalculate lower income rents at least annually, in accordance with the H.U.D. regulations at 24 CFR Part 850 and to submit the first rent recalculation to the City no later than 60 days prior to initial occupancy.

(7) The Borrower agrees to provide tenants occupying Lower Income Units at least 30 days prior written notice before implementing any increase in rent for the unit occupied by such tenant.

Section 11. Remedies Upon Default or Substantial Violation.

Upon the occurrence of any Event of Default, City shall be entitled, at City's option, to exercise any one or more of the following rights and remedies:

(a) City may (but shall not be obligated to) perform any of the obligations, covenants and/or agreements under the Loan Documents, or to make any of the payments with respect to which the Event of Default has occurred and any amount incurred or expended by City in so doing, plus interest thereon at the rate then payable upon the Loan, shall be secured by all of the security for the Loan and shall be due and payable to City upon demand.

(b) City may declare the entire principal amount of the Loan, and all other amounts payable under the other Loan Documents, to be immediately due and payable, together with accrued interest on such amounts, without further notice to or demand on Borrower.

(c) City may exercise any or all other remedies available to City in law or in equity under the terms of the Loan Documents or otherwise.

(d) The remedies and rights of City hereunder are cumulative and are not mutually exclusive. City shall be entitled to resort to any one or more or all of said remedies and rights, in any order of priority, neither to the limit or exclusion of any others.

(e) The waiver by City of any breach, default or non-compliance by any other party hereto under the terms of this Agreement or the other Loan Documents, shall not be deemed, nor shall the same constitute, a waiver of any subsequent breach, default, or non-compliance on the part of such party.

(f) No course of dealing on the part of the City, or any failure by City to exercise, or any delay in its exercising, any right, power or remedy shall operate as a waiver thereof, or otherwise prejudice City's rights, powers and remedies; nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof, or the exercise of any other right, power or remedy.

(g) The City agrees that upon a determination of a Substantive Violation by the Borrower of its obligations under Section 10.2, the City shall notify the Owner in writing (A) of the details of the Violation, (B) actions to be taken and the remedies to be applied to cure the Violation, and (C) of a sixty (60) day cure period for the Borrower either to contest the determination of a Violation or to take actions to cure the Violation.

(h) Subject to the limitation contained in Section 25 of this Agreement, if the Borrower does not correct a Substantive Violation, the principal amount of the Loan shall become immediately due and payable plus simple interest accrued at a rate determined by H.U.D. by adding two percent to the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the initial H.D.G. funds were released. The principal amount and accrued interest to be repaid shall be reduced by ten percent for each full year in excess of ten years that intervened between the beginning of the term of this Agreement and the Violation.

Section 12. Borrower Indemnification.

Borrower shall save, defend and hold harmless, the City, from any of all liability of City to H.U.D. occasioned by Borrower's actions which cause the City to violate any provisions of the H.D.G. Grant Agreement.

Section 13. Sale/Partial Sale/Refinancing/Syndication.

During the term of the Loan, Borrower may sell, partially sell, refinance, syndicate or otherwise dispose of the Project so long as Borrower's successor, prior to the conclusion of one of the aforesaid transactions, expressly agrees to assume (subject to any limitations on liability or recourse contained herein or therein, as may be acceptable to the City) all of the obligations of Borrower under this Agreement, and any and all other agreements, understandings, documents, and/or instruments, now existing or hereafter created, relating to the Loan; provided, however, that the aforesaid rights are subject to any obligations of Borrower under the H.D.G. Grant Agreement. If Borrower concludes a transaction which is not in compliance with the terms of this Section XIII, the City may, in its sole discretion accelerate the Loan, and demand immediate and full payment thereof (including penalties as provided in the H.D.G. Grant Agreement), by Borrower.

Section 14. General.

14.1 No waiver by City of any default shall operate as a waiver of any other default or of the same default on a future occasion. All rights of City hereunder shall inure to the benefit of its successors and assigns; and all obligations of Borrower shall bind its executors or administrators or its successors or assigns.

14.2 This Agreement shall become effective, after signed by the City, when it is signed by the Borrower.

14.3 All rights of City to and under this Agreement, and in and to the H.D.G. Collateral shall pass to and may exercised by any assignee thereof. Borrower agrees that if City gives notice to Borrower of an assignment of said rights, upon such notice, the liability of Borrower to the assignee shall be immediate and absolute. Borrower shall not set up any claim against the City as a defense, counterclaim or setoff to any action brought by any such assignee for the unpaid balance owed hereunder or for possession of the Collateral, provided that Borrower shall not waive hereby any right of action to the extent that waiver is expressly made unenforceable under applicable law.

Section 15. Housing and Urban Development Approval.

During the term of this Agreement, it shall not be amended in and material respect without the prior written approval of the Secretary. "Material," for purposes of this Section, shall be defined as anything which cancels or reduces any developmental, construction, job creating or financial obligation of Borrower, Bond Lender, or I.D.A.G. Lender by more than 10 percent (10%) in the aggregate, changes the site or character of any development activity or increases any time for performance by a party by more than thirty (30) days other than by reasons of Force Majeure.

Section 16. Equal Employment Opportunity.

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

16.1 Borrower will develop an affirmative action plan to ensure equal employment opportunities without regard to race, color, religion, sex, national origin, age or physical handicap. Such plan may include, but not be limited to, the following: employment upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay, or other forms of compensation, and selection for training, including apprenticeship. Borrower agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

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

16.3 Borrower will include the provisions of subsections 16.1 and 16.2 of this Section XVI in every contract, and will require the inclusion of these provisions in every subcontract entered into by any of its contractors, so that such provisions will be binding upon each such contractor or subcontractor, as the case may be.

16.4 The Borrower agrees to market units in the Project in accordance with the H.U.D.-approved Affirmative Fair Housing Marketing Plan, Form H.U.D.- 935.2 and all applicable fair housing and equal opportunity requirements.

16.5 The parties hereto acknowledge that local residency requirements shall not be permitted with respect to the occupancy of the Project, but that local residency preferences are permissible to the extent that they are not inconsistent with affirmative fair housing marketing objectives and the Borrower's H.U.D.-approved Affirmative Fair Housing Marketing Plan. Persons expected to reside in the community as a result of current or planned employment will be treated as residents for purposes of a residency preference.

16.6 The Borrower agrees that all management and maintenance functions will be performed in compliance with applicable equal opportunity requirements.

16.7 The parties hereto acknowledge that nothing contained in this Agreement shall preclude enforcement by the Federal Government of this Agreement, civil rights statutes, or other provisions of law that apply to the H.D.G. program.

Section 17. Utilization of Minority and Women Owned Business Enterprises.

17.1 Pursuant to Executive Order 85-2, issued by the Mayor of the City on April 3, 1985, and 24 C.F.R., Part 850.35(b), both of which are expressly incorporated herein by reference, Borrower agrees to develop a plan to expend not less than 25% of the total dollar value of the Loan with one or more certified M.B.E., and not less than 5% of the total dollar value of the Loan with one or more certified W.B.E.

17.2 Borrower's M.B.E./W.B.E. commitments may be met by: (i) contracting or subcontracting a portion of the work on the Project to one or more M.B.E. or W.B.E.; (ii) purchase materials used in completing the Project from one or more M.B.E. or W.B.E.; or (iii) any combination of the foregoing. The Purchasing Agent of the City of Chicago, upon request, will provide assistance in identifying qualified and certified M.B.E. and W.B.E., eligible for consideration as contractors, subcontractors, materialmen and/or vendors. Requests for assistance should be addressed to:

Mr. McNair Grant
City of Chicago Department of
Purchases, Contracts and Supplies
Monitoring and Compliance
Kraft Building -- Room 101A
510 North Peshtigo Court
Chicago, Illinois 60611

17.3 M.B.E. and W.B.E. proposed by Borrower for participation in the Loan, shall be certified by the City as of the date of such submission to the Purchasing Agent. In the alternative, Borrower shall submit an affidavit or acceptable equivalent that the proposed M.B.E. and W.B.E. participant has, as of the date of said submission, a "Form Schedule A - Application for Certification As Qualified and Bona Fide Minority or Woman Owned Business" awaiting review by the Purchasing Agent for eligibility; provided however, that Form Schedule A may be submitted only following a prior determination by the Purchasing Agent that the work contemplated by the Borrower for the proposed M.B.E. and/or W.B.E. requires capabilities and/or expertise not possessed by an existing certified M.B.E. or W.B.E.; Certifications or recertifications shall be effective for one calendar year from the date granted.

A directory of Qualified and Bona Fide Minority and Women Owned Businesses Enterprises is maintained by the Purchasing Agent at its offices as set forth in Paragraph 17.2 above.

17.4 The City endorses the participation of joint ventures in meeting the commitments of this Section XVII. However, in joint ventures with any M.B.E. or W.B.E., full credit may be denied by the Purchasing Agent unless: (i) there exists a written joint venture agreement between the parties evidencing their respective ownership interests and financial involvement in the joint venture; and (ii) the joint venture agreement specifically delineates defined managerial and other significant duties that actually will be performed by the M.B.E. or W.B.E. joint venturer. Where a joint venture entity is proposed, the joint venture agreement, and a completed "Form Schedule B" (obtained from the Purchasing Agent of the City), shall be submitted with the bid or proposal.

17.5 Borrower may request a waiver from the requirements of this Section XVII, in writing, and directed to the Purchasing Agent. The request shall establish by clear and convincing evidence that full compliance with M.B.E./W.B.E. requirements is impossible or economically unreasonable under the circumstances. In the event a waiver request is granted the Borrower, the Purchasing Agent may condition such waiver upon the Borrower's express written agreement to make every effort to comply with the spirit of Executive Order 85- 2. The determination of the Purchasing Agent in this matter shall be final.

17.6 Borrower agrees to report to the Purchasing Agent on all expenditures related to the Loan made to achieve compliance with M.B.E./W.B.E. requirements. Such reports shall include, but not be limited to the name and business address of each M.B.E. and/or W.B.E. performing directly or indirectly, on the Project; a description of the work performed and/or products or services supplied; and any other information as may reasonably be requested by the Purchasing Agent in determining Borrower's compliance with this Section XVII.

Section 18. No Assignment or Succession.

No transfer of Loan funds by the City to Borrower shall be, or be deemed to be, an assignment of H.D.G. Grant funds, and Borrower shall not succeed to any rights, benefits or advantages of the City under the H.D.G. Grant, nor attain any rights, privileges, authorities or interests in or under the H.D.G. Grant.

Section 19. Disclaimer of Relationship.

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

Section 20. Conflict of Interest.

Borrower expressly covenants that no member, official or employee of the City shall have any personal interest, direct or indirect, in this Project; nor shall any such member, official or employee participate in any decision relating to this Project which affects its personal interests or the interests of any corporation, partnership or association in which he is directly or indirectly interested.

Section 21. Limitation of Liability.

Borrower expressly agrees that no member, official, employee or agent of City shall be individually or personally liable to Borrower, its successors or assigns under this Agreement.

Section 22. Time of the Essence.

Time is of the essence of this Agreement.

Section 23. Prior Agreements.

This Agreement and the other Loan documents, and any other documents or instruments executed pursuant thereto or contemplated thereby, shall represent the entire, integrated agreement between the parties hereto with respect to the acquisition and rehabilitation of the Project not yet in place, and shall supercede all prior negotiations, representations or agreements pertaining thereto, either oral or written. This Agreement and any provision hereof shall not be modified, amended, waived or discharged in any manner other than by a written amendment executed by all parties to this Agreement. The Borrower and the City have previously entered into an agreement regarding the Loan. That agreement shall terminate upon the execution of this Agreement by the Borrower and the City.

Section 24. Additional Provisions.

24.1 Borrower shall erect a sign at the Project site which shall be consistent with criteria set by the United States Department of Housing and Urban Development and furnished to Borrower by the City.

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

If to City:

City of Chicago, Illinois
c/o Department of Housing
318 South Michigan Avenue
Chicago, Illinois 60604
Attention: Commissioner

With Copies to:

City of Chicago
c/o Department of Law
City Hall -- Room 511
Chicago, Illinois 60602
Attention: Corporation Counsel

If to Borrower:

5100 Cornell Partners

With Copies to:

Rudnick and Wolfe
30 North LaSalle Street
Chicago, Illinois 60602
Attention: Mr. Jay Gilbert

If to Bond Lender:

Same as City.

The parties may designate, in writing, any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

24.3 Completion of the Project shall be unconditionally guaranteed by the Borrower, but no general partner of Borrower nor any limited partner of Borrower shall have any personal liability for such completion. Repayment of the Loan shall be solely the responsibility of the Borrower, but no other person, the general partners of Borrower or any limited partner of Borrower shall have personal liability for repayment of the Loan.

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

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

24.6 Land Trustee Exculpation. This Agreement is executed by LaSalle National Bank, not personally but solely as Trustee as aforesaid. All covenants and conditions to be performed hereunder by LaSalle National Bank are undertaken by it solely as Trustee, as aforesaid and not individually, and no personal liability shall be asserted or be enforceable against American National Bank and Trust Company by reasons of any of the covenants, statements, representations or warranties contained in the Agreement.

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

Signature forms omitted for printing purposes.]

Exhibits A, B, C, D, and E attached to this Agreement read as follows:

Exhibit A

To Loan Agreement.

1. The City agrees to do the following things, some of which may have already been done prior to the date of this Agreement:

(a) The City shall lend to the Borrower not more than \$816,463 in H.D.G. funds, to be used for acquisition, rehabilitation and equipping of the Property for related costs as outlined in the Project Budget included in the City's application for the H.D.G. grant, as supplied by the Borrower. The Loan shall be secured by a second mortgage on the Project. H.D.G. funds shall be drawn down in accordance with the provisions of Section 9.02(e) of the H.D.G. Grant Agreement.

(b) The City shall enter into a Loan Agreement with the Borrower in accordance with Article V of the H.D.G. Grant Agreement.

(c) The City shall provide H.U.D. with the means by which H.D.G. restrictions shall be enforced for the Project Term by entering into a Declaration of Restrictive Covenants Agreement with the Borrower.

(d) The City shall review and approve the Borrower's relocation plan, shall monitor the implementation of the plan, shall hear and judge grievances of permanently displaced persons; and, shall ensure compliance with H.D.G. regulations at 24 C.F.R. Part 850.35(d) and section 4.06 of the H.D.G. Grant Agreement.

(e) The City as Bond Lender shall issue approximately \$3,800,000 Multi-Family Housing Revenue Bonds, Series 1986 (Chicago Beach Apartments Project), the proceeds of which shall be loaned to the Borrower for financing a portion of the acquisition, rehabilitation and equipping of the Property and other costs associated with the Project, and to serve as permanent financing for the Project. Bond Lender shall also and monitor the implementation of the relocation plan for the Project.

2. Borrower agrees to do the following things, some of which may have been accomplished prior to the date of this Agreement:

(a) Borrower shall acquire and rehabilitate the Property, and develop the Project into a mixed use facility with 95 residential apartments and 3,648 square feet of commercial space.

(b) Borrower shall commit 19 of the 95 units at H.D.G. rent levels for a period of 20 years to be rented to Qualified Tenants. The 19 units shall be distributed as follows:

- (i) 0 Bedrooms - 7 rental units
- (ii) 1 Bedrooms - 10 rental units
- (iii) 2 Bedrooms - 2 rental units
- (iv) 3 Bedrooms - 0 rental unit

(c) Borrower shall provide at least \$_____ in equity (which may be in the form of cash, letters of credit, builder's profit, or any combination thereof) for development of the Project.

(d) Borrower shall borrow from Bond Lender approximately \$3,800,000, for the acquisition, rehabilitation and equipping and development of the Property.

(e) Borrower shall enter into and execute a Restrictive Covenants Agreement with the City, in recordable form.

(f) Borrower shall develop affirmative programs relating to utilization of M.B.E. and W.B.E. firms, and an Affirmative Fair Housing Marketing Plan.

(g) Borrower shall develop the site identified in the H.D.G. application at Part M-7 and described in Section 1.01(e) of the H.D.G. Grant Agreement.

(h) Borrower shall commit no less than \$ _____ for relocation assistance benefits.

(i) Borrower shall provide all relocation services for tenants temporarily relocated or permanently displaced in accordance with H.D.G. Regulations at 24 C.F.R. 850.35 (d) and Section 4.06 (g) of the H.D.G. Grant Agreement.

(j) H.D.G. loan funds and the owner's equity (to the extent not expended or disbursed at or prior to the initial disbursement of H.D.G. loan funds) shall be held by the Mortgagee under the Senior Financing or another a third party trustee or escrow agent acceptable to the City from which disbursements of principal and interest shall be made to the Owner for the costs stated in the Project Budget.

All of the aforesaid activities are for and in connection with the Project as the same is more particularly described in the City's H.D.G. application.

Exhibit B

To Loan Agreement.

The terms and conditions of the loan will be consistent with the following:

1. Acquisition and Construction Loan.

(a) The principal amount of the Loan shall be no more than \$816,463, which shall be used for acquisition, rehabilitation and equipping of the Project and other costs as detailed in the Project Budget.

(b) Interest shall be at a rate of 3% per annum, on all loan funds disbursed pursuant to (a) above.

(c) Acquisition shall be completed by the date of initial endorsement by F.H.A.

(c) The construction period, for purpose of this Loan will commence upon the initial disbursement of the H.D.G. Grant funds to Borrower.

(d) The following shall be required of Borrower as conditions precedent to disbursement of Loan proceeds:

(i) Borrower shall certify to City and H.U.D. that Borrower has sufficient funds on hand or irrevocably available to it to complete its obligations under this Agreement and has identified the sources of said funds;

(ii) Borrower shall furnish to City a commitment for an A.L.T.A. policy of mortgagee title insurance, in the full amount of the second mortgage on the Property, free of encumbrances and other exceptions to title other than those approved, in advance, by City, and subordinated only to the first mortgage of the Bond Lender to secure a loan in an amount not to exceed \$ _____ plus interest, plus additional amounts actually

advanced upon Borrower's failure to fulfill its obligations under the Loan from Bond Lender;

(iii) Borrower shall have furnished to City an Insurance policy or policies duly endorsed to indicate City as insured second mortgagee;

(iv) Borrower shall enter into a Disbursement Agreement with Title Services, Inc. ("Company"), which shall provide that Company shall receive from Borrower, to review and approve, no more frequently than monthly, the following as a condition precedent to the disbursement of any Loan proceeds to Borrower:

(aa) A Request for Reimbursement, specifying the amount requested, that said amount is for H.D.G. eligible items, and does not exceed the ratio of Loan funds to Private funds, as set forth in Paragraph (vi) below;

(bb) Original executed waivers or releases of mechanics liens, Contractors and/or Subcontractors Sworn Statements and other documents required by the Company;

(cc) Copies of the City-approved draw documents; and

(dd) Borrower's affidavit of Private Funds (defined as Borrower's cash equity plus the proceeds of the Senior loan and the I.D.A.G. Loan expended to date;

(v) All of the evidentiary materials required by Article VII and Exhibit D to the H.D.G. Grant Agreement have been submitted to and approved by the Secretary, and the Secretary has authorized the City to draw down such funds from its letter of credit.

(vi) Loan disbursements shall be made only in an amount which, when taken together with the previous disbursements, would not exceed the ratio of \$1.00 of H.D.G. Grant funds for every \$_____ of private funds expended by Borrower for the Project.

2. Permanent Loan.

(a) The permanent loan shall be the total sum of the principal balance disbursed for acquisition, rehabilitation and equipping of the Project and other costs, as outlined in the Project Budget.

(b) The term of the loan shall be 20 years, commencing on the later to occur of (i) the Initial Occupancy Date (defined as the date the first Qualified Tenant moves into a Lower Income Unit), or (ii) the date on which full disbursement of the Loan occurs, or (iii) the date that amortization is scheduled to commence under the Senior Financing.

(c) Repayment of the Loan by Borrower to City shall be as follows:

(i) Interest shall accrue on the amount of Loan proceeds disbursed from time to time at the rate of three percent (3%) per annum. To the extent that interest that has accrued during any fiscal year of the Developer is not paid because the amount of Net Cash Flow required to be paid to City on the Loan Payment Date following the end of such fiscal

year is not sufficient to pay such accrued interest, the unpaid interest shall not be compounded (viz. it shall not be added to principal or bear further interest).

(ii) Commencing on the first Loan Payment Date and on each Loan Payment Date thereafter, the Borrower will pay to the City fifty percent (50%) of the Net Cash Flow after Borrower has received a non-cumulative, fourteen percent (14%) return on Equity, which payment shall be applied first toward accrued Interest and next toward Principal on the balance of the Loan then outstanding. If the Developer has not received such return on equity for any fiscal year, no payment of Net Cash Flow shall be due on the Loan Payment Date following the end of such fiscal year.

(iii) Payment of the entire unpaid principal amount of the Loan, plus all accrued and unpaid interest, shall be due and payable on the last day of the Loan term (the "Maturity Date").

3. Borrower shall submit to City within 120 days of the close of each fiscal year during the term of the Loan, financial statements prepared by a certified public accountant, in accordance with generally accepted accounting principals consistently applied, and certified by Borrower's general partner, setting forth among other things the annual gross revenues and expenditures of the Project and interest due and owing the City, if any, together with evidence that a check in the amount therefor has been remitted to the City.

4. The Loan may not be prepaid, in whole or in part until 20 years from the Initial Occupancy Date of the Project, at which time it may be prepaid without premium or penalty.

5. Nondisturbance Agreements. City agrees, upon request from Borrower to execute and deliver, nondisturbance and attornment agreements reasonably satisfactory to Borrower and City wherein City shall agree that, with respect to any leases of the Project, the tenants under such leases shall be entitled to the quiet enjoyment of the leased premises without disturbance from City if and so long as such tenants shall not be in default under such leases.

Exhibit C

To Loan Agreement.

The Loan made pursuant to this Agreement shall be secured by the following:

1. A second mortgage or deed of trust in favor of the City on the land, building and fixtures comprising the Project subordinated only to the first mortgage of Bond Lender in an amount not to exceed \$3,800,000 plus interest, plus such additional sums as may be actually advanced upon Borrower's failure to fulfill its obligations under the Senior Financing.

2. A grant of security interest in all personal assets of the Project, subordinated only to interests granted to Bond Lender.

3. The completion of the Project shall be unconditionally guaranteed by the Borrower but only to the extent of the assets of the Borrower, and no personal liability shall attach to any general partner or limited partner of the Borrower.

Exhibit D

To Loan Agreement.

1. The City shall loan the sum of no more than \$816,463 in H.D.G. funds to Borrower for the purpose of acquisition rehabilitation and equipping of the Property and other Project costs.

2. The Bond Lender shall loan at least \$3,800,000 to Borrower for the purpose of acquisition, construction and other approved costs and permanent financing of the Project.

4. Borrower shall provide not less than \$ _____ as an equity contribution for the development of the Project.

Exhibit E

To Loan Agreement.

The following documentation shall be completed and submitted to the City prior to the disbursement of any Grant Funds:

1. Not less than sixty days prior to the initiation of any construction, the Borrower shall provide to the City a request for wage determination for all crafts to be utilized on the project, utilizing U. S. Department of Labor Form 308, or equivalent.

2. Borrower shall provide to the City fully executed Contractor's Certification Concerning Labor Standards and Prevailing Wage Requirements from each contractor and subcontractor participating in the project, utilizing U. S. Department of Housing and Urban Development Form H.U.D.-1421 (6-75) or equivalent.

The following documentation shall be completed and submitted to the City, as may be required throughout the entire term of the Loan:

1. Upon initiation of construction activities the Borrower shall insure that the approved wage determination materials, together with a poster (U. S. Department of Labor W.H.-1321) shall be conspicuously displayed, which informs employees of their rights and indicates that the City will receive complaints.

2. From and after the initiation of any construction activities through the final disbursement of Grant Funds, the Borrower shall submit to the City on a timely basis a completed certified weekly payroll, utilizing U. S. Department of Labor Form W.H.-347 or equivalent. In addition to the requested information contained thereon, the Borrower shall require all participating contractors and subcontractors to provide information as to the race and gender of each employee. All of the above information is due weekly. The cure period shall be two weeks.

WAIVER OF FEES APPROVED RELATING TO RELOCATION
OF FIRE HYDRANT LOCATED AT 4836 NORTH
NATOMA AVENUE.

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

Ordered, That the City Comptroller, and the Department of Water, Bureau of Water Distribution, is hereby authorized and directed to waive any and all fees, directed to Mr. Frank Warzecha, 4836 North Natoma Avenue, for the relocation of a fire hydrant at the following location; 4836 North Natoma Avenue.

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

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 42.

Nays -- None.

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

AUTHORITY GRANTED FOR ISSUANCE OF FREE PERMITS,
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 December 10, 1986, sundry proposed ordinances and orders transmitted therewith, authorizing the issuance of free permits, 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 42.

Nays -- None.

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

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.

Holy Temple Evangelistic Church of God in Christ.

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 Holy Temple Evangelistic Church of God in Christ, 7656 South Vincennes Avenue for remodeling, rehabilitating and adding to existing building on the premises known as 7656 South Vincennes Avenue.

Said building shall be used exclusively for religious 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.

Near North Health Service 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 the Near North Health Service Corporation, 1441 North Cleveland Avenue, for the construction of the new Near North Service Corporation health facility on the premises known as 1276 North Clybourn Avenue.

Said building shall be used exclusively for health 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.

Neighborhood Housing Service.

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

SECTION 1. Pursuant to Section 137-6 of the Municipal Code of Chicago and in accordance with favorable investigation the following Not For Profit Organization, shall be exempted from payment of Permit Fee from the Department of Inspectional Services for the Rehabilitation of the building at 600 to 640 North Central Avenue:

Neighborhood Housing Service
749 North Central Avenue.

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

Norwood Park Presbyterian Church.

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 Norwood Park Presbyterian Church, 5849 North Nina Avenue, for erection of an illuminated sign on private property on the premises known as 5849 North Nina Avenue.

Said building shall be used exclusively for pertinent 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.

Y.M.C.A. of Metropolitan 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 Y.M.C.A. of Metropolitan Chicago, 755 West North Avenue for construction of a handicapped ramp and platform at an existing building located at 2124 South Ashland Avenue. (Ventura Contracting Co., Inc., 2610 West 25th Place -- 60608) on the premises known as 2124 South Ashland Avenue.

Said building shall be used exclusively for rehabilitation 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.

CANCELLATION OF EXISTING WATER RATES.

Florence Hotel (The Historic Pullman Foundation).

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 Florence Hotel (The Historic Pullman Foundation), 11100 South St. Lawrence Avenue.

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

REFUND OF FEE.

Noah's Ark Pre-School.

Ordered, That the City Comptroller is hereby authorized and directed to refund the amount of \$75.00 to Noah's Ark Pre-School, 3101 North Parkside Avenue, representing payment of license fee for the period of May 1, 1986 thru April 30, 1987.

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

The Committee on Finance to which had been referred on December 10, 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 substitute proposed order:

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

Name and Address	Warrant Number and Type of Inspection	Amount
Saint Benedict Church 2215 West Irving Park Road	A1-608194 (Elev.)	\$30.00
Lutheran School of Theology 1100 East 55th Street	B1-618826 B1-619661 (Bldg.)	34.50 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

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 December 10, 1986, sundry proposed ordinances transmitted therewith, authorizing a reduction 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, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 42.

Nays -- None.

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

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

Commonwealth Community 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 6 Special Police and shall pay a fee of \$10.00 per license for the year 1987:

Commonwealth Community Church
140 West 81st Street.

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

Good Shepherd 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 4 Special Police and shall pay a fee of \$10.00 per license for the year 1987:

Good Shepherd Church
7205 South Ashland Avenue.

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

Pleasant Green Missionary 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 5 Special Police and shall pay a fee of \$10.00 per license for the year 1987:

Pleasant Green Missionary Baptist Church
7545 South Vincennes Avenue.

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

Rising Star M. B. 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 4 Special Police and shall pay a fee of \$10.00 per license for the year 1987:

Rising Star M. B. Church
401 West 69th Street.

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

Withdrawn -- APPOINTMENT OF MS. FRANCIS KAHN ZEMANS
AS MEMBER OF BOARD OF MUNICIPAL
INVESTIGATIONS.

The Committee on Finance submitted the following report:

CHICAGO, December 17, 1986.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred a communication concerning the withdrawal of the nomination of Francis Kahn Zemans as a member of the Board of Municipal Investigations, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Adopt* 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 Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

*Placed on File -- APPLICATIONS FOR CITY OF CHICAGO
CHARITABLE SOLICITATION (TAG DAY) PERMITS.*

The Committee on Finance submitted a report recommending that the City Council place on file two applications for City of Chicago charitable solicitation (tag day) permits for:

Misericordia, April 10-11, 1987 (Citywide);

Have a Heart Charities, September 9-10, 1987 (Citywide).

On motion of Alderman Burke, the committee's recommendation was *Concurred In* and said applications and report were *Placed on File*.

*Placed on File -- REPORT OF SETTLEMENTS OF SUITS
AGAINST CITY DURING MONTHS OF NOVEMBER
AND DECEMBER, 1986.*

The Committee on Finance submitted a report recommending that the City Council place on file a communication transmitting a list of all cases in which judgments were entered against the City during the months of November and December, 1986.

On motion of Alderman Burke, the committee's recommendation was *Concurred In* and said communication and report were *Placed on File*.

*Action Deferred -- APPROVAL OF SITE SELECTION
FOR NEW CENTRAL LIBRARY.*

The Committee on Finance submitted the following report:

CHICAGO, December 17, 1986.

To the President and Members of the City Council:

Your Committee on Finance, to which was referred an ordinance approving the selection of the site for the new central library of the Chicago Public Library and authorizing land acquisition in connection with the project, having had the same under advisement, begs leave to report and recommend that Your Honorable Body pass the proposed amended 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.

Alderman Oberman then presented the following amendment to the said proposed ordinance:

Add as new Section 5(E):

"E. Assurance that the central library is designed and/or constructed with appropriate provision for competitive proposals (provided that this provision does not preclude the design and development to be undertaken by the Department of Public Works)."

On motion of Alderman Oberman, the foregoing proposed amendment was *Adopted* by a viva voce vote.

Alderman Burke and Alderman Hagopian then *Deferred* and ordered published the said proposed amended ordinance.

The following is said proposed amended ordinance:

WHEREAS, On September 8, 1986, the City Council of the City of Chicago (the "City Council") passed an ordinance entitled "An Ordinance Providing for the Issuance of General Obligation Bonds of the City of Chicago and For the Levy and Collection of a Direct Annual Tax Sufficient to Pay the Principal of and Interest on Said Bonds" (the "Bond Ordinance"); and

WHEREAS, Section 12 of the Bond Ordinance provides that the City Comptroller shall be authorized to sell any or all of the Bonds described in the Bond Ordinance after securing approval of the City Council of the site selected for the central library facility; and

WHEREAS, The Board of Library Trustees of the Chicago Public Library (the "Library Board") and its Site Selection Committee have held public hearings, received reports and information from civic organizations, consultants and members of the public with respect to the location for a central library; and

WHEREAS, The Site Selection Committee of the Library Board unanimously recommend that the Library approve a parcel of land in the South Loop known as Block 2 in the area designated as "Blighted Commercial District South Loop" for selection as the site for the new central library and that a portion of Block 1 of the said South Loop District be developed in connection therewith for a use or uses complementary to and related to the environment created by the new central library; and

WHEREAS, The Library Board unanimously concurred with the recommendations of the Site Selection Committee and on December 9, 1986, passed a resolution recommending that the two blocks so selected, which blocks are referred to as "Library Center," be designated and chosen as the site for the new central library and related facilities by the City Council; and

WHEREAS, The City Council finds that the selection of the Library Center site for a new central library is in the best interests of the citizens of the City of Chicago, will best serve users of a public library, will provide enhanced reading, research and related facilities, and will enable the Chicago Public Library to best serve all library users; and

WHEREAS, Library Center has convenient access for users, being located adjacent to subway lines, elevated lines, bus routes and expressways; is within walking distance of thousands of workers, college and university students and professional users and groups; is within three blocks of thirteen educational institutions and is in proximity to Printer's Row, Dearborn Park and River City, the growing residential neighborhoods south of the Loop; and

WHEREAS, The location of the central library at Library Center is consistent with the objectives of the South Loop Redevelopment Plan; and

WHEREAS, The use of Library Center as the site for the new central library and library-related uses is consistent with the designation and uses for this area in the Redevelopment Project South Loop approved by the Commercial District Development Commission of the City of Chicago and the City Council; and

WHEREAS, The City of Chicago presently owns all of Block 2 and said Block is or soon will be cleared of all structures and therefore said Block 2 will be readily available for the development of a new central library without further cost and delay; and

WHEREAS, The acquisition of the remaining land in Block 1 in project South Loop is useful and necessary for the completion of the new central library and all of the facilities related thereto to be constructed at Library Center, such facilities, collectively, being referred to as the "Project"; and

WHEREAS, The City of Chicago is a home rule unit of government under Article VII, Section 6 of the Illinois Constitution of 1970 and the City may use its home rule powers to acquire land necessary for the development of the Project; and

WHEREAS, It is in the best interests of the City that this Ordinance receive expeditious consideration by the City Council; now, therefore,

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

SECTION 1. The City Council hereby finds that all of the recitals contained in the preamble to this Ordinance are full, true and correct and said recitals are incorporated into this Ordinance by reference.

SECTION 2. The City Council hereby selects and designates the following parcels within the area designated as Blighted Commercial Area South Loop (as designated by Ordinance enacted by the City Council on July 7, 1978 and as reaffirmed by ordinances enacted December 12, 1980, July 15, 1982 and January 18, 1983) as the site for the new central library for the City of Chicago and for related uses to be developed in connection

therewith complementary to the environment created by the new central library, which area shall be known as "Library Center":

- All of Block 2
- Parcels 1-5, 1-6, 1-7, 1-8, 1-9, 1-10, 1-11, 1-12, 1-13, 1-14, and 1-15 of Block 1

The legal descriptions of said parcels are attached hereto as Appendix A.

SECTION 3. The designation of the land described in Section 2 hereof as a site for the new central library and for related library purposes is approved pursuant to Section 12 of the Bond Ordinance. The available funds from the proceeds of the sale of such bonds and other available funds shall be used to acquire, design and construct the Project.

SECTION 4. The City Council hereby directs that the remaining land within Library Center not currently owned by the City forthwith be acquired for the purposes described herein. Offers to purchase shall be made to the owners of the parcels of property not already owned by the City of Chicago. If said parcels are unable to be acquired through negotiation and purchase, eminent domain proceedings hereby are authorized to be instituted in the Circuit Court of Cook County to acquire all such parcels.

SECTION 5. The Commissioner of the Department of Planning and the Commissioner of the Department of Public Works shall, in consultation with the Library Board and its staff, prepare a plan of development for the Project at Library Center (the "Development Plan"), setting forth the schedule of development, the nature of the structures to be erected, the open space to be preserved, the uses for which the library-related facilities may be devoted and similar matters. The Development Plan shall be submitted to the Budget Director for approval of the costs thereof in accordance with the funds available therefor. The Development Plan shall provide for:

A. The development of the site, the provision of facilities and the designation of uses consistent with the program of the Chicago Public Library;

B. Uses, facilities, transportation features, open space, amenities and other features consistent with the South Loop Redevelopment Plan as approved by the Commercial District Development Commission;

C. The provision for adequate off-street parking sufficient to serve the public and library staff;

D. A single-use building as the central library of the Chicago Public Library and related uses on Block 2; and

E. Assurance that the central library is designed and/or constructed with appropriate provision for competitive proposals (provided that this provision does not preclude the design and development to be undertaken by the Department of Public Works).

SECTION 6. After its preparation and approval pursuant to Section 5 hereof, the Development Plan shall be submitted to the Library Board, and, upon approval by the Library Board, shall be submitted to the Commercial District Development Commission for its consideration. Construction plans for the Project shall be subject to the approval of the Library Board and the Department of Public Works.

SECTION 7. This ordinance shall be in full force and effect from and after its passage.

Appendix A attached to this ordinance reads as follows:

Appendix A.

*Legal Description Of
Library Place.*

Block 2

Beginning At The Intersection Of The Center Lines Of West Jackson Boulevard And South State Street, Thence South Along The Center Line Of South State Street To The Center Line Of West Congress Parkway Thence West Along The Center Line Of West Congress Parkway To The Center Line Of Plymouth Court, Thence North Along The Center Line Of South Plymouth Court To The Center Line Of West Van Buren Street, Thence East Along The Center Line Of West Van Buren Street To The Point Of Beginning, All In The East 1/2, North East Quarter Of Section 16, Township 39 North, Range 14 East Of The Third Principal Meridian, In The County Of Cook, Illinois.

Block 1

Those Portions Of Block 1 As Described Below, Including Interests In Adjoining Streets And Alleys:

SLC 1-5

Lots 7 And 8 In Assessor's Subdivision Of Lots 2, 5, 8 11, 14 17, 20 And 23 In Block 139 In School Section Addition To Chicago In Section 16, Township 39 North, Range 14 East Of The Third Principal Meridian, In Cook County, Illinois.

SLC 1-6

Lot 9 And The Strip Of Land, If Any, Between The West Line Of Lot 9 And The East Line Of Street, As Relocated, In Assessor's Subdivision Of Lots 2, 5, 8, 11, 14, 17, 20 And 23 In Block 139 In School Section Addition To Chicago In Section 16, Township 39 North, Range 14 East Of The Third Principal Meridian, In Cook County, Illinois.

SLC 1-7

Lot 10 In Assessor's Subdivision Of Lots 2, 5, 8, 11, 14, 17, 20 And 23 In Block 139 In School Section Addition To Chicago In Section 16, Township 39 North, Range 14 East Of The Third Principal Meridian, In Cook County, Illinois.

SLC 1-8

Lot 11 And A Strip East And Adjoining Bounded By A Line 101' 7/8" West Of The West Line Of State Street, In Assessor's Subdivision Of Lots 2, 5, 8, 11, 14, 17, 20 And 23 In Block 139 In School Section Addition To Chicago In Section 16, Township 39 North, Range 14 East Of The Third Principal Meridian, In Cook County, Illinois.

SLC 1-9

Lot 14 Together With A Strip Of Land 1' 7/8" Wide Lying West Of And Adjoining The West Line Of Superior Court Partition Resubdivision And East Of And Adjoining A Strip 5 Feet In Width Next East Of And Adjoining Lot 11 In Assessor's Division Of Lots 2, 5, 8, 11, 14, 17, 20 And 23 In Block 139 In School Section Addition To Chicago And Lying North Of The North Line Of W. Van Buren Street And South Of The North Line, Extended West, Of Lot 14 All In The Resubdivision Of Part Of Block 139 In School Section Addition To Chicago, By Superior Court, In Partition Of Lots 4, 9, 15, 16, 21, 22 And The North Half Of Lot 10 And Lot 13 (Except The North 38 Feet Thereof) In School Section Addition To Chicago, In Section 16, Township 39 North, Range 14 East Of The Third Principal Meridian, In Cook County, Illinois.

SLC 1-10

Lot 13 Together With A Strip Of Land 1' 7/8" Wide Lying West Of And Adjoining The West Line Of Superior Court Partition Resubdivision And East Of And Adjoining A Strip 5 Feet In Width Next East Of And Adjoining Lot 11 In Assessor's Division Of Lots 2, 5, 8, 11, 14, 17, 20 and 23 In Block 139 In School Section Addition To Chicago And Lying North Of The North Line, Extended West, Of Lot 14 And South Of The North Line, Extended West Of Lot 13 All In The Resubdivision Of Part Of Block 139 In School Section Addition To Chicago, By Superior Court, In Partition Of Lots 4, 9, 15, 16, 21, 22 And The North Half Of Lot 10 And 13 (Except The North 38 Feet Thereof) In School Section Addition To Chicago, In Section 16, Township 39 North, Range 14 East Of The Third Principal Meridian, In Cook County, Illinois.

SLC 1-11

Lots 9 To 12, Inclusive, Together With A Strip Of Land 6.96 Feet Wide Lying Between The West Line Of Lots 9 To 12 And The East Line Of The 10 Foot Alley In The Resubdivision Of Part Of Block 139 In School Section Addition To Chicago, By Superior Court, In Partition Of Lots 4, 9, 15, 16, 21, 22, And The North Half Of Lot 10 And Lot 13 (Except The North 38 Feet Thereof) In School Section Addition To Chicago, In Section 16, Township 39 North, Range 14 East Of The Third Principal Meridian, In Cook County, Illinois.

SLC 1-12

Lots 7 And 8, Together With A Strip Of Land Lying Between The West Line Of Lots 7 And 8 And The East Line Of The 10 Foot Alley, In The Resubdivision Of Part Of Block 139 In School Section Addition To Chicago, By Superior Court, In Partition Of Lots 4, 9, 15, 16, 21, 22 And The North Half Of Lot 10 And Lot 13 (Except The North 38 Feet Thereof) In School Section Addition To Chicago, In Section 16, Township 39 North, Range 14 East Of The Third Principal Meridian, In Cook County, Illinois.

SLC 1-13

The South Half Of Lot 10 In G.W. Snow's Subdivision Of Block 139 In School Section Addition To Chicago In Section 16, Township 39 North, Range 14 East Of The Third Principal Meridian, In Cook County, Illinois.

SLC 1-14

Lot 6. Together With A Strip West And Adjoining Lot 6 And East Of The 10 Foot Alley, In The Resubdivision Of Part Of Block 139 In School Section Addition To Chicago, By Superior Court, In Partition Of Lots 4, 9, 15, 16, 21, 22 And The North Half Of Lot 10 And Lot 13 (Except The North 38 Feet Thereof) In School Section Addition To Chicago, In Section 16, Township 39 North, Range 14 East Of The Third Principal Meridian, In Cook County, Illinois.

SLC 1-15

Lots 4 And 5 Together With A Strip West And Adjoining Lots 4 And 5 And East Of The 10 Foot Alley, In The Resubdivision Of Part Of Block 139 In School Section Addition To Chicago, By Superior Court, In Partition Of Lots 4, 9, 15, 16, 21, 22 And The North Half Of Lot 10 And Lot 13 (Except The North 38 Feet Thereof) In School Section Addition To Chicago, In Section 16, Township 39 North, Range 14 East Of The Third Principal Meridian, In Cook County, Illinois.

Action Deferred -- APPOINTMENT OF MR. JUDSON H. MINER
AS CORPORATION COUNSEL.

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

CHICAGO, December 17, 1986.

To the President and Members of the City Council:

Your Committee on Finance to which was referred a communication concerning the appointment of Judson H. Miner as Corporation Counsel of the City of Chicago, having had the same under advisement, begs leave to report and recommend that Your Honorable Body *Approve* 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

COMMITTEE ON AVIATION.

Action Deferred-- AGREEMENT OF LIMITED AGENCY WITH
STATE OF ILLINOIS FOR AIR QUALITY MONITORING
PROGRAM AT CHICAGO-O'HARE
INTERNATIONAL
AIRPORT.

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

CHICAGO, December 15, 1986.

To the President and Members of the City Council:

Your Committee on Aviation, having had under consideration a proposed ordinance authorizing the Mayor to execute an Agreement of Limited Agency between the City of Chicago and the State of Illinois for Air Quality Monitoring Program at Chicago-O'Hare International, Grant No. 3-17-0022-07 (which was referred on October 6, 1986) begs leave to recommend that Your Honorable Body pass the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 6 members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) JESUS G. GARCIA,
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. The Mayor is authorized to execute and the City Clerk to attest and affix the seal of the City of Chicago upon an Agreement of Limited Agency between the City and the State of Illinois subject to the approval of the City Comptroller and as to form and legality by the Corporation Counsel; said Agreement to be in the attached form:

Agreement of Limited Agency.

Federal Assistance Airport Project.

Federal Project Number 3-17-0022-07

Illinois Project Number 87A-42-1188.

This Agreement, made and entered into by and between the Department of Transportation, Division of Aeronautics of the State of Illinois (hereinafter referred to as "Division"), for and on behalf of the State of Illinois, party of the first part, and the City of Chicago (hereinafter referred to as "Municipality"), party of the second part.

Witnesseth:

Whereas, the Municipality has undertaken the improvement and betterment of a public air navigation facility, known as Chicago-O'Hare International Airport and pursuant thereto has sponsored various projects under the Airport and Airway Improvement Act of 1982; and

Whereas, the Municipality desired to sponsor a project for the further development of said Chicago-O'Hare International Airport to be known as Project Number 3-17-0022-07 under the Airport and Airway Improvement Program and the provisions for the Federal Airport Act and the regulations promulgated pursuant thereto; and

Whereas, the Municipality has accordingly requested Federal financial assistance in the accomplishment of Project Number 3-17-0022-07 and responsive thereto the Federal Government, through the Federal Aviation Administration, has issued to the Municipality a Grant Agreement in the sum of Four Hundred Thirty Two Thousand Four Hundred Twenty-three Dollars (\$432,423.); and

Whereas, the Municipality has appropriated certain monies for the improvement of Chicago-O'Hare International Airport; and

Whereas, the Municipality has requested the Division to act as its agent in certain matters connected with said Project Number 3-17-0022-07 pursuant to statute; and

Whereas, the parties hereto by this Agreement intend (a) to fix their respective responsibilities, with reference to each other, with reference to the accomplishment of said Project Number 3-17-0022-07 and with reference to participation by the United States, and (b) to designate the parties to accept, receipt for and disburse all funds and payment of the Federal Government and of the Municipality used or to be used in payment of the costs and expenses as shall have been incurred by the parties hereto or either of them.

Now, Therefore, for and in consideration of the benefits which will accrue to the parties hereto by virtue of this Agreement and the respective covenants herein contained, it is mutually covenanted and agreed as follows:

1. The Municipality shall be the "Sponsor" of the project above identified except as set forth in paragraph 2 immediately hereafter following.
2. The Division shall contribute financial assistance to the extent hereinafter stated, and furnish project reporting liaison with the Federal Aviation Administration.
3. As between the Municipality, the State of Illinois and the United States, the Municipality shall be the contractual party to such construction contract or contracts as shall be entered into for the accomplishment of the project, subject only to the agency provisions hereinafter set out.
4. Plans, specifications and estimates for said project have been prepared by or at the instance of the Municipality, copies of which will be submitted to the Division of Aeronautics for review prior to the advertising for bids thereon.
5. The Municipality will provide adequate, capable and qualified Illinois Licensed resident project engineer(s) and materials testing technician(s), and will further prepare and transmit such project reports as shall be required by the Federal Aviation Administration, or the Division, including semi-final and a final inspection report on the project work (or, if more than one construction contract is involved, then on each phase of the project work which is covered by separate contract). The Municipality in its final inspection report or reports, shall certify to the Division that the work involved has been fully completed in accordance with the plans, specifications and contract, as the same shall have been modified or supplemented by change order, supplementary contract or otherwise, and that such work is accepted.
6. The Municipality hereby designates the Division, as its Agent, and the Division hereby accepts said designation to act as Agent for the Municipality.
 - (a) To exercise such direction of the project work as its personnel will permit but limited to a determination that the project is being completed in accordance with plans and specifications, provided that neither the Division nor the State shall be held responsible or be chargeable for any damage resulting from performance or attempted performance of said project work or for any other cause or reason.
 - (b) To accept, receive, receipt for, and deposit with the State Treasurer any and all funds granted, allowed, and paid or made available by the United States under applicable airport development legislation and Congressional appropriations made pursuant thereto, and to disburse upon State warrant such funds in the payment of such project costs as the Division shall determine to be earned and payable.
7. The Municipality shall be a signatory party, in its own name, stead, right and behalf, to the Project Application made or to be made to the Federal Aviation Administration; to the acceptance of such Grant Offer as shall be tendered by the United States, through the Federal Aviation Administration; to such Grant Agreement as shall be executed; and all applications for Grant Payment.

8. The estimated total cost of said project is Five Hundred Seventy-six Thousand Five Hundred Sixty-four Dollars (\$576,564.); and a Grant Offer from the United States tendered in the amount of Four Hundred Thirty- two Thousand Four Hundred Twenty-three Dollars (\$432,423); and

accordingly, it is estimated that the share of the Municipality in the cost of the Project Number 3-17-0022-07 will be One Hundred Forty-four Thousand One Hundred Seventy-one Dollars (\$144,171.):

however, the Municipality specifically agrees that in any event it will pay on the project costs any amount of which the total of actual project costs may and shall exceed the amount of Federal Funds granted to or allowed and paid on project costs, as the same may, with the express consent and approval of the Municipality, be supplemented, amended, changed, or modified subject, however, and only to the budgetary limitations of the Municipality.

9. The Municipality shall establish an account in which shall be deposited all funds pertaining to the project. The Municipality shall have the right to draw checks against said account, or make withdrawals therefrom, without the approval of the Division and the bank or banks in which said funds are deposited shall be under no obligation to see to the application of said funds.
10. The Municipality agrees to comply at all times with the conditions prescribed in said Section 34 of the Illinois Aeronautics Act, with respect to which the Municipality is required to satisfy the Division under the terms thereof.
11. The Airport shall be used, operated and maintained at all times by the Municipality for the use and benefit of the general public without unjust discrimination, in accordance with the covenants and assurances of the Municipality made with and to the United States.
12. The Municipality shall file with the Division such reports concerning the matters covered by this Agreement, including the use, operation and maintenance of the Airport, as the Department may require from time to time.
13. Notices, reports or other communication required by or transmitted pursuant to this Agreement, to the Division shall be directed to the attention of Director, Division of Aeronautics of the State of Illinois, One Langhorne Bond Drive, Capital Airport, Springfield, Illinois 62706 and to the Municipality shall be directed to the attention of the Commissioner of Aviation and the City Comptroller, City of Chicago, City Hall, Chicago, Illinois 60602.
14. To the extent that the Project Application or Grant Offer requires, this Agreement is made subject and subordinate to the provision thereof.
15. This contract shall be and is deemed to be one entered into pursuant to the Illinois Aeronautics Act of the State of Illinois, and shall be construed and given effect in accordance with said Act and not otherwise.

In Witness Whereof, the parties hereto have caused this Agreement to be executed and their respective seals affixed as of the dates respectively hereafter set forth.

[Signature forms omitted for printing purposes.]

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

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

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

CHICAGO, December 15, 1986.

To the President and Members of the City Council:

Your Committee on Aviation, having had under consideration a proposed ordinance authorizing the Mayor to execute an Agreement of Limited Agency between the City of Chicago and the State of Illinois for capital projects at Chicago-O'Hare International Airport, Grant No. 3-17-0022-08 (which was referred on October 6, 1986) begs leave to recommend that Your Honorable Body pass the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 6 members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) JESUS G. GARCIA,
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. The Mayor is authorized to execute and the City Clerk to attest and affix the seal of the City of Chicago upon an Agency and Participation Agreement between the City and the State of Illinois subject to the approval of the City Comptroller and as to form and legality by the Corporation Counsel; said Agreement to be in substantially the following form:

Agreement of Limited Agency.

Federal Assistance Airport Project.

*Federal Project Number 3-17-0022-08
Illinois Project Number 87A-43-1200.*

This Agreement, made and entered into by and between the Department of Transportation, Division of Aeronautics of the State of Illinois (hereinafter referred to as "Division"), for and on behalf of the State of Illinois, party of the first part, and the City of Chicago (hereinafter referred to as "Municipality"), party of the second part.

Witnesseth:

Whereas, the Municipality has undertaken the improvement and betterment of a public air navigation facility, known as Chicago-O'Hare International Airport and pursuant thereto has sponsored various projects under the Airport and Airway Improvement Act of 1982; and

Whereas, the Municipality desired to sponsor a project for the further development of said Chicago-O'Hare International Airport to be known as Project Number 3-17-0022-08 under the Airport and Airway Improvement Program and the provisions for the Federal Airport Act and the regulations promulgated pursuant thereto; and

Whereas, the Municipality has accordingly requested Federal financial assistance in the accomplishment of Project Number 3-17-0022-08 and responsive thereto the Federal Government, through the Federal Aviation Administration, has issued to the Municipality a Grant Agreement in the sum of One Million Nine Hundred Thirty-two Thousand One Hundred Thirty-seven Dollars (\$1,932,137.); and

Whereas, the Municipality has appropriated certain monies for the improvement of Chicago-O'Hare International Airport; and

Whereas, the Municipality has requested the Division to act as its agent in certain matters connected with said Project Number 3-17-0022-08 pursuant to statute; and

Whereas, the parties hereto by this Agreement intend (a) to fix their respective responsibilities, with reference to each other, with reference to the accomplishment of said Project Number 3-17-0022-08 and with reference to participation by the United States, and (b) to designate the parties to accept, receipt for and disburse all funds and payment of the Federal Government and of the Municipality used or to be used in payment of the costs and expenses as shall have been incurred by the parties hereto or either of them.

Now, Therefore, for and in consideration of the benefits which will accrue to the parties hereto by virtue of this Agreement and the respective covenants herein contained, it is mutually covenanted and agreed as follows:

1. The Municipality shall be the "Sponsor" of the project above identified, except as set forth in paragraph 2 immediately hereafter following.

2. The Division shall contribute financial assistance to the extent hereinafter stated, and furnish project reporting liaison with the Federal Aviation Administration.
3. As between the Municipality, the State of Illinois and the United States, the Municipality shall be the contractual party to such construction contract or contracts as shall be entered into for the accomplishment of the project, subject only to the agency provisions hereinafter set out.
4. Plans, specifications and estimates for said project have been prepared by or at the instance of the Municipality, copies of which will be submitted to the Division of Aeronautics for review prior to the advertising for bids thereon.
5. The Municipality will provide adequate, capable and qualified Illinois Licensed resident project engineer(s) and materials testing technician(s), and will further prepare and transmit such project reports as shall be required by the Federal Aviation Administration, or the Division, including semi-final and a final inspection report on the project work (or, if more than one construction contract is involved, then on each phase of the project work which is covered by separate contract). The Municipality in its final inspection report or reports, shall certify to the Division that the work involved has been fully completed in accordance with the plans, specifications and contract, as the same shall have been modified or supplemented by change order, supplementary contract or otherwise, and that such work is accepted.
6. The Municipality hereby designates the Division, as its Agent, and the Division hereby accepts said designation to act as Agent for the Municipality.
 - (a) To exercise such direction of the project work as its personnel will permit but limited to a determination that the project is being completed in accordance with plans and specifications, provided that neither the Division nor the State shall be held responsible or be chargeable for any damage resulting from performance or attempted performance of said project work or for any other cause or reason.
 - (b) To accept, receive, receipt for, and deposit with the State Treasurer any and all funds granted, allowed, and paid or made available by the United States under applicable airport development legislation and Congressional appropriations made pursuant thereto, and to disburse upon State warrant such funds in the payment of such project costs as the Division shall determine to be earned and payable.
7. The Municipality shall be a signatory party, in its own name, stead, right and behalf, to the Project Application made or to be made to the Federal Aviation Administration; to the acceptance of such Grant Offer as shall be tendered by the United States, through the Federal Aviation Administration; to such Grant Agreement as shall be executed; and all applications for Grant Payment.
8. The estimated total cost of said project is Two Million One Hundred Forty-six Thousand Eight Hundred Nineteen Dollars (\$2,146,819.); and a Grant Offer from

the United States tendered in the amount of One Million Nine Hundred Thirty-two Thousand One Hundred Thirty-seven Dollars (\$1,932,137); and

accordingly, it is estimated that the share of the Municipality in the cost of the Project Number 3-17-0022-08 will be Five Hundred Thirty-six Thousand Seven Hundred Five Dollars (\$536,705.); however, the Municipality specifically agrees that in any event it will pay on the project costs any amount of which the total actual project costs may and shall exceed the amount of Federal Funds granted to or allowed and paid on project costs, as the same may, with the express consent and approval of the Municipality, be supplemented, amended, changed, or modified subject, however, and only to the budgetary limitations of the Municipality.

9. The Municipality shall establish an account in which shall be deposited all funds pertaining to the project. The Municipality shall have the right to draw checks against said account, or make withdrawals therefrom, without the approval of the Division and the bank or banks in which said funds are deposited shall be under no obligation to see to the application of said funds.
10. The Municipality agrees to comply at all times with the conditions prescribed in said Section 34 of the Illinois Aeronautics Act, with respect to which the Municipality is required to satisfy the Division under the terms thereof.
11. The Airport shall be used, operated and maintained at all times by the Municipality for the use and benefit of the general public without unjust discrimination, in accordance with the covenants and assurances of the Municipality made with and to the United States.
12. The Municipality shall file with the Division such reports concerning the matters covered by this Agreement, including the use, operation and maintenance of the Airport, as the Department may require from time to time.
13. Notices, reports or other communication required by or transmitted pursuant to this Agreement, to the Division shall be directed to the attention of Director, Division of Aeronautics of the State of Illinois, One Langhorne Bond Drive, Capital Airport, Springfield, Illinois 62706 and to the Municipality shall be directed to the attention of the Commissioner of Aviation and the City Comptroller, City of Chicago, City Hall, Chicago, Illinois 60602.
14. To the extent that the Project Application or Grant Offer requires, this Agreement is made subject and subordinate to the provision thereof.
15. This contract shall be and is deemed to be one entered into pursuant to the Illinois Aeronautics Act of the State of Illinois, and shall be construed and given effect in accordance with said Act and not otherwise.

In Witness Whereof, the parties hereto have caused this Agreement to be executed and their respective seals affixed as of the dates respectively hereafter set forth.

[Signature forms omitted for printing purposes.]

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

Action Deferred-- AGREEMENT OF LIMITED AGENCY WITH
STATE OF ILLINOIS FOR PART 150 NOISE
IMPACT STUDY AT CHICAGO-O'HARE
INTERNATIONAL AIRPORT.

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

CHICAGO, December 15, 1986.

To the President and Members of the City Council:

Your Committee on Aviation, having had under consideration a proposed ordinance authorizing the Mayor to execute 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, Grant No. 3-17-0022-09 (which was referred on August 28, 1986) begs leave to recommend that Your Honorable Body pass the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 6 members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) JESUS G. GARCIA,
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. The Mayor is authorized to execute and the City Clerk to attest and affix the seal of the City of Chicago upon an Agency and Participation Agreement between the City and the State of Illinois subject to the approval of the City Comptroller and as to form and legality by the Corporation Counsel; said Agreement to be in substantially the following form:

Agreement of Limited Agency.

Federal Assistance Airport Project.

*Federal Project Number 3-17-0022-09
Illinois Project Number 87A-44-1201.*

This Agreement, made and entered into by and between the Department of Transportation, Division of Aeronautics of the State of Illinois (hereinafter referred to as "Division"), for and on behalf of the State of Illinois, party of the first part, and the City of Chicago (hereinafter referred to as "Municipality"), party of the second part.

Witnesseth:

Whereas, the Municipality has undertaken the improvement and betterment of a public air navigation facility, known as Chicago-O'Hare International Airport and pursuant thereto has sponsored various projects under the Airport and Airway Improvement Act of 1982; and

Whereas, the Municipality desired to sponsor a project for the further development of said Chicago-O'Hare International Airport to be known as Project Number 3-17-0022-09 under the Airport and Airway Improvement Program and the provisions for the Federal Airport Act and the regulations promulgated pursuant thereto; and

Whereas, the Municipality has accordingly requested Federal financial assistance in the accomplishment of Project Number 3-17-0022-09 and responsive thereto the Federal Government, through the Federal Aviation Administration, has issued to the Municipality a Grant Agreement in the sum of Six Hundred Eighty-one Thousand Two Hundred Forty-seven Dollars (\$681,247.); and

Whereas, the Municipality has appropriated certain monies for the improvement of Chicago-O'Hare International Airport; and

Whereas, the Municipality has requested the Division to act as its agent in certain matters connected with said Project Number 3-17-0022-09 pursuant to statute; and

Whereas, the parties hereto by this Agreement intend (a) to fix their respective responsibilities, with reference to each other, with reference to the accomplishment of said Project Number 3-17-0022-09 and with reference to participation by the United States, and (b) to designate the parties to accept, receipt for and disburse all funds and payment of the Federal Government and of the Municipality used or to be used in payment of the costs and expenses as shall have been incurred by the parties hereto or either of them;

Now, Therefore, for and in consideration of the benefits which will accrue to the parties hereto by virtue of this Agreement and the respective covenants herein contained, it is mutually covenanted and agreed as follows:

1. The Municipality shall be the "Sponsor" of the project above identified, except as set forth in paragraph 2 immediately hereafter following.
2. The Division shall contribute financial assistance to the extent hereinafter stated, and furnish project reporting liaison with the Federal Aviation Administration.
3. As between the Municipality, the State of Illinois and the United States, the Municipality shall be the contractual party to such construction contract or

contracts as shall be entered into for the accomplishment of the project, subject only to the agency provisions hereinafter set out.

4. Plans, specifications and estimates for said project have been prepared by or at the instance of the Municipality, copies of which will be submitted to the Division of Aeronautics for review prior to the advertising for bids thereon.
5. The Municipality will provide adequate, capable and qualified Illinois Licensed resident project engineer(s) and materials testing technician(s), and will further prepare and transmit such project reports as shall be required by the Federal Aviation Administration, or the Division, including semi-final and a final inspection report on the project work (or, if more than one construction contract is involved, then on each phase of the project work which is covered by separate contract). The Municipality in its final inspection report or reports, shall certify to the Division that the work involved has been fully completed in accordance with the plans, specifications and contract, as the same shall have been modified or supplemented by change order, supplementary contract or otherwise, and that such work is accepted.
6. The Municipality hereby designates the Division, as its Agent, and the Division hereby accepts said designation to act as Agent for the Municipality.
 - (a) To exercise such direction of the project work as its personnel will permit but limited to a determination that the project is being completed in accordance with plans and specifications, provided that neither the Division nor the State shall be held responsible or be chargeable for any damage resulting from performance or attempted performance of said project work or for any other cause or reason.
 - (b) To accept, receive receipt for, and deposit with the State Treasurer any and all funds granted, allowed, and paid or made available by the United States under applicable airport development legislation and Congressional appropriations made pursuant thereto, and to disburse upon State warrant such funds in the payment of such project costs as the Division shall determine to be earned and payable.
7. The Municipality shall be a signatory party, in its own name, stead, right and behalf, to the Project Application made or to be made to the Federal Aviation Administration; to the acceptance of such Grant Offer as shall be tendered by the United States, through the Federal Aviation Administration; to such Grant Agreement as shall be executed; and all applications for Grant Payment.
8. The estimated total cost of said project is Nine Hundred Eight Thousand Three Hundred Thirty Dollars (\$908,330.); and a Grant Offer from the United States tendered in the amount of Six Hundred Eighty-one Thousand Two Hundred Forty-seven Dollars (\$227,083); and

accordingly, it is estimated that the share of the Municipality in the cost of the Project Number 3-17-0022-08 will be Five Hundred Thirty-six Thousand Seven Hundred Five Dollars (\$536,705.);

however, the Municipality specifically agrees that in any event it will pay on the project costs any amount of which the total actual project costs may and shall exceed the amount of Federal Funds granted to or allowed and paid on project costs, as the same may, with the express consent and approval of the Municipality, be supplemented, amended, changed, or modified subject, however, and only to the budgetary limitations of the Municipality.

9. The Municipality shall establish an account in which shall be deposited all funds pertaining to the project. The Municipality shall have the right to draw checks against said account, or make withdrawals therefrom, without the approval of the Division and the bank or banks in which said funds are deposited shall be under no obligation to see to the application of said funds.
10. The Municipality agrees to comply at all times with the conditions prescribed in said Section 34 of the Illinois Aeronautics Act, with respect to which the Municipality is required to satisfy the Division under the terms thereof.
11. The Airport shall be used, operated and maintained at all times by the Municipality for the use and benefit of the general public without unjust discrimination, in accordance with the covenants and assurances of the Municipality made with and to the United States.
12. The Municipality shall file with the Division such reports concerning the matters covered by this Agreement, including the use, operation and maintenance of the Airport, as the Department may require from time to time.
13. Notices, reports or other communication required by or transmitted pursuant to this Agreement, to the Division shall be directed to the attention of Director, Division of Aeronautics of the State of Illinois, One Langhorne Bond Drive, Capital Airport, Springfield, Illinois 62706 and to the Municipality shall be directed to the attention of the Commissioner of Aviation and the City Comptroller, City of Chicago, City Hall, Chicago, Illinois 60602.
14. To the extent that the Project Application or Grant Offer requires, this Agreement is made subject and subordinate to the provision thereof.
15. This contract shall be and is deemed to be one entered into pursuant to the Illinois Aeronautics Act of the State of Illinois, and shall be construed and given effect in accordance with said Act and not otherwise.

In Witness Whereof, the parties hereto have caused this Agreement to be executed and their respective seals affixed as of the dates respectively hereafter set forth.

[Signature forms omitted for printing purposes.]

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

*Action Deferred -- EXECUTION OF REVISED AGENCY AND
PARTICIPATION AGREEMENT WITH STATE OF
ILLINOIS FOR AIRPORT IMPROVEMENTS
AT CHICAGO MIDWAY AIRPORT.*

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

CHICAGO, December 15, 1986.

To the President and Members of the City Council:

Your Committee on Aviation, having had under consideration a proposed ordinance authorizing the Mayor to execute a Revised Agency and Participation Agreement between the City of Chicago and the State of Illinois for Airport Improvements at Chicago Midway Airport, Grant No. 3-17-0025-04 (which was referred on November 24, 1986) begs leave to recommend that Your Honorable Body pass the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 6 members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) JESUS G. GARCIA,
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. The Mayor is authorized to execute and the City Clerk to attest and affix the seal of the City of Chicago upon a Revised Agency and Participation Agreement between the City and the State of Illinois subject to the approval of the City Comptroller and as to form and legality by the Corporation Counsel; said Agreement to be in substantially the attached form:

*Revised Agency and Participation Agreement
(State and Federally Assisted Airport Development).*

This Agreement made and entered into by and between the Division of Aeronautics of the Illinois Department of Transportation, (hereinafter referred to as the "Division"), for and in behalf of the State of Illinois, and the City of Chicago, Illinois (hereinafter referred to as the "Municipality").

Witnesseth:

Whereas, the Municipality desires to sponsor a project for the further development of a public air navigation facility, known or to be designated as the Chicago Midway Airport under the Airport and Airway Improvement Act of 1982, Title 49, United States Code, Section 2201 *et seq.*, (hereinafter referred to as "A.I.P."), and Rules, Regulations and Procedures promulgated pursuant thereto; and under the Illinois Aeronautics Act, Illinois Revised Statutes, Chapter 15 1/2, Paragraph 22.1 *et seq.*; and

Whereas, this project shall be identified as Ill. Proj. 85A-17-1076, A.I.P. Project 3-17-0025-04, and described as:

"Construct, mark and light new Runway 13R/31L (3850' x 60'); construct, mark and light new parallel and connecting taxiways to Runway 13R/31L (35' x 6200' and 60' x 1200'); construct, mark, and light exit taxiway to northwest end of renumbered Runway 13L/31R (60' x 600'); construct south airport drainage system; acquire land (approx. 2 acres, fee) for airport development."

Whereas, the parties hereto have previously entered into an Initial Agency and Participation Agreement to Develop an Airport Project concerning the aforementioned project and all duties of the parties under this prior Agreement have been fulfilled; and

Whereas, the Municipality has applied for state assistance in procuring state and federal funds and desires the Division to act as Municipality's agent in matters connected with the project described above; and

Whereas, the Division has filed a preapplication for federal funds with the Federal Aviation Administration ("F.A.A.") on behalf of the Municipality and has been appropriated certain monies for the aforesaid project; and

Whereas, the F.A.A. has issued to the Municipality a Grant Offer in the sum of \$11,043,970.00 and a First Amendment to Grant Agreement increasing the Federal funds to \$12,148,367.00; and

Whereas, the parties hereto, by this agreement, do hereby (a) fix their respective responsibilities, with reference to each other, with reference to the accomplishment of said project and with reference to the United States, and (b) designate the Division as the party to accept, receipt for and disburse all Federal, State and Municipal funds used or to be used in payment of the costs of said project or in reimbursement to either of the parties hereto for costs previously incurred;

Now, Therefore, for and in consideration of the benefits which will accrue to the parties hereto by virtue of completion of the project, it is Mutually Covenanted and Agreed as follows:

1. The Municipality and not the Division shall, for all purposes, be the "Sponsor" of the project identified above as defined in Section 503(21) of the A.I.P. As the Sponsor, the Municipality agrees to assume the responsibility that all aspects of the grant and project and later operation of the facility are done in compliance

with all applicable state and federal requirements including any statutes, rules, regulations, assurances, procedures or any other directives.

2. A Grant Offer from the United States has been tendered in the amount of \$11,043,970.00 and amended to \$12,148,367.00. It is estimated that the share of the Municipality in the estimated project construction costs will be approximately \$420,500.00, and that its share of total project costs will be approximately \$674,910.00. The Municipality specifically agrees that it shall pay any project costs which exceed the sum of the Division's funds and Federal funds as are herein committed for this project.

The estimated total project cost for said project is \$13,498,186.00. The Division hereby agrees, subject to the approval of the Governor, to participate in the project, for payment of such project costs as are allowed under Section 34 of the Illinois Aeronautics Act.

On project costs eligible for ninety and no/1000 percent (90.000%) F.A.A. participation, the Division will participate up to five and no/1000 percent (5.000%).

Subject to the approval of the Governor, the Division will participate to the extent of the aforesaid appropriate percentages in overruns and contingencies approved by the Division, but in no event shall the Division's participation in any approved overruns and contingencies cause the total amount of the Division's participation in the project as a whole to exceed \$674,909.00. It is further agreed that the Municipality will reimburse the Division for any payment or payments made hereunder by the Division which are in excess of the Division's percentage of financial participation as heretofore stated or in excess of the Division's total participation.

Payments to the Contractor and/or Consulting Engineer shall be made from time to time on the basis of field reports submitted by the Resident or Project Engineer and approved by the Chief Engineer of the Division, up to ninety percent (90%) of the contract price. The remaining ten percent (10%) may be retained by the Division until after the contract has been completed and accepted and all other requirements of the contract agreed to be performed by the Contractor and/or Engineer are properly completed.

3. By executing this agreement, the Municipality certifies to the Division that it has sufficient funds to meet its share of the costs as heretofore stated.
4. The Division shall, for all purposes in connection with the project identified above, be the Agent of the Municipality. The Municipality herewith grants the Division a power of attorney to act as its agent to perform the following services:
 - a. accept, receive, receipt for, and deposit with the State Treasurer any and all project funds granted, allowed, and paid or made available by the (1) United States under the A.I.P. and congressional appropriation made pursuant thereto; (2) the State of Illinois;

- b. shall, after the execution of Federal grant agreement, approved the award of contracts;
 - c. participate in pre-construction conferences, issue orders as it deems appropriate regarding construction progress, including, but not limited to, Notices to Proceed, Stop Work Orders, and Change Orders;
 - d. *exercise such supervision and direction of the project work as the Division reasonably finds appropriate. Where there is irreconcilable conflict or differences of opinion, judgment, order or direction between the Division and any engineer, contractor, or the Municipality, the Division shall issue a written order which shall prevail and be controlling;*
 - e. receive, review, approve, and pay invoices and payment requests for services and materials supplied in accordance with Division approved contracts;
 - f. coordinate and conduct semi-final and final inspections;
 - g. obtain contractor and material supplier releases in accordance with state law;
 - h. review, approve and submit "as built" plans to the F.A.A.;
 - i. pay to the Municipality, from Federal and State project funds, where the Municipality has contributed more than its share of reasonable land acquisition costs, the excess portion of costs so incurred by the Municipality. This provision shall apply only to land acquired for airport purposes and only upon proof that clear title to said land is vested in the Municipality. These costs include purchase price and costs incidental to acquisition of the said land, excluding administrative costs;
 - j. pay to the Municipality, from Federal and State project funds, the portion of reasonable and eligible project costs incurred by the Municipality that are in excess of the Municipality's share.
5. Notwithstanding the provisions of Paragraph 4 above, the Municipality shall be the signatory party, in its own name, stead, right and behalf, to the Application for Federal Assistance made or to be made to the F.A.A., to the Acceptance of such Grant Offer as shall be tendered by the United States, through the F.A.A., and to any and all Amendments to such Grant Agreement. The Division shall submit this Agency and Participation Agreement to the F.A.A. after its execution.
6. The Municipality, and not the Division or the United States, shall be the contractual party to all construction or engineering contract(s) entered into for the accomplishment of the project.

7. The Municipality shall have employed for this project, by a contract approved by the Division and F.A.A. a consulting engineer pre-qualified in accordance with the Division's procedures and registered in the State of Illinois to provide:
 - a. qualified Resident or Project Engineer(s), registered in the State of Illinois and approved by the Division; and
 - b. materials testing technician(s) approved by the Division; and
 - c. any project reports required by the Division or the F.A.A. Further, for each phase of project work which is covered by separate contract, the Resident or Project Engineer shall render to the Division both a semi-final and final inspection report. The final inspection report(s) shall certify to the Division and to the Municipality that the work involved has been fully completed in accordance with the plans, specifications and contract(s), as the same have been modified or supplemented by the Division and F.A.A. approved change order, supplementary contract or otherwise, and that the work is acceptable to the Resident or Project Engineer.
8.
 - a. The Municipality agrees that it will strictly comply with all State and Federal laws, Rules, Regulations, Program Guidance Letters, Assurances and Covenants which are relevant to this project, including, but not limited to, those stated in or incorporated by reference in the Federal Grant Agreement during the construction of this project.
 - b. The Municipality and the Division agree that this document constitutes the grant agreement required by the "Illinois Grant Funds Recovery Act". The parties also agree to amend this agreement if necessary to comply with said Act.
9. The Municipality guarantees that:
 - a. the air navigation facility which is the subject of this agreement will be owned or effectively controlled, operated, repaired and maintained adequately during its full useful life, or a period of not less than 20 years, whichever is longer, for the rightful, fair, equal and uniform use and benefit of the public; and
 - b. it will comply with all applicable State and Federal laws, rules, regulations, procedures, covenants and assurances required by the State of Illinois or the F.A.A. in connection with the A.I.P. grant in the operation of the facility; and
 - c. it will file with the Division and the F.A.A. such reports as may be requested concerning the use, maintenance, and operation of the Airport.
10. The Municipality agrees to keep complete and adequate books and records in accordance with standard accounting procedures prescribed by the F.A.A. relating to the project described in this agreement and all books and records shall

be open to inspection and examination by the Division or the F.A.A. at any reasonable time.

11. No leases will be entered into by the Municipality which grant exclusive use rights to any grantee for any aviation facilities which are the subject of this project.
12. The Municipality agrees not to dispose of airport land by sale or lease without consent of the Division and the F.A.A. In the event such consent is obtained, the Municipality further agrees to utilize for airport development the State and the Federal share of the acquisition cost or the fair market value of the land at the time of the sale, whichever is greater, based upon the percent of participation by the respective parties in the original purchase. The proceeds from the sale of airport land which have had State and Federal participation shall be reserved and expended on items of work which would be normally eligible for State and Federal funds without benefit of those matching funds. Toward this end, the Municipality shall include a provision in each instrument recorded for every interest in land secured under this agreement which reads as follows:

The property interest of the Municipality in this real estate cannot be transferred without the written approval of the Illinois Department of Transportation, Division of Aeronautics. Furthermore, in the event any such interest is no longer used for an approved airport purpose without the written approval of the Division, that interest shall revert to a public airport sponsor appointed by the Division.

13. The Municipality agrees that all revenues generated by the airport and the non-aeronautical use of airport land, purchased under this project, will be deposited in a special fund and expended for the capital or operating costs of the airport, the local airport system, or other local facilities which are owned or operated by the Municipality and directly related to the actual transportation of airport passengers of property.
14. Notices, reports or other communications required by or transmitted pursuant to this agreement to the Division shall be directed to the attention of the Director of Aeronautics, Department of Transportation, Division of Aeronautics, One Langhorne Bond Drive, Capital Airport, Springfield, Illinois 62706.

Notices, reports or other communications required by or transmitted pursuant to this agreement to the Municipality shall be directed to the attention of the Commissioner of Aviation, Room 3000, 20 North Clark Street, Chicago, Illinois 60602.

15. This agreement is entered into pursuant to the Illinois Aeronautics Act and the A.I.P. and shall be subject to and construed in accordance with said Acts. In the event of a conflict between State and Federal law, rule, regulation, etc., the Federal provision shall control.

16. In the event that the F.A.A., acting for the United States, shall refuse or fail to extend a Grant Offer on this project by the close of the next Federal fiscal year, or should the Division otherwise determine that a Grant will not be offered or has expired, this agreement shall automatically be voided and become of no force and effect, except that any monies actually deposited by the Municipality and held with the State Treasurer for project purposes shall be returned to the Municipality.
17. The Municipality covenants to zone (within its powers to do so) the airport and its environs for compatible land uses. The Municipality shall adopt airport hazard zoning regulations or shall request the Division to adopt hazard zoning under Section 17 of the Airport Zoning Act, Illinois Revised Statutes, Chapter 15 1/2, Paragraph 48.1, *et seq.*
18. This agreement is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party.
19. The Division shall accept responsibility for all decisions or determinations subject to the provision that in carrying out any of the terms of this Agreement or in exercising any power or authority granted thereby, there shall be no personal liability upon the Division or its authorized representative, it being understood that in such matters they act as agents and representatives of the State.
20. The Municipality hereby certifies to the Division that it will have acquired clear title in fee simple to all real estate upon which construction work is to be performed and a sufficient interest (easement or otherwise) in any other real estate which may be affected by the construction process.
21. No construction shall be commenced until the Division issues a "Notice to Proceed."
22. In the event the Municipality breaches this agreement in any way whatsoever, be it prior to construction, during construction or after the project is completed and in operation, or in the event the Municipality fails to diligently pursue construction progress or operation of the completed facility, the Division shall have any or all the following non-exclusive remedies available to it:
 - a. the right to seek specific performance;
 - b. the right to assume control and operation of the construction or the completed facility for the useful life of the facility or 20 years from the execution date of this agreement which right the Division may assign to any public agency as defined in the A.I.P.;
 - c. the right to refuse to provide State assistance for future aviation programs and to terminate any current State assistance;
 - d. the right to seek reimbursement of all State funds provided for the project;

- e. any other remedy available at law or in equity.
23. This agreement constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.
24. Any grant under this agreement shall be valid for the useful life of the above-described project or for twenty (20) years, whichever is longer.
25. All commitments by the Municipality hereunder are subject to constitutional and statutory limitations and restrictions binding upon it and to the availability of funds which lawfully may be applied.
26. It is understood and agreed by the parties hereto that this agreement supercedes and replaces the Agency and Participation Agreement executed by the City of Chicago on October 31, 1984 and by the Department of Transportation, Division of Aeronautics on February 21, 1985.

In Witness Whereof, the parties hereto have caused this Agreement to be executed and their respective seals affixed as of the dates respectively hereafter set forth.

[Signature forms omitted for printing purposes.]

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

Action Deferred -- AGENCY AND PARTICIPATION AGREEMENT
WITH STATE OF ILLINOIS FOR AIRPORT IMPROVEMENTS
AT CHICAGO MIDWAY AIRPORT.

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

CHICAGO, December 15, 1986.

To the President and Members of the City Council:

Your Committee on Aviation, having had under consideration a proposed Agency and Participation Agreement between the City of Chicago and the State of Illinois for Airport Improvements at Chicago Midway Airport, Grant No. 3-17- 0025-07 (which was referred on October 6, 1986) begs leave to recommend that Your Honorable Body pass the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 6 members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) JESUS G. GARCIA,
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. The Mayor is authorized to execute and the City Clerk to attest and affix the seal of the City of Chicago upon an Agency and Participation Agreement between the City and the State of Illinois subject to the approval of the City Comptroller and as to form and legality by the Corporation Counsel; said Agreement to be in the attached form:

*Agency and Participation Agreement
(State and Federally Assisted Airport Development).*

This Agreement made and entered into by and between the Division of Aeronautics of the Illinois Department of Transportation, (hereinafter referred to as the "Division"), for and in behalf of the State of Illinois, and the City of Chicago, Illinois, (hereinafter referred to as the "Municipality").

Witnesseth:

Whereas, the Municipality desires to sponsor a project for the further development of a public air navigation facility, known or to be designated as the Chicago Midway Airport under the Airport and Airway Improvement Act of 1982, Title 49, United States Code, Section 2201 *et seq.*, (hereinafter referred to as "A.I.P."), and Rules, Regulations and Procedures promulgated pursuant thereto; and under the Illinois Aeronautics Act, Illinois Revised Statutes, Chapter 15 1/2, Paragraph 22.1 *et seq.*; and

Whereas, this project shall be identified as Ill. Proj. 86A-23-1178, A.I.P. Project 3-17-0025-07, and described as:

Strengthen, mark, groove and rehabilitate lights (M.I.) on Runway 4R/22L (6102'x150') including new edge drains, new blast pads (150'x150'), shoulder widening (from 12.5' to 20'), removal of storm drain gutters and inlets, and regrading of runway safety area; reconstruct connecting taxiways to Runway 4R/22L (approx. 4200 s.y.); construct stub taxiways for future parallel taxiway to Runway 13L31R (approx. 5,800 s.y.); rehabilitate electrical equipment within electrical vault; acquire six pieces of snow removal equipment; and acquire Parcel 40 (fee)

Whereas, the Municipality has applied for state assistance in procuring state and federal funds and desires the Division to act as Municipality's agent in matters connected with the project described above; and

Whereas, the Division has filed a preapplication for federal funds with the Federal Aviation Administration ("F.A.A.") on behalf of the Municipality and has been appropriated certain monies for the aforesaid project; and

Whereas, the F.A.A. has issued to the Municipality a Grant Offer in the sum of \$7,253,100.00; and

Whereas, the parties hereto, by this agreement, do hereby (a) fix their respective responsibilities, with reference to each other, with reference to the accomplishment of said project and with reference to the United States, and (b) designate the Division as the party to accept, receipt for and disburse all Federal, State and Municipal funds used or to be used in payment of the costs of said project or in reimbursement to either of the parties hereto for costs previously incurred;

Now, Therefore, for and in consideration of the benefits which will accrue to the parties hereto by virtue of completion of the project, it is Mutually Covenanted and Agreed as follows:

1. The Municipality and not the Division shall, for all purposes, be the "Sponsor" of the project identified above as defined in Section 503(21) of the A.I.P. As the Sponsor, the Municipality agrees to assume the responsibility that all aspects of the grant and project and later operation of the facility are done in compliance with all applicable state and federal requirements including any statutes, rules, regulations, assurances, procedures or any other directives.
2. A Grant Offer from the United States has been tendered in the amount of \$7,253,100.00. It is estimated that the share of the Municipality in the estimated project construction costs will be approximately \$299,230.00, and that its share of total project costs will be approximately \$440,950.00. The Municipality specifically agrees that it shall pay any project costs which exceed the sum of the Division's funds and Federal funds as are herein committed for this project.

The estimated total project cost for said project is \$8,059,000.00. The Division hereby agrees, subject to the approval of the Governor, to participate in the project, for payment of such project costs as are allowed under Section 34 of the Illinois Aeronautics Act.

On project costs eligible for ninety and no/1000 percent (90.000%) F.A.A. participation, the Division will participate up to five and no/1000 percent (5.000%).

Subject to the approval of the Governor, the Division will participate to the extent of the aforesaid appropriate percentages in overruns and contingencies approved by the Division, but in no event shall the Division's participation in any approved overruns and contingencies cause the total amount of the Division's participation in the project as a whole to exceed \$364,950.00. It is further agreed that the Municipality will reimburse the Division for any payment or payments made hereunder by the Division which are in excess of the Division's percentage of financial participation as heretofore stated or in excess of the Division's total participation.

Payments to the Contractor and/or Consulting Engineer shall be made from time to time on the basis of field reports submitted by the Resident or Project Engineer

and approved by the Chief Engineer of the Division, up to ninety percent (90%) of contract price. The remaining ten percent (10%) may be retained by the Division until after the contract has been completed and accepted and all other requirements of the contract agreed to be performed by the Contractor and/or Engineer are properly completed.

3. By executing this agreement, the Municipality certifies to the Division that it has sufficient funds to meet its share of the costs as heretofore stated.
4. The Division shall, for all purposes in connection with the project identified above, be the Agent of the Municipality. The Municipality herewith grants the Division a power of attorney to act as its agent to perform the following services:
 - a. accept, receive receipt for, and deposit with the State Treasurer any and all project funds granted, allowed, and paid or made available by the (1) United States under the A.I.P. and congressional appropriation made pursuant thereto and (2) the State of Illinois;
 - b. shall, after the execution of Federal grant agreement, approved the award of contracts;
 - c. participate in pre-construction conferences, issue orders as it deems appropriate regarding construction progress, including, but not limited to, approval of Notices to Proceed, Stop Work Orders, and Change Orders;
 - d. exercise such supervision and direction of the project work as the Division reasonably finds appropriate. Where there is irreconcilable conflict or differences of opinion, judgment, order or direction between the Division and any engineer, contractor, or the Municipality, the Division shall issue a written order which shall prevail and be controlling;
 - e. receive, review, approve, and pay invoices and payment requests for services and materials supplied in accordance with Division approved contracts;
 - f. coordinate and conduct semi-final and final inspections;
 - g. obtain contractor and material supplier releases in accordance with state law;
 - h. review, approve and submit "as built" plans to the F.A.A.;
 - i. pay to the Municipality, from Federal and State project funds, where the Municipality has contributed more than its share of reasonable land acquisition costs, the excess portion of costs so incurred by the Municipality. This provision shall apply only to land acquired for airport purposes and only upon proof that clear title to said land is vested in the Municipality. These costs include purchase price and costs incidental to acquisition of the said land, excluding administrative costs;

- j. pay to the Municipality, from Federal and State project funds, the portion of reasonable and eligible project costs incurred by the Municipality that are in excess of the Municipality's share.
- 5. Notwithstanding the provisions of Paragraph 4 above, the Municipality shall be the signatory party, in its own name, stead, right and behalf, to the Application for Federal Assistance made or to be made to the F.A.A., to the Acceptance of such Grant Offer as shall be tendered by the United States, through the F.A.A., and to any and all Amendments to such Grant Agreement. The Division shall submit this Agency and Participation Agreement to the F.A.A. after its execution.
 - 6. The Municipality, and not the Division or the United States, shall be the contractual party to all construction or engineering contract(s) entered into for the accomplishment of the project.
 - 7. The Municipality shall have employed for this project, by a contract approved by the Division and F.A.A. a consulting engineer pre-qualified in accordance with the Division's procedures and registered in the State of Illinois to provide:
 - a. qualified Resident or Project Engineer(s), registered in the State of Illinois and approved by the Division; and
 - b. materials testing technician(s) approved by the Division; and
 - c. any project reports required by the Division or the F.A.A. Further, for each phase of project work which is covered by separate contract, the Resident or Project Engineer shall render to the Division both a semi-final and final inspection report. The final inspection report(s) shall certify to the Division and to the Municipality that the work involved has been fully completed in accordance with the plans, specifications and contract(s), as the same have been modified or supplemented by the Division and F.A.A. approved change order, supplementary contract or otherwise, and that the work is acceptable to the Resident or Project Engineer.
 - 8.
 - a. The Municipality agrees that it will strictly comply with all State and Federal laws, Rules, Regulations, Program Guidance Letters, Assurances and Covenants which are relevant to this project, including, but not limited to, those stated in or incorporated by reference in the Federal Grant Agreement during the construction of this project.
 - b. The Municipality and the Division agree that this document constitutes the grant agreement required by the "Illinois Grant Funds Recovery Act". The parties also agree to amend this agreement if necessary to comply with said Act.
 - 9. The Municipality guarantees that:

- a. the air navigation facility which is the subject of this agreement will be owned or effectively controlled, operated, repaired and maintained adequately during its full useful life, or a period of not less than 20 years, whichever is longer, for the rightful, fair, equal and uniform use and benefit of the public; and
 - b. it will comply with all applicable State and Federal laws, rules, regulations, procedures, covenants and assurances required by the State of Illinois or the F.A.A. in connection with the A.I.P. grant in the operation of the facility; and
 - c. it will file with the Division and the F.A.A. such reports as may be requested concerning the use, maintenance, and operation of the airport.
10. The Municipality agrees to keep complete and adequate books and records in accordance with standard accounting procedures prescribed by the F.A.A. relating to the project described in this agreement and all books and records shall be open to inspection and examination by the Division or the F.A.A. at any reasonable time.
11. No leases will be entered into by the Municipality which grant exclusive use rights to any grantee for any aviation facilities which are the subject of this project.
12. The Municipality agrees not to dispose of airport land by sale or lease without consent of the Division and the F.A.A. In the event such consent is obtained, the Municipality further agrees to utilize for airport development the State and the Federal share of the acquisition cost or the fair market value of the land at the time of the sale, whichever is greater, based upon the percent of participation by the respective parties in the original purchase. The proceeds from the sale of airport land which have had State and Federal participation shall be reserved and expended on items of work which would be normally eligible for State and Federal funds without benefit of those matching funds. Toward this end, the Municipality shall include a provision in each instrument recorded for every interest in land secured under this agreement which reads as follows:

The property interest of the Municipality in this real estate cannot be transferred without the written approval of the Illinois Department of Transportation, Division of Aeronautics. Furthermore, in the event any such interest is no longer used for an approved airport purpose without the written approval of the Division, that interest shall revert to a public airport sponsor appointed by the Division.
13. The Municipality agrees that all revenues generated by the airport and the non-aeronautical use of airport land, purchased under this project, will be deposited in a special fund and expended for the capital or operating costs of the airport, the local airport system, or other local facilities which are owned or operated by the Municipality and directly related to the actual transportation of airport passengers of property.

14. Notices, reports or other communications required by or transmitted pursuant to this agreement to the Division shall be directed to the attention of the Director of Aeronautics, Department of Transportation, Division of Aeronautics, One Langhorne Bond Drive, Capital Airport, Springfield, Illinois 62706.

Notices, reports or other communications required by or transmitted pursuant to this agreement to the Municipality shall be directed to the attention of the Commissioner of Aviation, Room 3000, 20 North Clark Street, Chicago, Illinois 60602.
15. This agreement is entered into pursuant to the Illinois Aeronautics Act and the A.I.P. and shall be subject to and construed in accordance with said Acts. In the event of a conflict between State and Federal law, rule, regulation, etc., the Federal provision shall control.
16. In the event that the F.A.A., acting for the United States, shall refuse or fail to extend a Grant Offer on this project by the close of the next Federal fiscal year, or should the Division otherwise determine that a Grant will not be offered or has expired, this agreement shall automatically be voided and become of no force and effect.
17. The Municipality covenants to zone (within its powers to do so) the airport and its environs for compatible land uses. The Municipality shall adopt airport hazard zoning regulations or shall request the Division to adopt hazard zoning under Section 17 of the Airport Zoning Act, Illinois Revised Statutes, Chapter 15 1/2, Paragraph 48.1, *et seq.*
18. This agreement is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party.
19. The Division shall accept responsibility for all decisions or determinations subject to the provision that in carrying out any of the terms of this Agreement or in exercising any power or authority granted thereby, there shall be no personal liability upon the Division or its authorized representative, it being understood that in such matters they act as agents and representatives of the State.
20. The Municipality hereby certifies to the Division that it will have acquired clear title in fee simple to all real estate upon which construction work is to be performed and a sufficient interest (easement or otherwise) in any other real estate which may be affected by the construction process.
21. No construction shall be commenced until the Division approves the issuance of a "Notice to Proceed".
22. In the event the Municipality breaches this agreement in any way whatsoever, be it prior to construction, during construction or after the project is completed and in operation, or in the event the Municipality fails to diligently pursue construction progress or operation of the completed facility, the Division shall have any or all the following non-exclusive remedies available to it:

- a. the right to seek specific performance;
 - b. the right to assume control and operation of the construction or the completed facility for the useful life of the facility or 20 years from the execution date of this agreement which right the Division may assign to any public agency as defined in the A.I.P.;
 - c. the right to refuse to provide State assistance for future aviation programs and to terminate any current State assistance;
 - d. the right to seek reimbursement of all State funds provided for the project;
 - e. any other remedy available at law or in equity.
23. This agreement constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.
24. Any grant under this agreement shall be valid for the useful life of the above-described project or for twenty (20) years, whichever is longer.
25. All commitments by the Municipality hereunder are subject to constitutional and statutory limitations and restrictions binding upon it and to the availability of funds which lawfully may be applied.

In Witness Whereof, the parties hereto have caused this Agreement to be executed and their respective seals affixed as of the dates respectively hereafter set forth.

[Signature forms omitted for printing purposes.]

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

Action Deferred -- AGENCY AND PARTICIPATION AGREEMENT
WITH STATE OF ILLINOIS FOR AIRPORT IMPROVEMENTS
AT CHICAGO MIDWAY AIRPORT.

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

CHICAGO, December 15, 1986.

To the President and Members of the City Council:

Your Committee on Aviation, having had under consideration a proposed Agency and Participation Agreement between the City of Chicago and the State of Illinois for Airport Improvements at Chicago Midway Airport, Grant No. 3-17- 0025-08 (which was referred on October 6, 1986) begs leave to recommend that Your Honorable Body pass the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 6 members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) JESUS G. GARCIA,
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. The Mayor is authorized to execute and the City Clerk to attest and affix the seal of the City of Chicago upon an Agency and Participation Agreement between the City and the State of Illinois subject to the approval of the City Comptroller and as to form and legality by the Corporation Counsel; said Agreement to be in substantially the attached form:

*Agency and Participation Agreement
(State and Federally Assisted Airport Development).*

This Agreement made and entered into by and between the Division of Aeronautics of the Illinois Department of Transportation, (hereinafter referred to as the "Division"), for and in behalf of the State of Illinois, and the City of Chicago, Illinois, (hereinafter referred to as the "Municipality").

Witnesseth:

Whereas, the Municipality desires to sponsor a project for the further development of a public air navigation facility, known or to be designated as the Chicago Midway Airport under the Airport and Airway Improvement Act of 1982, Title 49, United States Code, Section 2201 *et seq.*, (hereinafter referred to as "A.I.P."), and Rules, Regulations and Procedures promulgated pursuant thereto; and under the Illinois Aeronautics Act, Illinois Revised Statutes, Chapter 15 1/2, Paragraph 22.1 *et seq.*; and

Whereas, this project shall be identified as Ill. Proj. 87A-24-1198, A.I.P. Project 3-17-0025-08, and described as:

Design north airport drainage system and acquire Parcels 28 and 41 (approx. 37 acres) in fee

Whereas, the parties hereto have previously entered into an Initial Agency and Participation Agreement to Develop an Airport Project concerning the aforementioned project and all duties of the parties under this prior Agreement have been fulfilled; and

Whereas, the Municipality has applied for state assistance in procuring state and federal funds and desires the Division to act as Municipality's agent in matters connected with the project described above; and

Whereas, the Division has filed a preapplication for federal funds with the Federal Aviation Administration ("F.A.A.") on behalf of the Municipality and has been appropriated certain monies for the aforesaid project; and

Whereas, the F.A.A. has issued to the Municipality a Grant Offer in the sum of \$3,340,433.00; and

Whereas, the parties hereto, by this agreement, do hereby (a) fix their respective responsibilities, with reference to each other, with reference to the accomplishment of said project and with reference to the United States, and (b) designate the Division as the party to accept, receipt for and disburse all Federal, State and Municipal funds used or to be used in payment of the costs of said project or in reimbursement to either of the parties hereto for costs previously incurred;

Now, Therefore, for and in consideration of the benefits which will accrue to the parties hereto by virtue of completion of the project, it is Mutually Covenanted and Agreed as follows:

1. The Municipality and not the Division shall, for all purposes, be the "Sponsor" of the project identified above as defined in Section 503(21) of the A.I.P. As the Sponsor, the Municipality agrees to assume the responsibility that all aspects of the grant and project and later operation of the facility are done in compliance with all applicable state and federal requirements including any statutes, rules, regulations, assurances, procedures or any other directives.
2. A Grant Offer from the United States has been tendered in the amount of \$3,340,433.00. It is estimated that the share of the Municipality in the estimated project construction costs will be approximately \$0.00, and that its share of total project costs will be approximately \$185,580.00. The Municipality specifically agrees that it shall pay any project costs which exceed the sum of the Division's funds and Federal funds as are herein committed for this project.

The estimated total project cost for said project is \$3,711,592.00. The Division hereby agrees, subject to the approval of the Governor, to participate in the project, for payment of such project costs as are allowed under Section 34 of the Illinois Aeronautics Act.

On project costs eligible for ninety and no/1000 percent (90.000%) F.A.A. participation, the Division will participate up to five and no/1000 percent (5.000%).

Subject to the approval of the Governor, the Division will participate to the extent of the aforesaid appropriate percentages in overruns and contingencies approved by the Division, but in no event shall the Division's participation in any approved

overruns and contingencies cause the total amount of the Division's participation in the project as a whole to exceed \$185,579.00. It is further agreed that the Municipality will reimburse the Division for any payment or payments made hereunder by the Division which are in excess of the Division's percentage of financial participation as heretofore stated or in excess of the Division's total participation.

Payments to the Contractor and/or Consulting Engineer shall be made from time to time on the basis of field reports submitted by the Resident or Project Engineer and approved by the Chief Engineer of the Division, up to ninety percent (90%) of the contract price. The remaining ten percent (10%) may be retained by the Division until after the contract has been completed and accepted and all other requirements of the contract agreed to be performed by the Contractor and/or Engineer are properly completed.

3. By executing this agreement, the Municipality certifies to the Division that it has sufficient funds to meet its share of the costs as heretofore stated.
4. The Division shall, for all purposes in connection with the project identified above, be the Agent of the Municipality. The Municipality herewith grants the Division a power of attorney to act as its agent to perform the following services:
 - a. accept, receive, receipt for, and deposit with the State Treasurer any and all project funds granted, allowed, and paid or made available by the (1) United States under the A.I.P. and congressional appropriation made pursuant thereto; (2) the State of Illinois;
 - b. shall, after the execution of Federal grant agreement, approved the award of contracts;
 - c. participate in pre-construction conferences, issue orders as it deems appropriate regarding construction progress, including, but not limited to, Notices to Proceed, Stop Work Orders, and Change Orders;
 - d. exercise such supervision and direction of the project work as the Division reasonably finds appropriate. Where there is irreconcilable conflict or differences of opinion, judgment, order or direction between the Division and any engineer, contractor, or the Municipality, the Division shall issue a written order which shall prevail and be controlling;
 - e. receive, review, approve, and pay invoices and payment requests for services and materials supplied in accordance with Division approved contracts;
 - f. coordinate and conduct semi-final and final inspections;
 - g. obtain contractor and material supplier releases in accordance with state law;

- h. review, approve and submit "as built" plans to the F.A.A.;
 - i. pay to the Municipality, from Federal and State project funds, where the Municipality has contributed more than its share of reasonable land acquisition costs, the excess portion of costs so incurred by the Municipality. This provision shall apply only to land acquired for airport purposes and only upon proof that clear title to said land is vested in the Municipality. These costs include purchase price and costs incidental to acquisition of the said land, excluding administrative costs;
 - j. pay to the Municipality, from Federal and State project funds, the portion of reasonable and eligible project costs incurred by the Municipality that are in excess of the Municipality's share.
- 5. Notwithstanding the provisions of Paragraph 4 above, the Municipality shall be the signatory party, in its own name, stead, right and behalf, to the Application for Federal Assistance made or to be made to the F.A.A., to the Acceptance of such Grant Offer as shall be tendered by the United States, through the F.A.A., and to any and all Amendments to such Grant Agreement. The Division shall submit this Agency and Participation Agreement to the F.A.A. after its execution.
- 6. The Municipality, and not the Division or the United States, shall be the contractual party to all construction or engineering contract(s) entered into for the accomplishment of the project.
- 7. The Municipality shall have employed for this project, by a contract approved by the Division and F.A.A. a consulting engineer pre-qualified in accordance with the Division's procedures and registered in the State of Illinois to provide:
 - a. qualified Resident or Project Engineer(s), registered in the State of Illinois and approved by the Division; and
 - b. materials testing technician(s) approved by the Division; and
 - c. any project reports required by the Division or the F.A.A. Further, for each phase of project work which is covered by separate contract, the Resident or Project Engineer shall render to the Division both a semi-final and final inspection report. The final inspection report(s) shall certify to the Division and to the Municipality that the work involved has been fully completed in accordance with the plans, specifications and contract(s), as the same have been modified or supplemented by the Division and F.A.A. approved change order, supplementary contract or otherwise, and that the work is acceptable to the Resident or Project Engineer.
- 8.
 - a. The Municipality agrees that it will strictly comply with all State and Federal laws, Rules, Regulations, Program Guidance Letters, Assurances and Covenants which are relevant to this project, including, but not limited to, those stated in or incorporated by reference in the Federal Grant Agreement during the construction of this project.

- b. The Municipality and the Division agree that this document constitutes the grant agreement required by the "Illinois Grant Funds Recovery Act". The parties also agree to amend this agreement if necessary to comply with said Act.
- 9. The Municipality guarantees that:
 - a. the air navigation facility which is the subject of this agreement will be owned or effectively controlled, operated, repaired and maintained adequately during its full useful life, or a period of not less than 20 years, whichever is longer, for the rightful, fair, equal and uniform use and benefit of the public; and
 - b. it will comply with all applicable State and Federal laws, rules, regulations, procedures, covenants and assurances required by the State of Illinois or the F.A.A. in connection with the A.I.P. grant in the operation of the facility; and
 - c. it will file with the Division and the F.A.A. such reports as may be requested concerning the use, maintenance, and operation of the airport.
- 10. The Municipality agrees to keep complete and adequate books and records in accordance with standard accounting procedures prescribed by the F.A.A. relating to the project described in this agreement and all books and records shall be open to inspection and examination by the Division or the F.A.A. at any reasonable time.
- 11. No leases will be entered into by the Municipality which grant exclusive use rights to any grantee for any aviation facilities which are the subject of this project.
- 12. The Municipality agrees not to dispose of airport land by sale or lease without consent of the Division and the F.A.A. In the event such consent is obtained, the Municipality further agrees to utilize for airport development the State and the Federal share of the acquisition cost or the fair market value of the land at the time of the sale, whichever is greater, based upon the percent of participation by the respective parties in the original purchase. The proceeds from the sale of airport land which have had State and Federal participation shall be reserved and expended on items of work which would be normally eligible for State and Federal funds without benefit of those matching funds. Toward this end, the Municipality shall include a provision in each instrument recorded for every interest in land secured under this agreement which reads as follows:

The property interest of the Municipality in this real estate cannot be transferred without the written approval of the Illinois Department of Transportation, Division of Aeronautics. Furthermore, in the event any such interest is no longer used for an approved airport purpose without the written approval of the Division, that interest shall revert to a public airport sponsor appointed by the Division.

13. The Municipality agrees that all revenues generated by the airport and the non-aeronautical use of airport land, purchased under this project, will be deposited in a special fund and expended for the capital or operating costs of the airport, the local airport system, or other local facilities which are owned or operated by the Municipality and directly related to the actual transportation of airport passengers or property.
14. Notices, reports or other communications required by or transmitted pursuant to this agreement to the Division shall be directed to the attention of the Director of Aeronautics, Department of Transportation, Division of Aeronautics, One Langhorne Bond Drive, Capital Airport, Springfield, Illinois 62706.

Notices, reports or other communications required by or transmitted pursuant to this agreement to the Municipality shall be directed to the attention of the Commissioner of Aviation, Room 3000, 20 North Clark Street, Chicago, Illinois 60602.
15. This agreement is entered into pursuant to the Illinois Aeronautics Act and the A.I.P. and shall be subject to and construed in accordance with said Acts. In the event of a conflict between State and Federal law, rule, regulation, etc., the Federal provision shall control.
16. In the event that the F.A.A., acting for the United States, shall refuse or fail to extend a Grant Offer on this project by the close of the next Federal fiscal year, or should the Division otherwise determine that a Grant will not be offered or has expired, this agreement shall automatically be voided and become of no force and effect, except that any monies actually deposited by the Municipality and held with the State Treasurer for project purposes shall be returned to the Municipality.
17. The Municipality covenants to zone (within its powers to do so) the airport and its environs for compatible land uses. The Municipality shall adopt airport hazard zoning regulations or shall request the Division to adopt hazard zoning under Section 17 of the Airport Zoning Act, Illinois Revised Statutes, Chapter 15 1/2, Paragraph 48.1, *et seq.*
18. This agreement is executed for the sole benefit of the contracting parties and is not intended or executed for the direct or incidental benefit of any third party.
19. The Division shall accept responsibility for all decisions or determinations subject to the provision that in carrying out any of the terms of this Agreement or in exercising any power or authority granted thereby, there shall be no personal liability upon the Division or its authorized representative, it being understood that in such matters they act as agents and representatives of the State.
20. The Municipality hereby certifies to the Division that it will have acquired clear title in fee simple to all real estate upon which construction work is to be performed and a sufficient interest (easement or otherwise) in any other real estate which may be affected by the construction process.

21. No construction shall be commenced until the Division issues a "Notice to Proceed."
22. In the event the Municipality breaches this agreement in any way whatsoever, be it prior to construction, during construction or after the project is completed and in operation, or in the event the Municipality fails to diligently pursue construction progress or operation of the completed facility, the Division shall have any or all the following non-exclusive remedies available to it:
 - a. the right to seek specific performance;
 - b. the right to assume control and operation of the construction or the completed facility for the useful life of the facility or 20 years from the execution date of this agreement which right the Division may assign to any public agency as defined in the A.I.P.;
 - c. the right to refuse to provide State assistance for future aviation programs and to terminate any current State assistance;
 - d. the right to seek reimbursement of all State funds provided for the project;
 - e. any other remedy available at law or in equity.
23. This agreement constitutes the full and total understanding of the parties concerning their rights and responsibilities in regard to this project and shall not be modified, amended, rescinded or revoked unless such modification, amendment, rescission or revocation is agreed to by both parties in writing and executed by both parties.
24. Any grant under this agreement shall be valid for the useful life of the above-described project or for twenty (20) years, whichever is longer.
25. All commitments by the Municipality hereunder are subject to constitutional and statutory limitations and restrictions binding upon it and to the availability of funds which lawfully may be applied.

In Witness Whereof, the parties hereto have caused this Agreement to be executed and their respective seals affixed as of the dates respectively hereafter set forth.

[Signature forms omitted for printing purposes.]

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

Action Deferred -- EXECUTION OF INTERNATIONAL TERMINAL/
TERMINAL 4 FACILITIES LEASE WITH AMERICAN
TRANS AIR, INCORPORATED, FOR PREMISES
AT CHICAGO-O'HARE INTERNATIONAL
AIRPORT.

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

CHICAGO, December 15, 1986.

To the President and Members of the City Council:

Your Committee on Aviation, having had under consideration a proposed ordinance authorizing the Mayor to execute an International Terminal/Terminal 4 Facilities Lease with American Trans Air, Inc., for premises at Chicago-O'Hare International Airport (which was referred on November 24, 1986) begs leave to recommend that Your Honorable Body pass the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 6 members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) JESUS G. GARCIA,
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 Mayor, subject to attestation by the City Clerk, approval by the Commissioner of Aviation and the City Comptroller, and by the Corporation Counsel as to form and legality, is authorized to execute on behalf of the City of Chicago an International Terminal/Terminal 4 Facilities lease with American Trans Air for premises at Chicago-O'Hare International Airport, said agreement to be substantially in the following form:

International Terminal/Terminal 4 Facilities Lease.

This Lease, made and entered into as of this 15th day of March, 1985, by and between the City of Chicago, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois ("City"), and American Trans Air, Inc., a corporation organized and existing under and by virtue of the laws of Indiana ("Airline").

Witnesseth:

Whereas, City owns and operates Chicago-O'Hare International Airport (the "Airport") and has the power to grant rights and privileges with respect thereto; and

Whereas, City desires to lease to Airline and Airline desires to lease from City certain exclusive use premises (the "Exclusive Use Premises") in the International Terminal/Terminal 4 at the Airport (the "International Terminal");

Now, Therefore, in consideration of the premises and of the mutual covenants and agreements herein contained, City and Airline agree as follows:

*Article I.**Term.*

Section 1.01 -- Term of Lease

This Lease shall have an initial term beginning on _____ the date of authorizing ordinance of the City Council of the City of Chicago and ending on March 14, 1986; the term of this Lease shall be extended automatically for two (2) consecutive one-year periods unless written notice of termination is given by City or Airline to the other at least sixty (60) days prior to the expiration of the initial term or the first renewal term as the case may be.

*Article II.**Grant Of Rights.*

Section 2.01 -- Use of Exclusive Use Premises

(a) Airline shall have the right to use its Exclusive Use Premises for any and all purposes reasonably necessary, convenient or incidental to the conduct by Airline of its air transportation business.

(b) Nothing in this Lease shall be construed to permit the use of Airline's Exclusive Use Premises for the conduct of any business other than Airline's air transportation business. Such limitation includes but is not limited to the ground transportation business, restaurants or merchandising operations.

Section 2.02 -- Use of International Terminal

(a) Airline shall have the non-exclusive right to use, in common with others, the public areas and airline joint-use areas of the International Terminal and the International Terminal aircraft parking areas pursuant to rules and regulations promulgated from time to time by the City.

(b) Airline acknowledges that City will impose charges and reporting requirements upon Airline, in addition to the charges payable hereunder for the Exclusive Use Premises, for the use of the non-exclusive areas of the International Terminal, the International Terminal aircraft parking areas and the Airport generally. Such charges may include, without limitation, fees for use of the International Terminal to enplane and deplane passengers, fees for use of the International Terminal aircraft parking area, fees for the use of the transportation system and landing fees.

Section 2.03 -- Restrictions

The foregoing rights and privileges of Airline are subject to the following specific restrictions:

(a) Airline shall not do or authorize to be done anything which may interfere with the effectiveness or accessibility of the drainage and sewage system, water system, communication system, fire protection system, or any other part of the utility, electrical or other systems installed or located from time to time at the Airport.

(b) Airline shall not do or authorize to be done anything at the Airport (i) which may constitute a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Lease or (ii) which will invalidate or conflict with any insurance policies covering the Airport. If, by reason of any failure on the part of Airline to comply with the provisions of this subsection, the cost of any such insurance or extended coverage is at any time higher than it otherwise would be, then Airline shall pay City that part of all premiums paid by City which are charged because of such violation or failure by airline.

(c) City, by its officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right at all reasonable times to enter Airline's Exclusive Use Premises for the purpose of inspecting the same, for performing any necessary repairs, and for the doing of any act which City may be obligated or have the right to do under this Lease.

Article III.

Lease Of International Terminal Exclusive Use Premises.

Section 3.01 -- Exclusive Use Premises

City hereby leases to Airline and Airline hereby hires and takes from City for Airline's exclusive use, and agrees to pay rentals calculated with reference to, the Exclusive Use Premises as shown on Exhibit A attached hereto, together with all improvements and fixtures located therein.

Article IV.

International Terminal Rentals And Use Charges.

Section 4.01 -- Rentals and Use Charges

(a) At such times and in such manner as provided in Section 4.02, Airline shall pay rentals to City equal to \$5.00 per square foot per annum, payable in twelve (12) monthly installments in advance, for Airline's Exclusive Use Premises.

(b) At such times and in such manner as provided in Section 4.02, Airline shall pay use charges to City equal to \$21.46 per square foot per annum for the initial term of this Lease, \$22.46 per square foot per annum for the first renewal period and \$23.46 per square foot per annum for the second renewal period, payable in twelve (12) monthly installments in advance, for Airline's Exclusive Use Premises.

Section 4.02 -- Payment of Rentals

Airline shall pay to City at the Office of the City Comptroller, Room 501, City Hall, Chicago, Illinois 60602, or at such other place as the City Comptroller shall designate on or before the first calendar day of each month all rentals and use charges payable for Airline's Exclusive Use Premises in accordance with Section 4.01. Any amount which is not paid when due shall bear interest at a rate two percentage points (2%) higher than the then-current corporate base rate announced by the largest commercial bank in Chicago, determined on the basis of total assets.

Article V.

Responsibilities Of Airline.

Section 5.01 -- Maintenance, Replacement and Repair

Airline shall be responsible for and shall perform or cause to be performed, maintenance and repair of its Exclusive Use Premises. Airline shall, at all times:

- (a) Keep all fixtures, equipment and personal property in a clean and orderly condition and appearance;
- (b) Maintain the same in good condition (reasonable wear and tear excepted) and perform all ordinary repairs and inside painting, such repairs and painting by Airline to be of a quality and class not inferior to the original material and workmanship; and
- (c) Either directly or through an independent contractor, dispose of its garbage, debris and other waste materials (excluding snow and ice).

Section 5.02 -- Modification to Exclusive Use Premises

(a) Airline may, from time to time, install additional facilities and improvements and modify or expand existing facilities or improvements in its Exclusive Use Premises. Before entering into any contract for such work Airline shall first submit to the Commissioner of the Department of Aviation of the City (the "Commissioner"), for his prior written approval, a construction application together with complete plans and specifications of the proposed work. If requested by the Commissioner, Airline shall require the contractor to furnish a performance bond and payment bond, approved as for form and substance by the Commissioner.

(b) Airline agrees to, and shall include in all construction contracts a provision whereby the contractor agrees to, indemnify, hold harmless and defend City, its officers, agents, and employees against losses (except in cases in which such losses are caused solely by City's negligence), occasioned by death, injury to persons or damage to property, arising out of or in connection with the performance of construction work, against the risk of loss or damage to the construction prior to the completion thereof, and against losses resulting from claims and demands by third persons arising out of the performance of the construction work; and Airline shall provide or shall require the contractor to provide, liability insurance covering the foregoing in an amount reasonably required by the Commissioner. Airline shall also include in any construction contract such provisions as may reasonably be required by the Commissioner relating to the operation of the contractor at the Airport.

(c) all work performed by Airline or its contractors, including all workmanship and materials, shall be of acceptable quality and shall be performed in accordance with the plans and specifications approved by the Commissioner. Such work may be inspected by the Commissioner, or his authorized representative, at any reasonable time.

(d) Airline shall deliver to the Commissioner "as built" drawings of the work performed by it and shall keep such drawings current showing any changes or modifications made in or to its Exclusive Use Premises.

(e) Airline shall discharge when due all obligations to contractors, subcontractors, materialmen, workmen and others for all work performed and for materials furnished for or on account of Airline.

Section 5.03 -- Taxes, Licenses and Permits

Airline, its contractors and agents, shall pay all taxes and obtain all licenses, permits, certificates and other authorizations required by any governmental authority in connection with the operations or activities performed by it hereunder.

Section 5.04 -- Installation of Machinery and Equipment

Airline may, from time to time, in its sole discretion and at its own expense, install machinery, equipment and other personal property in its Exclusive Use Premises which may be attached or affixed to, but shall not become a part of, the Exclusive Use Premises. All such machinery, equipment and other personal property shall remain the sole property of Airline and may be removed by Airline at any time, in its sole discretion, and its own expense; provided, however, that any damage resulting from any such removal shall be repaired by Airline at its own expense. City shall not have any interest in or landlord's lien on any such machinery, equipment or personal property, and such machinery, equipment and personal property shall be identified as the property of Airline.

Section 5.05 -- Liens Prohibited

Airline shall keep its Exclusive Use Premises and the installations situated thereon free and clear of any and all liens in any way arising out of the construction, improvement or use thereof by Airline.

Section 5.06 -- Performance by City upon Failure of Airline

If Airline fails to perform, for a period of thirty (30) days after written notice from City, any obligation required by this Article V, City may perform such obligation of Airline, and charge Airline for the cost to City of such performance; provided, however, that if Airline's failure to perform any such obligation endangers the safety of operation at the Airport, City may perform such obligation of Airline at any time without notice and charge Airline for the cost to City of such performance.

Article VI.

Rules And Regulations: Compliance With Laws.

Section 6.01 -- Rules and Regulations

Airline shall comply, and shall use its best efforts to cause its passengers, guests, invitees and independent contractors to comply, with all rules and regulations governing the conduct and operation of the Airport, promulgated from time to time by the Commissioner.

Section 6.02 -- Compliance with Laws

Airline shall comply with all applicable Federal, state and local laws, codes, regulations, ordinances, rules and orders; provided, however, that Airline may, without being considered to be in breach hereof, contest any such laws so long as such contest is diligently commenced and prosecuted by Airline, and Airline notifies City of such contest.

Article VII.

Exercise By City Of Governmental Functions.

Section 7.01 -- Governmental Functions

(a) Nothing contained herein shall impair the right of City in the exercise of its governmental functions to require Airline to pay any tax or inspection fees or to procure necessary permits or licenses, provided such requirement is not inconsistent with the rights and privileges of Airline hereunder.

(b) City shall have no control over the rates, fares or charges the Airline may prescribe in connection with the conduct of its air transportation business.

Article VIII.

Indemnity And Insurance.

Section 8.01 -- Indemnity

(a) Airline shall pay, and shall protect, indemnify and save City, its agents, officers and employees, harmless from and against any and all liabilities, losses, damages, costs, and expenses (including attorneys' fees and expenses), causes of action, suits, claims, demands, judgments, awards and settlements including, without limitation, payments of claims or liability resulting from any injury to or death of any person or damage to property, in each case, arising out of the following (except in cases in which such losses are caused solely by the negligence of City or its agents, officers and employees) and only to the extent City is not reimbursed out of insurance proceeds therefor:

- (i) Airline's use or occupancy of the Airport or non-use (if such non-use is contrary to Airline's obligations hereunder) of any premises demised to Airline hereunder;

- (ii) The condition of Airline's Exclusive Use Premises, including any equipment or facilities at any time located thereon, and any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto; or
- (iii) The violation by Airline of any agreement, warranty, covenant or condition of this Lease, of any other contract, agreement or restriction relating to the Airport, or of any law, ordinance, regulation or court order affecting the Airport.

(b) City shall promptly notify Airline in writing of any claim or action brought against City in respect of which indemnity may be sought by City against Airline hereunder, setting forth the particulars of such claim or action and shall furnish Airline with a copy of all suit papers and legal process. Airline shall assume and have full responsibility for the defense or settlement thereof, including the employment of counsel, and the payment of all expenses and all settlements or judgments. City shall cooperate fully with Airline in the defense of any case hereunder, and may employ separate counsel in any such action and participate in defense thereof.

Section 8.02 -- Insurance Maintained by Airline

Airline shall maintain, or cause to be maintained, at its own expense, insurance with respect to its property and business against such casualties and contingencies (including but not limited to public liability) in such amounts as are customary in the case of similarly situated persons in the air transportation business.

Article IX.

Sublease And Assignment.

Section 9.01 -- Sublease and Assignment of Exclusive Use Premises

(a) Airline may sublet or assign its Exclusive Use Premises, in whole or in part, to another person in the Air Transportation Business, subject, however, to each of the following conditions:

- (i) No sublease or assignment shall relieve Airline from primary liability for any of its obligations hereunder, and Airline shall continue to remain primarily liable for payment of the rentals and use charges established hereunder and for the payment, performance and observance of its other obligations and agreements herein provided; and
- (ii) Any sublease or assignment of less than all of Airline's Exclusive Use Premises shall be subject to the prior written approval of the Commissioner, which approval shall not be unreasonably withheld; and any sublease or assignment of all of Airline's Exclusive Use Premises shall be subject to the prior approval of the City Council of City.

(b) Within thirty (30) days following the execution and delivery thereof, Airline shall furnish City with a copy of each sublease or assignment entered into by Airline pursuant to this Section 9.01.

*Article X.**Termination By City.*

Section 10.01 -- Events of Default Defined

Each of the following shall be an "Event of Default" under this Lease:

(a) The failure by Airline to pay any rentals or use charges required to be paid hereunder at the times specified herein or any other obligations of Airline to City;

(b) The dissolution or liquidation of Airline;

(c) The admission by Airline of insolvency or bankruptcy or the inability of Airline to pay its debts as they mature, or the failure by Airline to pay its debts as such debts become due, or the making by Airline of an assignment for the benefit of creditors or the application by Airline for or the consent to the appointment of a trustee, custodian or receiver for Airline, or for the major part of its property;

(d) The appointment of a trustee, custodian or receiver for Airline or for the major part of its property without discharge thereof within thirty (30) days after such appointment;

(e) The institution by or against Airline of bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under any chapter of the Federal Bankruptcy Code, as amended, or other proceedings for relief under bankruptcy law or similar law of any country for the relief of debtors (other than bankruptcy proceedings instituted by Airline against third parties), and if instituted against Airline, the allowance against Airline or the consent thereto by Airline, or the failure by Airline to have such proceedings dismissed, stayed or otherwise nullified within sixty (60) days after such institution;

(f) The abandonment by Airline of its air transportation business at the Airport for reasons other than strike or force majeure or as may be provided in Section 11.01; or

(g) The failure by Airline to observe and perform any covenant, condition or agreement in this Lease on the part of Airline to be observed or performed, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied, given to Airline by City, unless City agrees in writing to an extension of such time prior to its expiration; provided, however, that any such failure which can be cured but which cannot with due diligence be cured within such thirty (30) day period shall not constitute an Event of Default if corrective action is instituted by Airline within the applicable period and diligently pursued until the failure is corrected.

Section 10.02 -- Remedies on Default

Whenever an Event of Default has occurred and is continuing, City, to the extent permitted by law and upon written notice to Airline may, subject to the provisions of any other agreement then in effect between Airline and City, take any one or more of the following remedial steps:

(a) City may terminate this Lease and exclude Airline from possession of its Exclusive Use Premises;

(b) City may, without terminating this Lease, exclude Airline from possession of its Exclusive Use Premises, and use reasonable efforts to lease the Exclusive Use Premises to another airline for the account of Airline, holding Airline liable for rentals, use charges and other payments due up to the effective date of such leasing and for the excess, if any, of the rentals, use charges and other amounts payable by Airline under this Lease for the remainder of the term of this Lease over the rentals, use charges and other amounts which are payable by such new airline under such new agreement; and

(c) City may, from time to time, take whatever action at law or in equity appears necessary or desirable to collect rentals, use charges and any other amounts payable by Airline hereunder then due and thereafter to become due, or to enforce the performance and observance of any obligation, agreement or covenant of Airline under this Lease.

Section 10.03 -- No Remedy Exclusive

No remedy conferred upon or reserved to City in this Lease shall be exclusive of any other available remedy, and each such other remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission in exercising any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle City to exercise any remedy it has under this Lease, it shall not be necessary to give any notice other than such notice as may be herein expressly required.

Section 10.04 -- Agreement to Pay Attorneys' Fees and Expenses

In the event Airline defaults under this Lease and City employs attorneys or incurs other expenses for the collection of rentals or the enforcement of performance of any obligation or agreement on the part of Airline, Airline shall, on demand, pay to City the reasonable fees and expenses of such attorneys and such other expenses so incurred by City.

Section 10.05 -- Termination in Event of Handling Agreement

Whether or not an Event of Default under this Lease has occurred, in the event that City approves a handling arrangement for Airline in Terminal 1, 2 or 3 at the Airport with any airline leasing or subleasing Exclusive Use Premises in such terminal, City shall have the right to terminate this Lease and exclude Airline from possession of its Exclusive Use Premises by giving written notice of such termination to Airline.

Article XI.

Termination By Airline.

Section 11.01 -- Termination by Airline

If Airline is not then in default in the payment of any amount due from it to City hereunder, Airline may terminate this Lease by giving City sixty (60) days advance notice upon or after the happening and during the continuance of any one of the following events:

(a) The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof so as to substantially affect Airline's use of the Airport in the conduct of its air transportation business, and the remaining in force of such injunction, not stayed by way of appeal or otherwise, for a period of at least ninety (90) days;

(b) The issuance of any order, rule or regulation or the taking of any action by any Federal or State agency, having jurisdiction with respect to Airline or the Airport, or the occurrence of any fire, other casualty, act of God or the public enemy, substantially affecting, for a period of at least (90) days, Airline's use of the Airport in the conduct of its air transportation business, provided, however, that none of the foregoing is due to any fault of Airline;

(c) The default by City in the performance of any covenant or agreement required to be performed by City herein, and the failure by City to remedy such default after written notice thereof has been delivered to City, unless (i) City takes prompt action to remedy such default, within a period of thirty (30) days after receipt from Airline of such notice, or (ii) in the case of any such failure which cannot with due diligence be cured within such thirty (30) day period, if City takes corrective action within the sixty (60) day period and diligently pursues such action until the failure is cured; or

(d) The substantial restriction of City's operation of the Airport by action of any Federal or State agency having jurisdiction with respect thereto, and the continuance thereof for a period of not less than sixty (60) days, provided such restriction adversely affects Airline's operations at the Airport.

Article XII.

Equal Opportunity.

Section 12.01 -- Equal Opportunity

Airline agrees that in performing under this Lease it shall neither discriminate against any worker, employee or applicant, or any member of the public, because of race, creed, color, religion, age, sex or national origin, nor commit an unfair employment practice.

Airline will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, creed, color, religion, age, sex or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship.

Airline agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Section 12.01. Airline further agrees that this clause will be incorporated in all contracts entered into with any suppliers of materials or furnishers of services, contractors and subcontractors, and all labor organizations, which furnish skilled, unskilled and craft union skilled labor, or which may perform any such labor or services in connection with this Lease.

Attention is called to Executive Order 11246 issued September 24, 1965, 3 C.F.R., 1964-65 Compilation, p. 339, as modified by Executive Order 11375 issued October 13, 1967, 3 C.F.R., 1967 Compilation, p. 320; The Civil Rights Act of 1964, Pub. L. 88-352, July 2, 1964, 78 Stat. 241 *et sub.*; to the State Acts approved July 28, 1961, Ill. Rev. Stat. 1979, Ch. 38, Secs. 13-1 to 13-4 inclusive; July 8, 1933, Ill. Rev. Stat. 1979, Ch. 29, Secs. 17 to 24 inclusive; July 21, 1961, Ill. Rev. Stat. 1979, Ch. 48, Secs. 851 to 866 inclusive, and July 26, 1967, Ill. Rev. Stat. 1979, Ch. 48, Secs. 881-887; an ordinance passed by the City Council of the City of Chicago, August 21, 1945, page 3877 of the Journal of Proceedings (Mun. Code of the City of Chicago, Ch. 198.7A); and the provisions of 41 C.F.R. Chapter 60, and Part 21, Regulations of the Office of the Secretary of Transportation; Executive Order 85-2 promulgated by the Mayor of the City of Chicago on April 3, 1985.

To demonstrate compliance, Airline will furnish, and will obligate its contractors and subcontractors to furnish, such reports and information as is reasonably requested by the Chicago Commission on Human Relations.

Section 12.02 -- Non-Discrimination

This Lease involves the use of or access to space on, over or under real property acquired or improved under the Airport Development Aid Program of the Federal Aviation Administration, and therefore involves activity which serves the public.

Airline, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (a) no person on the grounds of race, creed, color, religion, age, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; (b) that no person on the grounds of race, creed, color, religion, age, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of improvements on, over, or under such land and the furnishing of services thereon; and (c) that Airline shall use the premises in compliance with all other requirements imposed by or pursuant to regulations of the Department of Transportation.

Section 12.03 -- Prohibition Against Exclusive Rights

It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and City reserves the right to grant to others the privileges and right of conducting any one or all activities of an aeronautical nature.

Section 12.04 -- Non-Discrimination in Furnishing Services

Airline agrees to furnish services on a fair and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit of service; provided, that Airline may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions.

Section 12.05 -- Affirmative Action

Airline assures that it will undertake an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, religion, age, national origin or sex be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E. Airline assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E. Airline assures that it will require that its covered suborganizations provide assurances to Airline that they similarly will undertake an affirmative action program and that they will require assurances from their organizations, as required by 14 C.F.R. Part 152, Subpart E, to the same effect.

Article XIII.

Miscellaneous.

Section 13.01 -- Notices

All notices to City provided for herein shall be in writing and shall be sent by registered mail, postage prepaid, addressed to the Commissioner of the Department of Aviation of the City of Chicago, City Hall, Room 1111, Chicago, Illinois, 60602, or to such other address as City may designate from time to time by notice to Airline, and shall be deemed given when so mailed. All notices to Airline provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to Airline, Attn: Janet Miles, 2141 South High School Road, Indianapolis, IN 46251, or to such other address as Airline may designate from time to time by notice to City, and shall be deemed given when so mailed.

Section 13.02 -- No Abatement or Set-off

Airline shall not abate, suspend, postpone, set-off or discontinue any payments of rentals or use charges which it is obligated to pay hereunder. Nothing contained in this Section 13.02 shall release City from the performance of any of its obligations under this Lease. In the event City fails to perform any of its obligations herein contained, Airline may institute such action against City as Airline deems necessary to compel performance, so long as such action does not abrogate Airline's obligations to make such payments unless a court of competent jurisdiction determines otherwise in a final, unappealable order or in an order for which the time for appeal has elapsed and no appeal has been taken.

Section 13.03 -- Governing Law

This Lease shall be governed and construed in accordance with the laws of the State of Illinois applicable to contracts made and to be performed in that state. Disputes arising under this Lease shall be brought by the City or the Airline in a court of competent jurisdiction located in the City of Chicago, County of Cook, State of Illinois, and Airline

hereby consents to the jurisdiction of such court and expressly agrees not to contest said jurisdiction.

In Witness Whereof, City has caused this Lease to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of City, and its seal to be hereunto affixed and attested by the City Clerk of City, and Airline has caused this Lease to be executed on its behalf by its _____ President and its _____ Secretary, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

[Signature forms omitted for printing purposes.]

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

[Exhibit A printed on pages 38343 through 38346 of this Journal.]

Action Deferred -- EXECUTION OF INTERNATIONAL TERMINAL/
TERMINAL 4 FACILITIES LEASE WITH MC CLAIN
AIRLINES, INCORPORATED FOR PREMISES
AT CHICAGO-O'HARE INTERNATIONAL
AIRPORT.

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

CHICAGO, December 15, 1986.

To the President and Members of the City Council:

Your Committee on Aviation, having had under consideration a proposed ordinance authorizing the Mayor to execute an International Terminal/Terminal 4 Facilities Lease with McClain Airlines, Inc., (which was referred on November 24, 1986) begs leave to recommend that Your Honorable Body pass the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 6 members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) JESUS G. GARCIA,
Chairman.

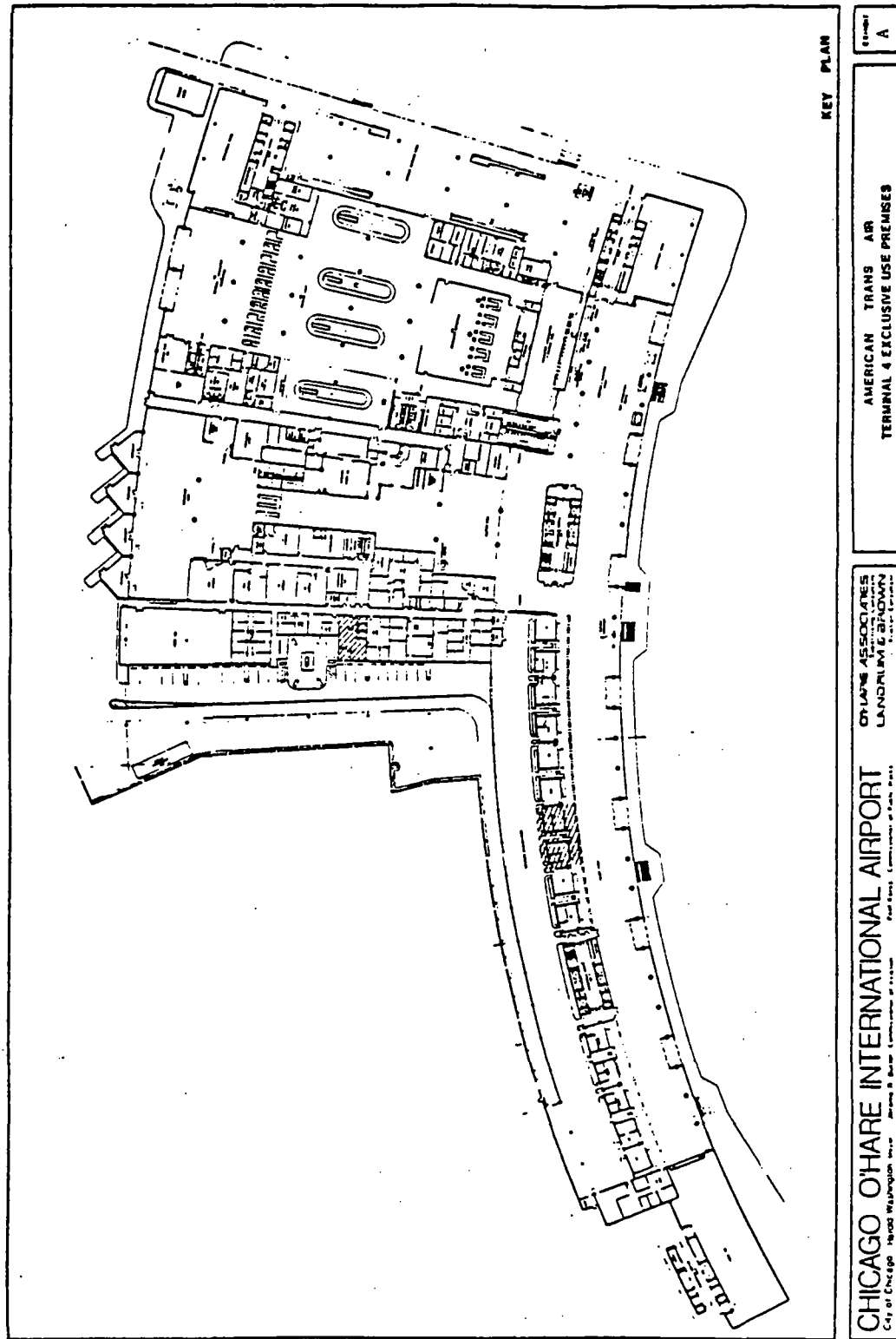
The following is said proposed ordinance transmitted with the foregoing committee report:

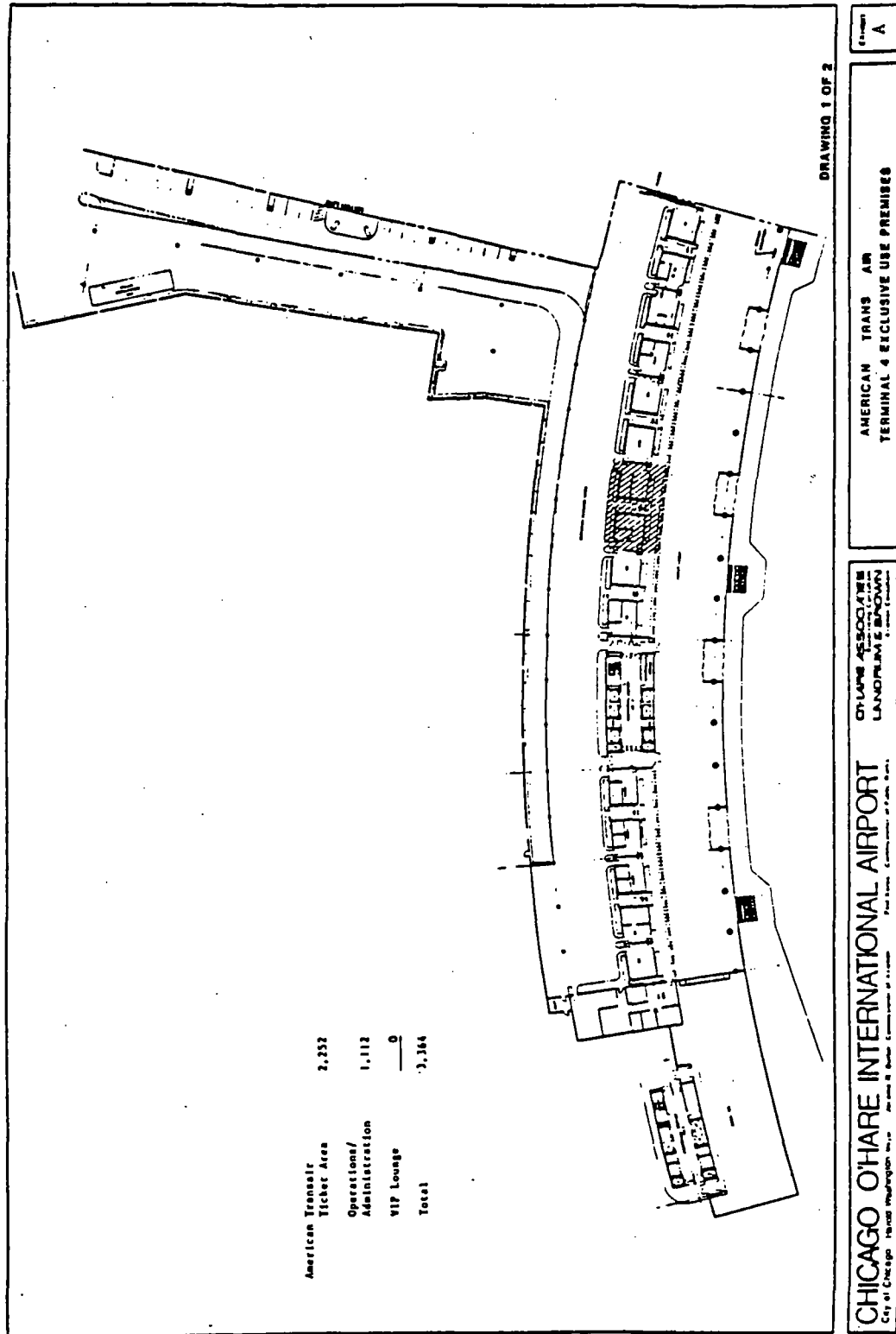
(Continued on page 38347)

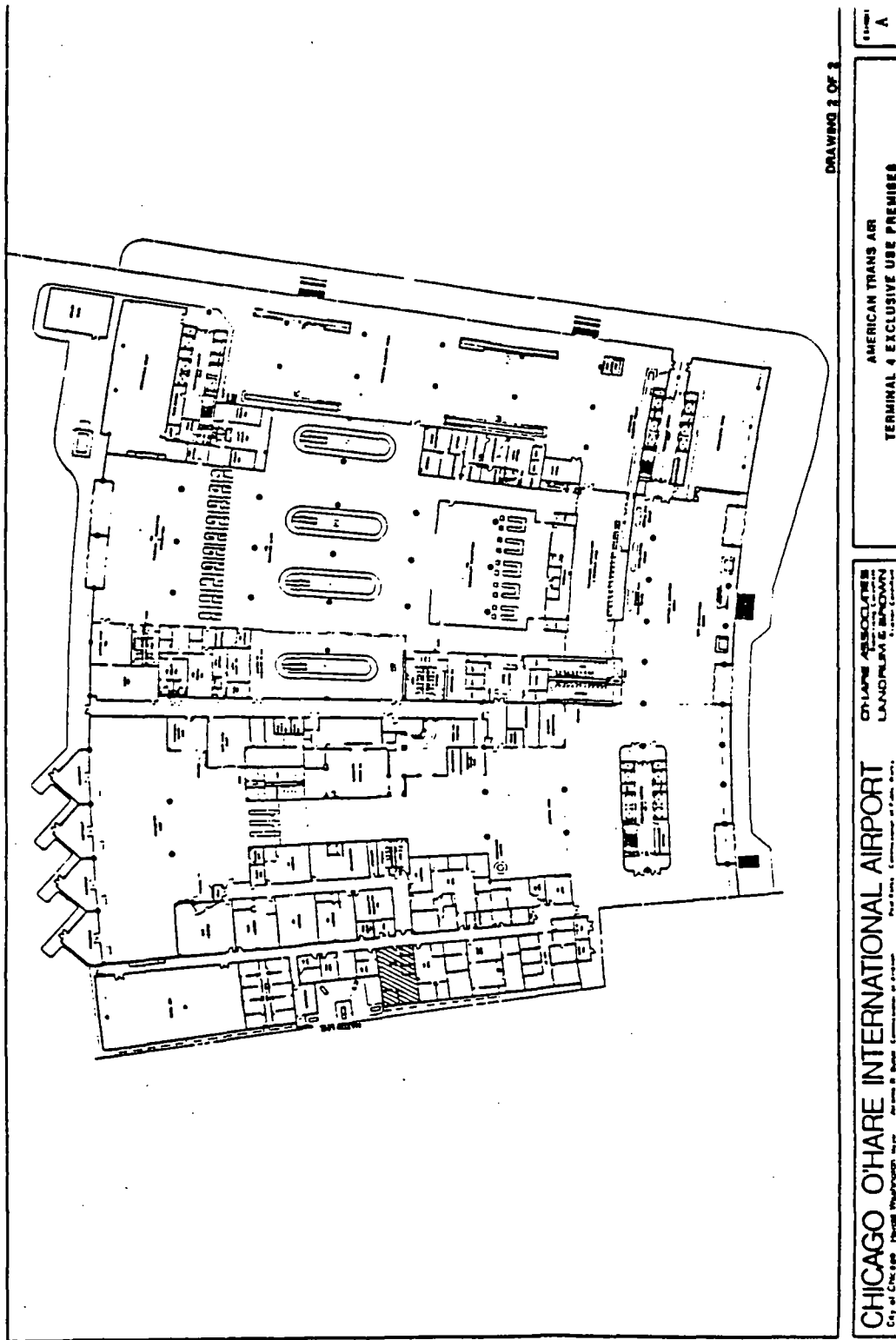
EXHIBIT A

Exclusive Use Premises used in this lease shall refer to the ticket counter module (6 positions), ticket counter office space (1109 square feet combined total) formerly occupied by Swiss Air, and the Operations Office (1112 square feet) formerly occupied by the "City Office".

Sum of total square footage described above — 2221







(Continued from page 38342)

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

SECTION 1. That the Mayor, subject to attestation by the City Clerk, approval by the Commissioner of Aviation and the City Comptroller, and by the Corporation Counsel as to form and legality, is authorized to execute on behalf of the City of Chicago an International Terminal/Terminal 4 Facilities lease with McClain Airlines, Inc., for premises at Chicago-O'Hare International Airport, said agreement to be substantially in the following form:

International Terminal/Terminal 4 Facilities Lease.

This Lease, made and entered into as of this _____ day of _____, 1986, by and between the City of Chicago, a municipal corporation and home rule unit of local government organized and existing under the laws of the State of Illinois ("City"), and McClain Airlines, Inc., a corporation organized and existing under and by virtue of the laws of Delaware ("Tenant").

Witnesseth:

Whereas, City owns and operates Chicago-O'Hare International Airport (the "Airport") and has the power to grant rights and privileges with respect thereto; and

Whereas, City desires to lease to Tenant and Tenant desires to lease from City certain exclusive use premises (the "Exclusive Use Premises") in the International Terminal/Terminal 4 at the Airport (the "International Terminal");

Now, Therefore, in consideration of the premises and of the mutual covenants and agreements herein contained, City and Airline agree as follows:

Article I.

Term.

Section 1.01 -- Term of Lease

This Lease shall become effective as of the date of authorizing ordinance by the City Council of the City and shall have an initial term ending on March 14, 1986; the term of this Lease shall be extended automatically for an additional one-year period unless written notice of termination is given by City or Tenant to the other at least sixty (60) days prior to the expiration of the initial term or the first renewal term as the case may be.

Article II.

Grant Of Rights.

Section 2.01 -- Use of Exclusive Use Premises

(a) Tenant shall have the right to use its Exclusive Use Premises in common with those other Tenants who have signed an agreement to share the same premises ("tenants-in-common") for any and all purposes reasonably necessary, convenient or incidental to the conduct by Tenant of its air transportation business.

(b) Nothing in this Lease shall be construed to permit the use of Tenant's Exclusive Use Premises for the conduct of any business other than Tenant's air transportation business. Such limitation includes but is not limited to the ground transportation business, restaurants or merchandising operations.

Section 2.02 -- Use of International Terminal

(a) Tenant shall have the non-exclusive right to use, in common with others, the public areas and airline joint-use areas of the International Terminal and the International Terminal aircraft parking areas pursuant to rules and regulations promulgated from time to time by the City.

(b) Tenant acknowledges that City will impose charges and reporting requirements upon Tenant, in addition to the charges payable hereunder for the Exclusive Use Premises, for the use of the non-exclusive areas of the International Terminal, the International Terminal aircraft parking areas and the Airport generally. Such charges may include, without limitation, fees for use of the International Terminal to enplane and deplane passengers, fees for use of the International Terminal aircraft parking area, fees for the use of the transportation system and landing fees.

Section 2.03 -- Restrictions

The foregoing rights and privileges of Tenant are subject to the following specific restrictions:

- (a) Tenant shall not do or authorize to be done anything which may interfere with the effectiveness or accessibility of the drainage and sewage system, water system, communications system, fire protection system, or any other part of the utility, electrical or other systems installed or located from time to time at the Airport.
- (b) Tenant shall not do or authorize to be done anything at the Airport (i) which may constitute a hazardous condition so as to increase the risks normally attendant upon operations permitted by this Lease or (ii) which will invalidate or conflict with any insurance policies covering the Airport. If, by reason of any failure on the part of Airline to comply with the provisions of this subsection, the cost of any such insurance or extended coverage is at any time higher than it otherwise would be, then Tenant shall pay City that part of all premiums paid by City which are charged because of such violation or failure by Tenant.
- (c) City, by its officers, employees, agents, representatives, contractors and furnishers of utilities and other services, shall have the right at all reasonable times to enter Tenant's Exclusive Use Premises for the purpose of inspecting the

same, for performing any necessary repairs, and for the doing of any act which City may be obligated or have the right to do under this Lease.

Article III.

Lease Of International Terminal Exclusive Use Premises.

Section 3.01 -- Exclusive Use Premises

City hereby leases to Tenant and Tenant hereby hires and takes from City for Tenant's joint-use exclusive use, and agrees to pay prorated rentals calculated with reference to, the Exclusive Use Premises as shown on Exhibit A attached hereto, together with all improvements and fixtures located therein.

Article IV.

International Terminal Rentals And Use Charges.

Section 4.01 -- Rentals and Use Charges

(a) At such times and in such manner as provided in Section 4.02, Tenant shall pay prorata share rentals to City equal to \$5.00 per square foot per annum, payable in 12 monthly installments in advance, for Tenant's Exclusive Use Premises.

(b) At such times and in such manner as provided in Section 4.02, Tenant shall pay its prorata share of use charges to City equal to \$22.46 per square foot per annum for the period commencing on the date of the approval of the authorizing ordinance of the City Council of the City of Chicago and terminating on March 14, 1987 and \$23.46 per square foot per annum for the first renewal period, payable in 12 monthly installments in advance, for Tenant's share of Exclusive Use Premises.

(c) Tenant's prorata share of rentals and use charges for the Exclusive Use Premises shall be as determined by mutual agreement of all Tenants approved by the City for the use of said space. All prorated shares must, however, in the aggregate total 100% of the rentals and use fees due to the City for the total Exclusive Use Premises as shown on Exhibit A attached hereto.

Section 4.02 -- Payment of Rentals

Tenant shall pay to City at the Office of the City Comptroller, Room 501, City Hall, Chicago, Illinois, 60602, or at such other place as the City Comptroller shall designate on or before the first calendar day of each month all rentals and use charges payable for Tenant's Exclusive Use Premises in accordance with Section 4.01. Any amount which is not paid when due shall bear interest at a rate two percentage points (2%) higher than the then-current corporate base rate announced by the largest commercial bank in Chicago, determined on the basis of total assets.

Article V.

*Responsibilities Of Tenant.***Section 5.01 -- Maintenance, Replacement and Repair**

Tenant shall be responsible for and shall perform or cause to be performed, maintenance and repair of its Exclusive Use Premises. Tenant shall, at all times:

- (a) Keep all fixtures, equipment and personal property in a clean and orderly condition and appearance;
- (b) Maintain the same in good condition (reasonable wear and tear excepted) and perform all ordinary repairs and inside painting, such repairs and painting by Tenant to be of a quality and class not inferior to the original material and workmanship; and
- (c) Either directly or through an independent contractor, dispose of its garbage, debris and other waste materials (excluding snow and ice).

Section 5.02 -- Modifications to Exclusive Use Premises

(a) Tenant may, from time to time, install additional facilities and improvements and modify or expand existing facilities or improvements in its Exclusive Use Premises. Before entering into any contract for such work, Tenant shall first submit to the Commissioner of the Department of Aviation of City (the "Commissioner"), for his prior written approval, a construction application together with complete plans and specifications of the proposed work. If requested by the Commissioner, Tenant shall require the contractor to furnish a performance bond and payment bond, approved as to form and substance by the Commissioner.

(b) Tenant agrees to, and shall include in all construction contracts a provision whereby the contractor agrees to indemnify, hold harmless and defend City, its officers, agents, and employees against losses (except in cases in which such losses are caused solely by City's negligence), occasioned by death, injury to persons or damage to property, arising out of or in connection with the performance of construction work, against the risk of loss or damage to the construction prior to the completion thereof, and against losses resulting from claims and demands by third persons arising out of the performance of the construction work; and Tenant shall provide, or shall require the contractor to provide, liability insurance covering the foregoing in an amount reasonably required by the Commissioner. Tenant shall also include in any construction contract such provisions as may reasonably be required by the Commissioner relating to the operation of the contractor at the Airport.

(c) All work performed by Tenant or its contractor including all workmanship and materials, shall be of acceptable quality and shall be performed in accordance with the plans and specifications approved by the Commissioner. Such work may be inspected by the Commissioner, or his authorized representative, at any reasonable time.

(d) Tenant shall deliver to the Commissioner "as built" drawings of the work performed by it and shall keep such drawings current showing any changes or modifications made in or to its Exclusive Use Premises.

(e) Tenant shall discharge when due all obligations to contractors, subcontractors, materialmen, workmen and others for all work performed and for materials furnished for or on account of Tenant.

Section 5.03 -- Taxes, Licenses and Permits

Tenant, its contractors and agents, shall pay all taxes and obtain all licenses, permits, certificates and other authorizations required by any governmental authority in connection with the operations or activities performed by it hereunder.

Section 5.04 -- Installation of Machinery and Equipment

Tenant, may, from time to time, in its sole discretion and at its own expense, install machinery, equipment and other personal property in its Exclusive Use Premises which may be attached or affixed to, but shall not become a part of, the Exclusive Use Premises. All such machinery, equipment and other personal property shall remain the sole property of Tenant and may be removed by Tenant at any time, in its sole discretion, and its own expense; provided, however, that any damage resulting from any such removal shall be repaired by Tenant at its own expense. City shall not have any interest in or landlord's lien on any such machinery, equipment or personal property, and such machinery, equipment and personal property shall be identified as the property of Tenant.

Section 5.05 -- Liens Prohibited

Tenant shall keep its Exclusive Use Premises and the installations situated thereon free and clear of any and all liens in any way arising of the construction, improvement or use thereof by Tenant.

Section 5.06 -- Performance by City upon Failure of Tenant

If Tenant fails to perform, for a period of thirty (30) days after written notice from City, any obligation required by this Article V, City may perform such obligation of Tenant, and charge Tenant for the cost to City of such performance; provided, however, that if Tenant's failure to perform any such obligation endangers the safety of operations at the Airport, City may perform such obligation of Tenant at any time without notice and charge Tenant for the cost to City of such performance.

Article VI.

Rules And Regulations; Compliance With Laws.

Section 6.01 -- Rules and Regulations

Tenant shall comply, and shall use its best efforts to cause its passengers, guests, invitees and independent contractors to comply, with all rules and regulations governing the conduct and operation of the Airport, promulgated from time to time by the Commissioner.

Section 6.02 -- Compliance with Laws

Tenant shall comply with all applicable Federal, state and local laws, codes, regulations, ordinances, rules and orders: provided, however, that Tenant may, without being considered to be in breach hereof, contest any such laws so long as such contest is diligently commenced and prosecuted by Tenant and Tenant notifies City of such contest.

Article VII.

Exercise By City Of Governmental Functions.

Section 7.01 -- Governmental Functions

(a) Nothing contained herein shall impair the right of City in the exercise of its governmental functions to require Tenant to pay any tax or inspection of fees or to procure necessary permits or licenses, provided such requirement is not inconsistent with the rights and privileges of Tenant hereunder.

(b) City shall have no control over the rates, fares or charges that Tenant may prescribe in connection with the conduct of its air transportation business.

Article VIII.

Indemnity And Insurance.

Section 8.01 -- Indemnity

(a) Tenant shall pay, and shall protect, indemnify and save City, its agents, officers and employees, harmless from and against any and all liabilities, losses, damages, costs and expenses (including attorney's fees and expenses), causes of action, suits, claims, demands, judgments, awards and settlements including, without limitation, payments of claims or liability resulting from any injury to or death of any person or damage to property, in each case, arising out of the following (except in cases in which such losses are caused solely by the negligence of City or its agents, officers and employees) and only to the extent City is not reimbursed out of insurance proceeds therefor:

- (i) Tenant's use or occupancy of the Airport or non-use (if such non-use is contrary to Tenant's obligations hereunder) of any premises demised to Tenant hereunder;
- (ii) The condition of Tenant's Exclusive Use Premises, including any equipment or facilities at any time located thereon, and any repairs, construction, alterations, renovation, relocation, remodeling and equipping thereof or thereto; or
- (iii) The violation by Tenant of any agreement, warranty, covenant or condition of this Lease, of any other contract, agreement or restriction relating to the Airport, or of any law, ordinance, regulation or court order affecting the Airport.

(b) City shall promptly notify Tenant in writing of any claim or action brought against City in respect of which indemnity may be sought by City against Tenant hereunder,

setting forth the particulars of such claim or action and shall furnish Tenant with a copy of all suit papers and legal process. Tenant shall assume and have full responsibility for the defense or settlement thereof, including the employment of counsel, and the payment of all expenses and all settlements or judgments. City shall cooperate fully with Tenant in the defense of any case hereunder, and may employ separate counsel in any such action and participate in the defense thereof.

Section 8.02 -- Insurance Maintained by Tenant

Tenant shall maintain, or cause to be maintained, at its own expense, insurance with respect to its property and business against such casualties and contingencies (including but not limited to public liability) in such amounts as are customary in the case of similarly situated persons in the air transportation business.

Article IX.

Use Of Exclusive Space By Other Airlines.

Section 9.01 -- Sharing of Exclusive Use Premises

(a) Tenant may, with the written consent of each of the other tenants-in- common and of the Commissioner of Aviation, allow one or more additional airlines in the Air Transportation Business, but no more than three (3) more to share the Exclusive Use Premises, subject, however, to each of the following conditions:

(b) No such use by another airline or other airlines shall relieve Tenant from primary liability for any of its obligations hereunder, and Tenant shall continue to remain primarily liable for payment of the rentals and use charges established hereunder and for the payment, performance and observance of its other obligations and agreements herein provided; and

(c) Within thirty (30) days following the execution of any sharing agreement or agreements of any kind between Tenant and any airline approved by the Commissioner of Aviation under this Section 9.01 and the other Tenants, Tenant shall furnish the Commissioner of Aviation with a copy for his files.

Article X.

Termination By City.

Section 10.01 -- Events of Default Defined

Each of the following shall be an "Event of Default" under this Lease:

- (a) The failure by Tenant to pay any rentals or use charges required to be paid hereunder at the times specified herein or any other obligations of Tenant to City;
- (b) The dissolution or liquidation of Tenant;

- (c) The admission by Tenant of insolvency or bankruptcy or the inability of Tenant to pay its debts as they mature, or the failure by Tenant to pay its debts as such debts become due, or the making by Tenant of an assignment for the benefit of creditors or the application by Tenant for or the consent to the appointment of a trustee, custodian or receiver for Tenant, or for the major part of its property;
- (d) The appointment of a trustee, custodian or receiver for Tenant or for the major part of its property without discharge thereof within thirty (30) days after such appointment;
- (e) The institution by or against Tenant of bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under any chapter of the Federal Bankruptcy Code, as amended, or other proceedings for relief under bankruptcy law or similar law of any country for the relief of debtors (other than bankruptcy proceedings instituted by Tenant against (Tenant or the consent thereto by Tenant, third parties), and if instituted against Tenant, the allowance against or the failure by Tenant to have such proceedings dismissed, stayed or otherwise nullified within sixty (60) days after such institution;
- (f) The abandonment by Tenant of its air transportation business at the Airport for reasons other than strike or force majeure or as may be provided in Section 11.01; or
- (g) The failure by Tenant to observe and perform any covenant, condition or agreement in this Lease on the part of Tenant to be observed or performed, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied, given to Tenant by City, unless City agrees in writing to an extension of such time prior to its expiration; provided, however, that any such failure which can be cured but which cannot with due diligence be cured within such thirty (30) day period shall not constitute an Event of Default if corrective action is instituted by Tenant within the applicable period and diligently pursued until the failure is corrected.

Section 10.02 -- Remedies on Default

Whenever an Event of Default has occurred and is continuing, City to the extent permitted by law and upon written notice to Tenant may, subject to the provisions of any other agreement then in effect between Tenant and City, take any one or more of the following remedial steps:

- (a) City may terminate this Lease and exclude Tenant from possession of its Exclusive Use Premises;
- (b) City may, without terminating this Lease, exclude Tenant from possession of its Exclusive Use Premises, and use reasonable efforts to lease Tenant's share of the Exclusive Use Premises to another airline for the account of Tenant, or to redistribute the space among the other Tenants-in-common, holding Tenant liable for rentals, use charges and other payments due up to the effective date of such leasing and for the excess, if any, of the rentals, use charges and other

amounts payable by Tenant under this Lease for the remainder of the term of this Lease over the rentals, use charges and other amounts which are payable by such new airline under such new agreement; and

- (c) City may, from time to time, take whatever action at law or in equity appears necessary or desirable to collect rentals, use charges and any other amounts payable by Tenant hereunder then due and thereafter to become due, or to enforce the performance and observance of any obligation, agreement or covenant of Airline under this Lease.

Section 10.03 -- No Remedy Exclusive

No remedy conferred upon or reserved to City in this Lease shall be exclusive of any other available remedy, and each such other remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity or by statute. No delay or omission in exercising any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle City to exercise any remedy it has under this Lease, it shall not be necessary to give any notice other than such notice as may be herein expressly required.

Section 10.04 -- Agreement to Pay Attorneys' Fees and Expenses

In the event Tenant defaults under this Lease and City employs attorneys or incurs other expenses for the collection of rentals or the enforcement of performance of any obligation or agreement on the part of Tenant, Tenant shall, on demand, pay to City the reasonable fees and expenses of such attorneys and such other expenses so incurred by City.

Section 10.05 -- Termination in Event of Handling Agreement

Whether or not an Event of Default under this Lease has occurred, in the event that City approves a handling arrangement for Tenant in Terminals 1, 2 or 3 at the Airport with any airline leasing or subleasing Exclusive Use Premises in such terminal, City shall have the right to terminate this Lease and exclude Tenant from possession of its Exclusive Use Premises by giving written notice of such termination to Tenant.

Article XI.

Termination By Tenant.

Section 11.01 -- Termination by Tenant

If Tenant is not then in default in the payment of any amount due from it to City hereunder, Tenant may terminate this Lease by giving City sixty (60) days, advance notice upon or after the happening and during the continuance of any one of the following events:

- (a) The issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof so as to substantially affect Tenant's use of the Airport in the conduct of its air transportation business, and the remaining in force of such injunction, not stayed by way of appeal or otherwise, for a period of at least ninety (90) days;
- (b) The issuance of any order, rule or regulation or the taking of any action by any Federal or State agency, having jurisdiction with respect to Tenant or the Airport, or the occurrence of any fire, other casualty, act of God or the public enemy, substantially affecting, for a period of at least (90) days, Tenant's use of the Airport in the conduct of its air transportation business; provided, however, that none of the foregoing is due to any fault of Tenant;
- (c) The default by City in the performance of any covenant or agreement required to be performed by City herein, and the failure by City to remedy such default after written notice thereof has been delivered to City, unless (i) City takes prompt action to remedy such default, within a period of thirty (30) days after receipt from Tenant of such notice, or (ii) in the case of any such failure which cannot with due diligence be cured within such thirty (30) day period, if City takes corrective action within the sixty (60) day period and diligently pursues such action until the failure is cured; or
- (d) The substantial restriction of City's operation of the Airport by action of any Federal or State agency having jurisdiction with respect thereto, and the continuance thereof for a period of not less than sixty (60) days, provided such restriction adversely affects Tenant's operations at the Airport.

Article XII.

Equal Opportunity.

Section 12.01 -- Equal Opportunity

Tenant agrees that in performing under this Lease it shall neither discriminate against any worker, employee or applicant, or any member of the public, because of race, creed, color, religion, age, sex or national origin, nor commit an unfair employment practice.

Tenant will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, creed, color, religion, age, sex or national origin. Such action shall include, but not limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship.

Tenant agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Section 12.01. Tenant further agrees that this clause will be incorporated in all contracts entered into with any suppliers or materials or furnishers of services, contractors and subcontractors, and all labor

organizations, which furnish skilled, unskilled and craft union skilled labor, or which may perform any such labor or services in connection with this Lease.

Attention is called to Executive Order 11246 issued September 24, 1965, C.F.R., 1964-65 Compilation, p. 339, as modified by Executive Order 11375 issued October 13, 1967, 3 C.F.R., 1967 Compilation, p. 320; The Civil Rights Act of 1964, Pub. L. 88-352, July 2, 1964, 78 Stat. 241 *et sub.*; to the State Acts approved July 28, 1961, Ill. Rev. Stat. 1979, Ch. 38, Secs. 13-1 to 13-4 inclusive; July 8, 1933, Ill. Rev. Stat. 1979, Ch. 29, Secs. 17 to 24 inclusive; July 21, 1961, Ill. Rev. Stat. 1979, Ch. 48, 851 to 866 inclusive, and July 26, 1967, Ill. Rev. Stat. 1979, Ch. 48, Secs. 881 to 887; an ordinance passed by the City Council of the City of Chicago, August 21, 1945, page 3877 of the Journal of Proceedings (Mun. Code of the City of Chicago, Ch. 198.7A); and the provisions of 41 C.F.R. Chapter 60, and Part 21, Regulations of the Office of the Secretary of Transportation; Executive Order 85-2 promulgated by the Mayor of the City of Chicago on April 3, 1985.

To demonstrate compliance, Tenant will furnish, and will obligate its contractors and subcontractors to furnish, such reports and information as is reasonably requested by the Chicago Commission on Human Relations.

Section 12.02 -- Non-Discrimination

This Lease involves the use of or access to space on, over or under real property acquired or improved under the Airport Development Air Program of the Federal Aviation Administration, and therefore involves activity which serves the public.

Tenant, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (a) no person on the grounds of race, creed, color, religion, age, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the use of said facilities; (b) that no person on the grounds of race, creed, color, religion, age, sex or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of improvements on, over, or under such land and the furnishing of services thereon; and (c) that Tenant shall use the premises in compliance with all other requirements imposed by or pursuant to regulations of the Department of Transportation.

Section 12.03 -- Prohibition Against Exclusive Rights

It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and City reserves the right to grant to others the privileges and right of conducting any one or all activities of an aeronautical nature.

Section 12.04 -- Non-Discrimination in Furnishing Services

Tenant agrees to furnish services on a fair and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each

unit of service; provided, that Tenant may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar types of price reductions.

Section 12.05 -- Affirmative Action

Tenant assures that it will undertake an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, religion, age, national origin or sex be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E. Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E. Tenant assures that it will require that its covered suborganizations provide assurances to Tenant that they similarly will undertake an affirmative action program and that they will require assurances from their organizations, as required by 14 C.F.R. Part 152, Subpart E, to the same effect.

Article XIII.

Miscellaneous.

Section 13.01 -- Notices

All notices to City provided for herein shall be in writing and shall be sent by registered mail, postage prepaid, addressed to the Commissioner of the Department of Aviation of the City of Chicago, 20 North Clark Street, Suite 3000, Chicago, Illinois 60602, or to such other address as City may designate from time to time by notice to Tenant, and shall be deemed given when so mailed. All notices to Tenant provided for herein shall be in writing and may be sent by registered mail, postage prepaid, addressed to Tenant, Michael S. Mudge, VP--Customer Services, 4828 E. McDowell Road, Phoenix, Arizona 85008, or to such other address as Tenant may designate from time to time by notice to City, and shall be deemed given when so mailed.

Section 13.02 -- No Abatement or Set-off

Tenant shall not abate, suspend, postpone, set-off, discontinue any payments of rentals or use charges which it is obligated to pay hereunder. Nothing contained in this Section 13.02 shall release City from the performance of any of its obligations under this Lease. In the event City fails to perform any of its obligations herein contained, Tenant may institute such action against City as Tenant deems necessary to compel performance, so long as such action does not abrogate Tenant's obligations to make such payments unless a court of competent jurisdiction determines otherwise in a final, unappealable order or in an order for which the time for appeal has elapsed and no appeal has been taken.

Section 13.03 -- Governing Law

This Lease shall be governed and construed in accordance with the laws of the State of Illinois applicable to contracts made and to be performed in that state. Disputes arising under this Lease shall be brought by the City or the Tenant in a court of competent jurisdiction located in the City of Chicago, County of Cook, State of Illinois, and Tenant

hereby consents to the jurisdiction of such court and expressly agrees not to contest said jurisdiction.

In Witness Whereof, City has caused this Lease to be executed on its behalf by its Mayor, pursuant to due authorization of the City Council of City, and its seal to be hereunto affixed and attested by the City Clerk of City, and Tenant has caused this Lease to be executed on its behalf by its _____ President and its _____ Secretary, pursuant to due authorization of its Board of Secretary, pursuant to due authorization of its Board of Directors, all as of the day and year first above written.

[Signature forms omitted for printing purposes.]

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

[Exhibit A printed on pages 38360 through 38362 of this Journal.]

Action Deferred -- EXECUTION OF PACKAGED FOOD CONCESSION
LICENSE AGREEMENT WITH MIDWEST GOURMET FOOD
EXCHANGE, INCORPORATED FOR PREMISES AT
CHICAGO-O'HARE INTERNATIONAL AIRPORT.

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

CHICAGO, December 15, 1986.

To the President and Members of the City Council:

Your Committee on Aviation having had under consideration a proposed ordinance authorizing the Mayor to execute in behalf of the City a Packaged Food Concession License Agreement with Midwest Gourmet Food Exchange, Inc., to operate a concession at O'Hare International Airport (which was referred on May 14, 1986) begs leave to recommend that Your Honorable Body pass the said proposed ordinance, which is transmitted herewith.

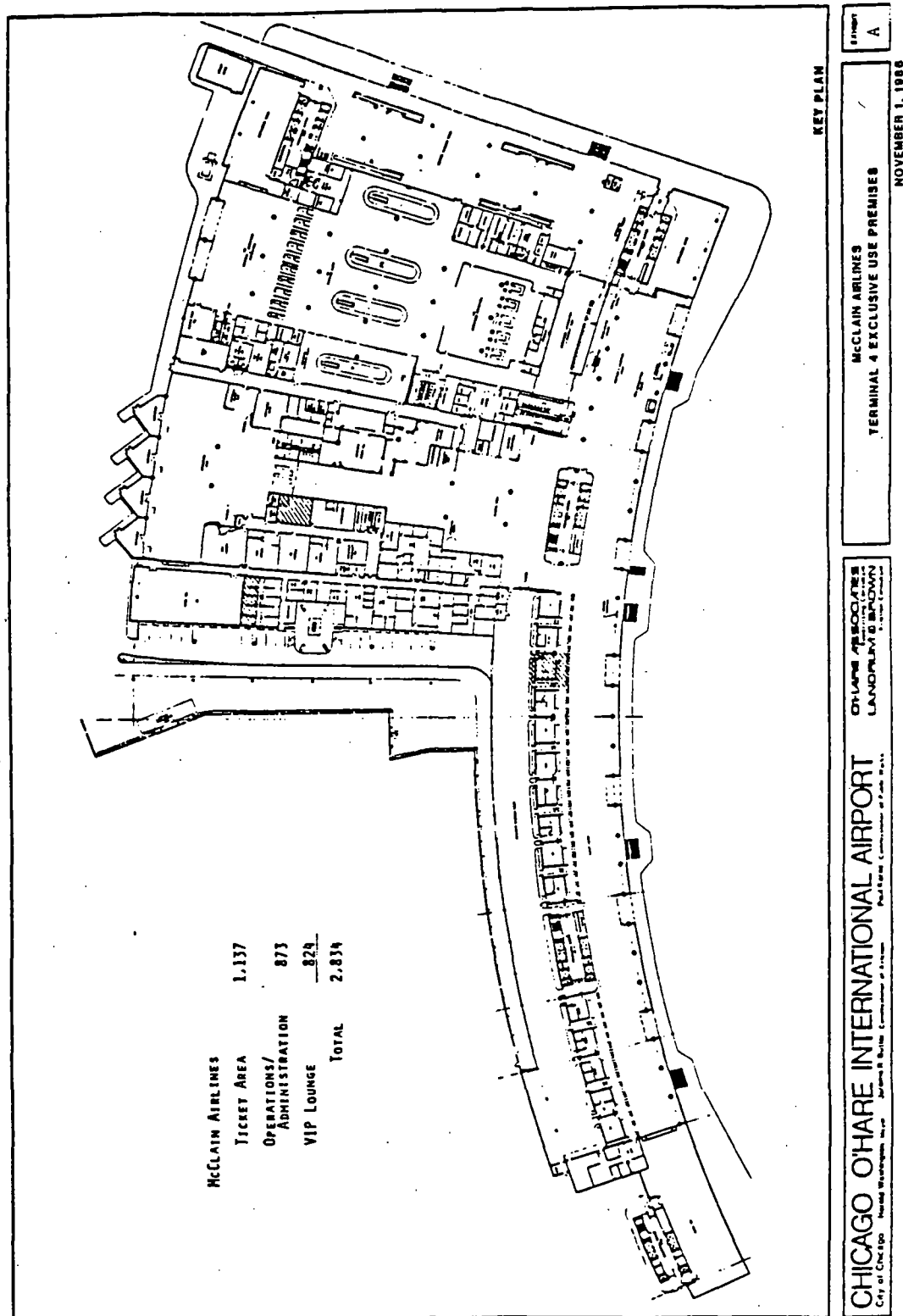
This recommendation was concurred in by 6 members of the committee with no dissenting vote.

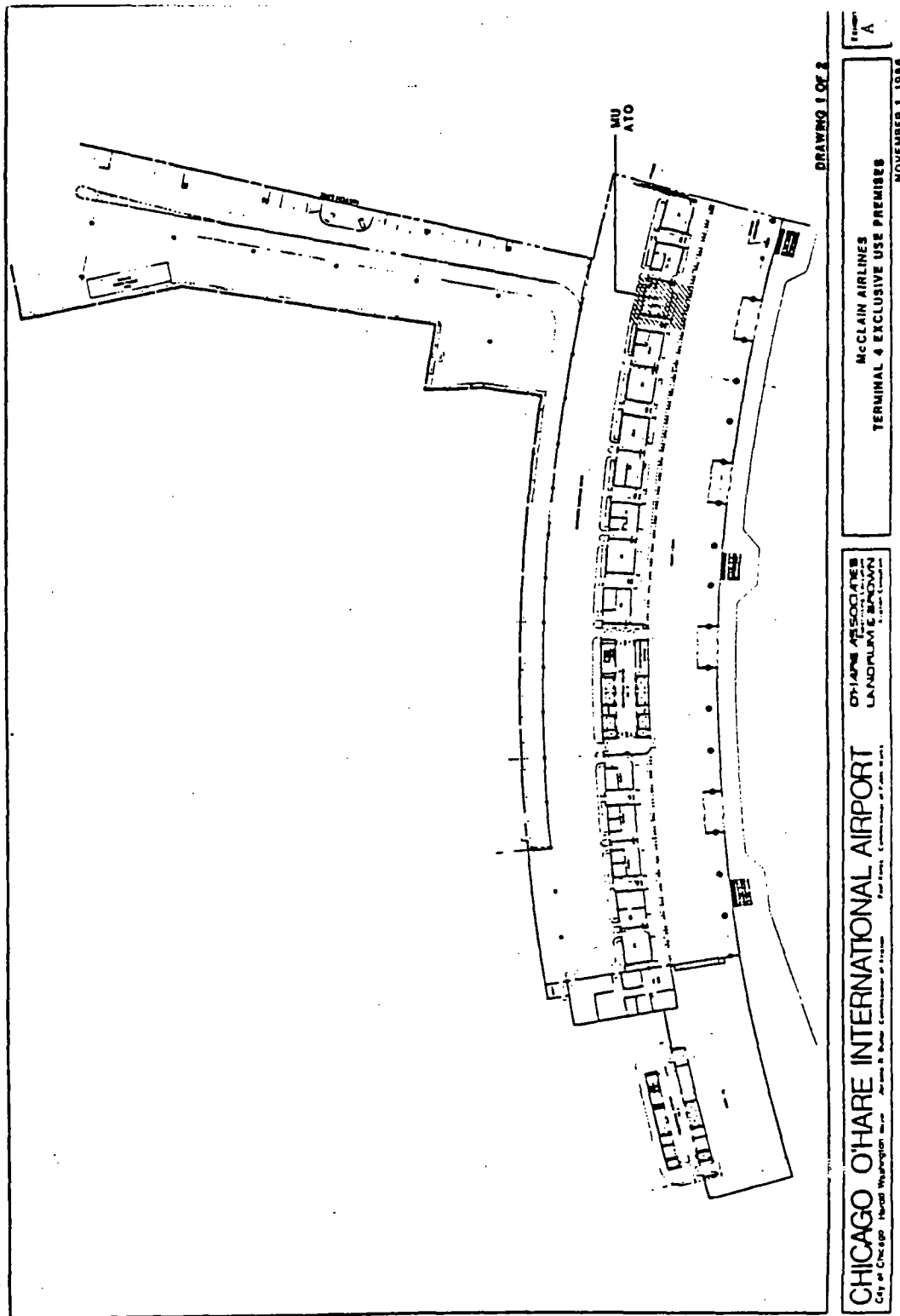
Respectfully submitted,
(Signed) JESUS G. GARCIA,
Chairman.

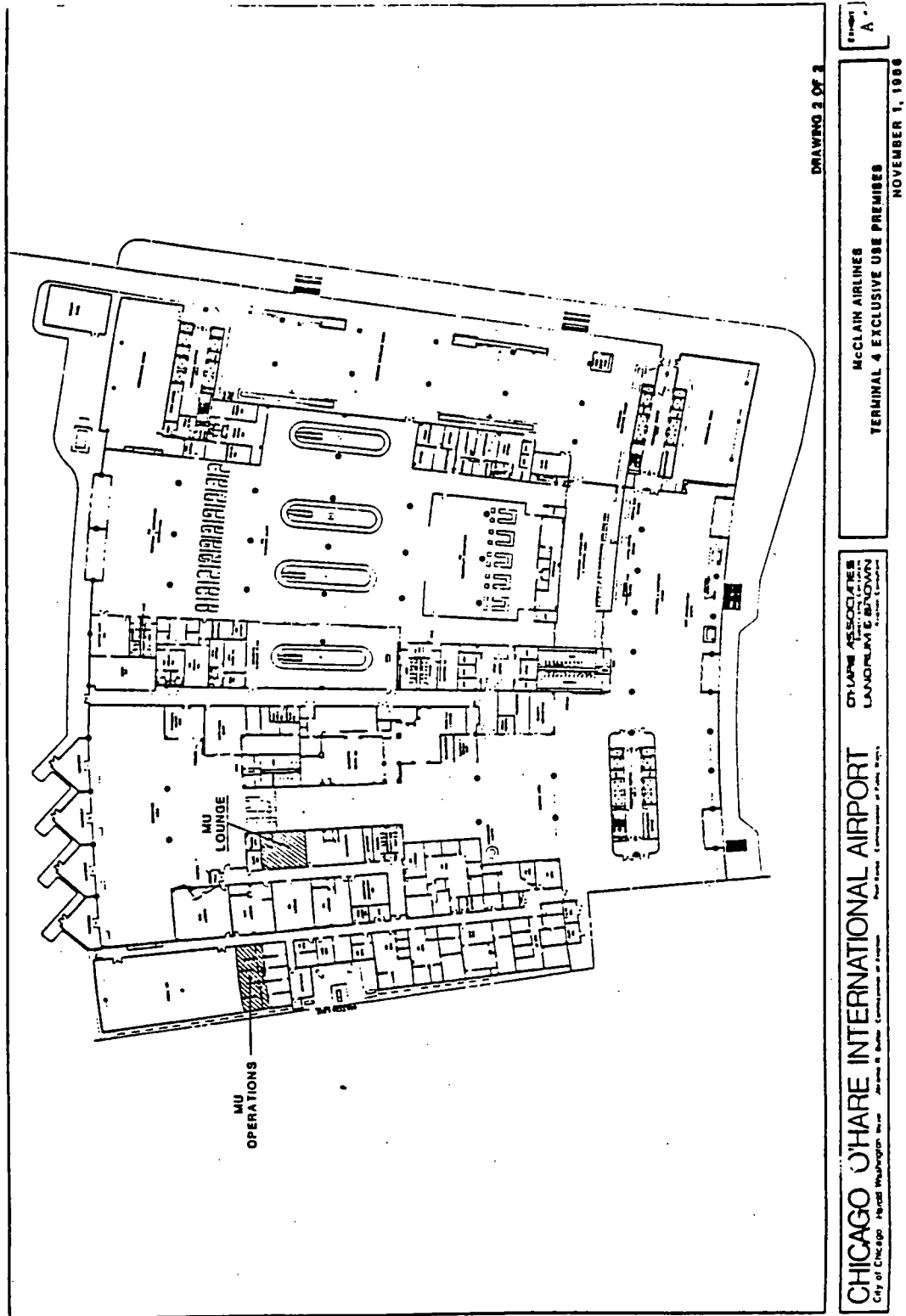
The following is said proposed ordinance transmitted with the foregoing committee report:

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

(Continued on page 38363)







(Continued from page 38359)

SECTION 1. That the Mayor, subject to attestation by the City Clerk, approval by the Commissioner of Aviation and the City Comptroller, and by the Corporation Counsel as to form and legality, is authorized to execute in behalf of the City of Chicago a Packaged Food Concession License Agreement for certain premises in the Terminal Building at Chicago-O'Hare International Airport, said Agreement to be substantially in the following form:

Packaged Food Concession License Agreement.

This Agreement (hereinafter referred to as this "Agreement"), made this _____ day of _____, 1986, between the City of Chicago, a Municipal Corporation of Illinois, acting by and through its Department of Aviation (hereinafter referred to as "Licensor") and Midwest Gourmet Food Exchange, an Illinois corporation, (hereinafter referred to as "Licensee").

Witnesseth:

Whereas, Licensor owns and operates the Airport known as Chicago-O'Hare International Airport, (the "Airport"), situated in the City of Chicago, Counties of Cook and Du Page, State of Illinois; and

Whereas, Licensee desires to obtain from Licensor a license to operate a concession with certain privileges and rights in the Airport's Terminal Building; and

Whereas, the Licensor deems it advantageous to itself and to its operation of the Airport to grant unto the Licensee a license to operate a concession area with the rights and privileges as herein set forth;

Now, Therefore, for and in consideration of the premises and the mutual promises contained herein, the parties agree as follows:

Article I.

Premises.

Licensor, in consideration of the compensation and the sundry covenants and agreements set forth herein to be kept and performed by Licensee, for the purposes set forth herein does hereby grant unto Licensee the following area at the Airport (sometimes referred to herein as the "licensed premises" or "premises"), all of which Licensee accepts, for the purposes set forth herein:

Space 2A267-U1 consisting of approximately 225 square feet in Terminal Building No. 2 as indicated in Exhibit "A" which is attached hereto and made a part hereof.

Space 3B267-U1, consisting of approximately 225 square feet in Terminal Building No. 3 as indicated in Exhibit "B" which is attached hereto and made a part hereof.

Or such other area or areas to which Licensee may be relocated pursuant to Article XXV.

The license with respect to any other area or space may be terminated by the Licensors as specified in Paragraph C (7) of Article V, Paragraph A of Article XXI, Article XXIII or Article XXV.

Article II.

Term.

The term of this Agreement shall be for a period of three (3) years, beginning the earlier of ninety (90) days after the approval of authorizing ordinance by the City Council of the City of Chicago or the first day of operations (such date to be referred to as the beginning date of this Agreement and to be confirmed immediately in writing by letter between Licensors and Licensee) and terminating on the last day of the thirty-sixth month following the beginning date.

Licensors reserves the right to request Licensee to operate an additional Packaged Foods Shop or cart when traffic demands such additional facilities and upon the mutual agreement of Licensors and Licensee. Such additional granted areas will be subject to the provisions of all Articles of this Agreement, including a license fee of \$30.00 per square foot per annum and will be indicated on Exhibits added hereto and made a part hereof.

In the event Licensee shall, with the consent of the Licensors, hold over and remain in possession of the premises after the expiration of the term of this Agreement, such holding over shall not be deemed to operate as a renewal or extension of this Agreement, but shall only create an occupancy from month-to-month on the same terms, conditions, and covenants, including consideration, herein contained.

In the event that air transportation operations are discontinued at the Airport for an extended period of time, then the terms and conditions of this Agreement shall thereafter no longer be operative, except as they apply to the payment of outstanding fees, the performance of covenants and obligations occurring prior to the date of such discontinuance or to other specific conditions of termination or cancellation contained herein.

Article III.

License Fee.

A. During the term of this Agreement, Licensee agrees to pay Licensors:

1.) An annual fixed license fee equal to \$30.00 per square foot per annum for all granted areas ("Fixed License Fee"), with payment equal to one-twelfth thereof, due each month, in advance.

2.) A percentage license fee of 20% of gross receipts derived by Licensee from the sale of packaged food other than pizza at the Airport ("Percentage Fee").

3.) Notwithstanding the foregoing paragraph A (2) Licensee shall pay Licensor an annual minimum percentage license fee of \$100,000.00 ("Minimum Annual Percentage Fee") for the twelve month period immediately following the first day of the month immediately following the beginning date of this Agreement. In any subsequent year of this Agreement, the Minimum Annual Percentage Fee shall be an amount equal to 80% of the actual amount paid in the previous year as Percentage License Fee, but in no case is the Minimum Annual Percentage Fee, for a subsequent year to be less than \$100,000.00, or the direct proportion of that amount that the elapsed time bears to a full year, in the case that the final portion of this Agreement, or any extension of this Agreement, is not a full year.

B. Schedule of Payments. Licensee shall pay each month in advance to the City Comptroller of the City of Chicago ("City Comptroller") the sum equal to 1/12 of the Minimum Annual Percentage Fee noted above. The initial payment of the Minimum Annual Percentage Fee is to be made on the first day of the month immediately following the beginning date of this Agreement.

Licensee, within fifteen (15) days of the end of each calendar month, shall pay to the City Comptroller the Percentage Fee for said calendar month less any amount prepaid as Minimum Annual Percentage Fee for that month.

Licensee, within fifteen (15) days of the end of each calendar month, shall furnish a separate monthly report of gross receipts for each location at the Airport, certified by an officer of Licensee, to the City Comptroller and the Commissioner of Aviation of the City of Chicago ("Commissioner of Aviation").

Additional payments or refunds required by adjustments, if any, for fees payable or paid in excess of amount paid as required above shall be made concurrent with the submission of the annual "Statement of Sales and Fees" required by Paragraph C, of Article III. The Minimum Annual Percentage Fee, referred to in this Article is intended to be, and is, an annual percentage license fee and not a monthly license fee.

C. Records of Licensee. The Licensee shall, with respect to business done by it in said concession operation, keep true, complete and accurate accounts, records, books, and data, in accordance with generally accepted accounting procedures consistently applied which shall, among other things, show all sales made and services performed for cash, or credit, or otherwise (without regard to whether paid or not) and also the gross receipts of said business, and the aggregate amount of all services and all the Licensee's business done upon and within said concession area.

The term "gross receipts", as used herein, shall be construed to mean, for all the purposes thereof, the aggregate amount of all goods sold and services performed for cash, or credit, or otherwise, of every kind, name and nature, regardless of when or whether paid for

or not, together with the aggregate amount of all service for like property, or services, at the price thereof, as if the same had been sold for cash or the fair and reasonable value thereof, whichever is greater.

The term "gross receipts" shall exclude: (1) Federal, State, municipal or other governmental excise taxes, (except Federal Manufacturer's Excise Tax), use, sale privilege or retailer's occupation taxes now or hereafter imposed and collected by Licensee or its sublicensee directly from patrons or customers, or as part of the price of any goods, wares, merchandise, services or displays and paid over in turn by the party so collecting to any governmental agency; but this provision shall not excuse the Licensee or its sublicensee from paying to governmental agencies all taxes for which it may be liable to them; (2) sales made to employees of Licensee at a discount; (3) refunds for merchandise returned by customers because of their dissatisfaction therewith; (4) sales made at locations other than the Airport.

Licensee agrees to maintain an adequate and reasonable system of internal control to insure that revenues are properly reported to the Licensor. Licensee's recordkeeping, accounting, and internal control procedure must be described by the Licensee in writing and submitted to the City Comptroller for approval prior to the effective date of this Agreement. Any changes to the internal controls must be reported to the City Comptroller in writing thirty (30) days prior to the effective date of change. The City Comptroller has the authority to require additional internal controls or procedures as he deems appropriate.

D. Books, Records, and Audits. Licensee, at all times during the term of this Agreement and for three (3) years following the termination hereof shall maintain at its office in Chicago or make available in Chicago if requested: its books, ledgers, journals, accounts and records wherein are kept all entries reflecting its operations at the Airport under this Agreement. Such books, ledgers, journals, accounts and records shall be available for inspection and examination by the Commissioner of Aviation and the City Comptroller or their duly authorized representatives, at reasonable times during business hours, and to make copies and excerpts therefrom as may be necessary to make a full, proper and complete audit of all business transacted by Licensee in connection with its operation hereunder.

Within 120 days of the signing of this Agreement, Licensee shall furnish the Licensor with a written statement indicating Licensee's election to report either on a calendar year or fiscal year basis; such letter shall explain the Licensee's fiscal year if elected. Within 120 days after the close of each calendar or fiscal year, as previously elected, or the termination of the Agreement through passage of time or otherwise, the Licensee will provide the Licensor with a "Statement of Sales and Fees" representing receipts by month for the period being reported on, together with an opinion thereon of an independent certified public accountant. The Licensee must inform the Licensor of the identity of the independent certified public accountant prior to the close of such calendar or fiscal year and such independent certified public accountant must be acceptable to the Licensor.

The following is an example of an opinion which would satisfy these requirements (such opinion may be subject to additional requirements determined by Licensor):

"We, a firm of independent certified public accountants, have examined the accompanying statement of sales and fees reported to the City of Chicago by _____, an _____ corporation for the year ended _____ relating to concession operations at Chicago-O'Hare International Airport pursuant to an Agreement between the City of Chicago and _____, an _____ corporation dated _____. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstance.

In our opinion, the accompanying statement of receipts showing gross receipts of _____ presents fairly the amount of gross receipts, as defined in the Agreement, for the year ended _____."

If the opinion of the independent certified public accountant is qualified or conditional in any manner, the City Comptroller has the right to cause an audit to be performed at Licensee's expense. The Licensor may in its sole discretion cause an audit to be performed at Licensor's expense even if the opinion of the independent certified accountant is not qualified or conditional, provided, however, that if any discrepancies are discovered the cost of the audit shall be borne by Licensee.

Licensee, shall, upon request, furnish such other further financial or statistical reports as the Licensor may, from time to time, require.

E. *Pro Rata* Payment. If the commencement or termination of this Agreement falls upon any date other than the first or last day of any calendar month, the applicable fees and charges for said month shall be paid by Licensee to Licensor *pro rata* in the same proportion that the number of days the Agreement is in effect for that month bears to the total number of days in that month.

F. Interest for Late Payment. Without waiving any other right of action available to Licensor in the event of delinquency by Licensee in its payment to Licensor for a period of thirty (30) days or more from the date as specified in Article III (B) and without waiving the interest specified herein upon acceptance of said payment, Licensee shall pay to Licensor interest thereon at the rate of ten (10%) percent per annum from the date such item was due and payable until paid. Such interest shall not accrue with respect to disputed items being contested in good faith by Licensee in which event the legal rate of interest shall prevail if money is determined to be owed.

Article IV.

General Description of the Concession.

A. Merchandise. Licensee shall have the right to operate a package food concession at the Airport and in connection therewith shall have the right to and shall sell items subject to the limitations set forth below. Licensee shall engage in no other business activity on the airport or premises and shall not sell items other than those enumerated below on the basis indicated without written authorization of the Commissioner of Aviation.

Licensee shall be permitted to sell on a non-exclusive basis the items listed below and none other:

The items included on a list entitled Initial Schedule of Merchandise, which is an attachment hereto and made a part hereof.

Except with the prior written approval of the Commissioner of Aviation, the Licensee shall not install or operate any coin-activated vending machines or devices of any nature, kind or type; nor shall he engage in any activities or sell any items other than those enumerated above.

B. Conflicts between Concessions. In the event of a conflict between Licensee and any other licensee or concessionaire at the Airport as to the items and merchandise to be sold by the respective concessionaire or licensees, Licensee agrees that the Commissioner of Aviation shall make the final decision as to which unspecified items of merchandise may be sold by this Licensee and Licensee agrees to be bound by such decision of the Commissioner of Aviation.

Article V.

Investment by the Licensors and Licensee.

A. Licensee agrees, as a necessary condition of this Agreement, to completely furnish and fix to the satisfaction of Licensors and to the extent necessary, the Concession Area on the upper level of Terminal No. 3 at Chicago-O'Hare International Airport. This construction is to begin immediately after approval of the plans and specifications by the Department of Public Works of the City of Chicago, and shall be completed such that a certificate of occupancy may issue not later than ninety (90) days following the day of approval of the authorizing ordinance by City Council of the City of Chicago. All such improvements, decor and equipment as are specified hereinafter as the responsibility of the Licensee, shall be furnished, supplied, installed and/or constructed by Licensee at its sole cost and expense, and Licensee agrees and guarantees to make capital investments for said purposes, exclusive of any capital improvements made by Licensors, in the minimum amount of Twenty-five Thousand and No/100 Dollars (\$25,000.00).

B. Installations by the Licensors and by the Licensee. In the concession area designated on Exhibit "A", the Licensors will provide:

- (1) Finished floors.
- (2) General illumination.
- (3) Adequate heat and ventilation, the adequacy to be determined by the Licensors.
- (4) Enclosure walls and folding doors in any open wall areas of the concession areas, such enclosure walls and folding doors to be of a type, color, and design which is compatible with other and similar installations in the terminals.

- (5) Electrical service.

In these same spaces the Licensee will provide to the reasonable satisfaction of Licensor:

- (1) All necessary improvements not provided by the Licensor including, but not limited to counters, cabinets, interior partitions, enclosures, doors, additional lighting fixtures, decorations and all other fixtures, equipment and supplies.
- (2) All equipment, furniture, furnishings and fixtures necessary in the proper conduct of Licensee's business.
- (3) Electrical outlets provided in suitable numbers and locations.

C. Improvements, Equipment and Decor installed by Licensee at the Airport:

1.) Licensee agrees that all improvements, equipment and decor installed shall be designed to make the concession areas more attractive and provide better service to the public. All such items shall employ optimum essentials of aesthetics, convenience, function and design and shall be compatible in such respects with those of the Airport.

2.) Plans and specifications, and changes thereto, for all such structures and improvements shall be subject to the advance approval in writing of the Commissioner of Aviation and the Commissioner of Public Works of the City of Chicago ("Commissioner of Public Works").

3.) During the period of construction, all construction work, workmanship, materials and installation involved or incidental to the construction of the Concession Area shall be subject at all time to inspection by Licensor without additional cost to Licensee. Licensee shall give or cause to be given to the Commissioner of Aviation and the Commissioner of Public Works advance notice before starting any new work, and shall provide and cause the contractors and subcontractors to provide reasonable and necessary facilities for inspection. Licensee shall cause all construction work, workmanship, materials and installation to be in full compliance with plans and specifications and all applicable governmental laws, ordinances, rules and regulations.

4.) Licensee shall reimburse Licensor for the cost of reviewing said plans and specifications, inspections or other related engineering services upon receipt of a warrant from Licensor. Licensee may deduct that portion of such cost of review that exceeds \$750.00 from Licensee's initial payment of minimum percentage license fee.

5.) Licensee except as otherwise provided in Article VII shall at all times throughout the term hereof maintain the improvements (including those installed by Licensor) and all other portions of the granted premises in good and serviceable condition and repair.

6.) Licensee shall keep the granted premises and the improvements and facilities constructed thereon free and clear of any and all liens in any way arising out of the action, or use thereof by Licensee; provided, however, that Licensee may in good faith contest the validity of any lien sought to be imposed, provided Licensee provides Licensor with such

bonds or security that may be reasonably requested by Licensor. Notwithstanding the foregoing liens incurred on equipment obtained by Licensee subsequent to the beginning date which is the direct result of said equipment being financed by Licensee are excluded from this paragraph 6.

7.) In the event that the granted premises are reasonably required for other Airport purposes prior to the expiration of this Agreement, and substitute location acceptable to Licensee is not available, the Commissioner of Aviation may upon sixty (60) days advance written notice to the Licensee direct Licensee to vacate the same, provided that Licensor, within sixty (60) days after Licensee's removal therefrom, will pay to Licensee the unamortized portion of the cost of any permanent structures, fixtures and improvements constructed and installed thereon; such amortization to be computed on a straight-line basis over the period from the completion of said improvements to the expiration date hereof. Licensor agrees to use its efforts to place Licensee in a substitute location.

D. Concession Area Layout and Decoration. The Licensee shall be entitled to layout the space as it desires, subject to written approval of the Commissioner of Aviation in advance of any installation.

E. Alterations, Additions or Replacements. Following the installation as hereinabove set forth, Licensee shall make no alterations, additions or replacements without obtaining the Commissioner of Aviation's written approval in advance thereof. The Licensee shall obtain prior approval from the Commissioner of Aviation and the Commissioner of Public Works before installing, at its own expense, any equipment which requires new electrical or plumbing connections or changes in those installed on the premises as of the effective date of this Agreement.

Article VI.

Obligations of Licensee.

A. Hours of Operation. The concession at Chicago-O'Hare International Airport shall be open to serve the public at least twelve (12) hours each day, seven days a week, provided, however, that if the Commissioner of Aviation deems it necessary to better serve the public, the Licensee agrees to remain open for longer periods as directed in writing by said Commissioner of Aviation.

B. Type of Operation. The Licensee shall operate the concession in accordance with the highest standards for this type of operation at other major airport terminal buildings. Products offered shall be top quality, dispensed in compliance with all applicable federal, state and local laws, ordinances and regulations. The service shall at all times be prompt, clean, courteous and efficient. Licensee shall at all times keep the shelves and display cases stocked and all window and other displays visually attractive.

C. Personnel. The Licensee's employees shall be clean, courteous, efficient and neat in appearance. Employees of Licensee while on duty shall be identified as such by uniform or name badge. The Licensee shall not employ any person or persons in or about the granted premises who shall use improper language or act in a loud or boisterous or otherwise

improper manner. Licensee agrees to dispense with the services of any employee whose conduct the Commissioner of Aviation feels is detrimental to the best interest of Licensor.

D. Laws, Ordinances, etc. The Licensee shall observe and obey all the laws, ordinances, regulations, and rules of the federal, state, and municipal governments which may be applicable to its operations at the Airport.

E. Trash, Garbage, etc. Licensor will remove all refuse disposed of in designated areas, however, the Licensee shall provide a complete and proper arrangement for the adequate sanitary handling and disposal of all trash, garbage and other refuse caused as a result of the operation of its business. The Licensee shall provide and use suitable covered metal receptacles for all garbage, trash and other refuse on or in connection with the granted premises. Piling of boxes, cartons, barrels, or other similar items, in an unsightly or unsafe manner, on or about the granted premises, is forbidden. Such trash, garbage and other refuse shall be disposed of between the hours of 12:00 midnight and 8:00 A.M. each day in a place to be designated by the Commissioner of Aviation.

F. Concession Operation. The Licensee shall bear at his own expense all costs of operating the concession, and shall pay in addition to the above-mentioned license fee all other costs connected with the use of the premises and facilities, rights and privileges granted, including, but not limiting the generality thereof, maintenance, cleaning of glass enclosures inside and out, insurance, any and all taxes, janitorial service and supplies, and shall pay for all permits and licenses required by law.

G. Public Address System. The Licensee shall permit the installation in its premises of a system for flight announcements and other information broadcast over that system if in the opinion of the Commissioner of Aviation such installation is necessary.

H. Maintenance. Licensee shall maintain the licensed premises, including all of installed improvements (whether installed by Licensor or Licensee), trade fixtures, enclosure walls and doors in good order, condition and repair, keeping the same clean, safe, functioning and sanitary.

Article VII.

Obligations of Licensor.

The Licensor will maintain the structure, the roof and outer walls of the Terminal Buildings.

Licensor will not furnish janitorial service, interior or exterior window cleaning or custodial services anywhere on the granted premises.

Article VIII.

Quality and Price Control.

A. Merchandise. Licensee acknowledges the desire and obligation of Licensor to provide the public and the air traveler high quality merchandise and a high level of public service.

Therefore, Licensee covenants and agrees to offer for sale from the granted premises only high quality merchandise at prices not to exceed the prices customarily charged for similar merchandise in high quality Chicago metropolitan area operations. Licensee's initial schedule of merchandise items to be offered for sale from the granted premises, and the prices to be charged therefore, shall be delivered to Licensor prior to commencement of this Agreement. Thereafter, prices may be decreased or increased as mutually agreed by Licensee and Licensor, in the event that Licensee adds merchandise items, Licensee shall submit to Licensor not less than annually a schedule of such new merchandise items to be offered for sale on the granted premises and the prices to be charged therefore. Thereafter, prices for such new items may be decreased or increased in the same manner as aforesaid. It is specifically understood and agreed that, where a suggested retail price is printed on any item, the price charged by Licensee for said item shall not exceed the printed price. If in the reasonable opinion of the Commissioner of Aviation, the selection of items offered is inadequate in general or at any particular concession location, if the merchandise is not of high quality, if any of said prices, charges and rates are excessive or if any of said items is found to be objectionable for display and/or sale in a public facility, the Commissioner of Aviation shall meet and confer with Licensee regarding such matters, but Licensee acknowledges that Licensor's determination as to same shall be conclusive. Failure on the part of Licensee to correct, rectify or modify its prices or quality within thirty (30) days of being advised in writing by the Commissioner of Aviation shall be cause for default by Licensor, under the provisions of Article XXIII.

B. Inspection and Review. At Licensor's discretion, responsible representatives of Licensor and Licensee will make a complete inspection of Licensee's operations, including a review of the quality of service, merchandise and prices, maintenance of premises, furnishings and equipment and such other items as Licensor may wish to inspect or review. Licensor shall strive to keep such inspections from interfering with Licensee's normal business operations.

Article IX.

Interruptions, Reduction and Cancellation of Operations.

In the event of an interruption or reduction in concession services beyond the control of Licensee, including but not limited to acts of God, accidents, weather and conditions arising therefrom, strikes, boycotts, lockouts, bankruptcy and discontinuation of airline service, riot, fire, earthquakes, flood, storm, lightning, epidemic, insurrection, rebellion, revolutions, civil war, hostilities, war, the declaration or existence of a national emergency and conditions arising therefrom, and such interruption or reduction of services results in reduction in gross receipts of thirty (30%) percent in the granted premises, based upon the previous three (3) months average sales, Licensor agrees that the obligation of Licensee for payment of the Minimum Annual Percentage Fee shall be suspended proportionately after a thirty (30) day period in direct relation to the reduction in gross receipts generated by each affected location and such abatement shall continue until such time as the monthly gross receipts obtain a level equal to eighty (80%) percent or greater of average monthly gross receipts for such location during the three (3) month period preceding the abatement, at which time the full Minimum Annual Percentage Fee shall again be paid by Licensee. The Percentage Fee shall not be affected.

This Agreement shall be subject to cancellation by the Licensee in the event of any one or more of the following events:

- (1) The permanent abandonment of the Airport or Terminal Building.
- (2) The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of said Airport, or any substantial part or parts thereof, in such a manner as substantially to restrict Licensee for a period of at least ninety (90) days from operating thereon.
- (3) Issuance by any court of competent jurisdiction of any injunction remaining in force at least ninety (90) days which prevents or substantially restrains the use of the concession area granted by this Agreement.
- (4) The breach by the Licensor in the performance of any covenant or agreement herein required to be performed by the Licensor and the failure of the Licensor to remedy such breach for a period of sixty (60) days after receipt from the Licensee of written notice to remedy the same.

Article X.

Property Rights Upon Termination.

Upon the termination of this Agreement, through passage of time or otherwise, Licensee shall aid the Licensor in all ways possible in continuing the business of operating a concession in said terminal building(s) uninterrupted. Licensee further agrees to sell any or all Licensee's furniture, furnishings, trade fixtures and equipment installed or used upon said premises by Licensee to the Licensor or a party designated by the Licensor, or any interest thereto which Licensee may have, should the Licensor notify the Licensee in writing no later than ten (10) days prior to such termination date that the Licensor desires to purchase any or all of said furniture, furnishings, fixtures and equipment. In the event the Licensor exercises its option to purchase any or all of said furniture, furnishings, fixtures, and equipment, it is agreed that the purchase price shall be the fair market value of such items at the date of such termination. If the parties are unable to agree upon the fair market value, it is agreed that each party shall appoint an appraiser and the two so appointed shall name a third appraiser and that the three appraisers so named shall determine the fair market value of such items, which determination shall be final and binding upon the parties hereto.

Upon the termination of this Agreement, through passage of time or otherwise, it is mutually agreed that the Licensee shall have no further claim, right, title or interest in or to any of the improvements installed by it under this Agreement, including but not limited to, the enclosure walls and doors, subject, however, to Licensor's right to require Licensee to remove all or any portion of said improvements, equipment, fixtures, and facilities and to restore the premises, wherein the same were installed, or the affected portions thereof, to their original condition, reasonable wear and tear excepted. This Article does not supersede rights granted to Licensee in Article V, Section C.(7) hereof.

Article XI.

Damage or Destruction of Premises.

Should any portion of the granted premises be partially damaged by fire or other casualty, (unless caused by the negligence of Licensee) but not be rendered untenable thereby, such premises shall be repaired by Licensor at its expense as quickly as practicable; and, in such event, there shall be no abatement of the Minimum Annual Percentage Fee payable hereunder. In the event, however, that such damage from such fire or other casualty (unless caused by the negligence of Licensee) is so extensive as to render any portion of the premises untenable, the damage shall be repaired by Licensor at its expense as quickly as practicable and the Minimum Annual Percentage Fee payable hereunder shall abate proportionately from the date of such damage until such time as the said premises shall again be tenable. The Percentage Fee provided hereunder shall not be affected by such circumstances.

Should any portion of the granted premises be so extensively damaged by fire or other casualty (unless caused by the negligence of Licensee) as to render the same untenable, and should Licensor fail or refuse to repair or rebuild the same, Licensee shall be under no obligation to do so and shall be relieved of its obligation to continue the business formerly conducted by it in such area or areas, until such time as Licensor shall furnish Licensee with replacement space suitable to Licensee. In such event, the Fixed License Fee and Minimum Annual Percentage Fee payable hereunder with respect thereto shall abate, but the Percentage Fee provided hereunder shall not be affected.

Should the Terminal Building No. 3 at the Airport be damaged by fire or other casualty (unless casualty caused by the negligence of Licensee) or should any alterations or repairs be necessitated thereto as a result of which the traveling public is partially or totally diverted from those areas of the terminal in which Licensee is operating its concession (even if no actual damage is caused to the premises granted Licensee therein), the Fixed License Fee and Minimum Annual Percentage Fee payable hereunder shall, until such time as such diversion ceases, be totally abated (if the diversion is total) or reasonably and proportionately adjusted (if the diversion is partial) to reflect such interference with the normal operation of Licensee's business. Licensor and Licensee shall forthwith negotiate in good faith such reasonable fee adjustment. The Percentage Fee provided hereunder shall not be affected.

Should any portion of the granted premises be either partially, extensively or totally damaged by fire or other casualty caused in part or totally by the negligence of Licensee, the Commissioner of Aviation may in his sole discretion deem Licensee in default under Article XXIII hereof. Provided, however, that nothing herein contained shall in any way be construed as to limit any rights the City may have in law or equity against Licensee.

*Article XII.**Insurance.*

Licensee shall procure and maintain at all times during the term of this Agreement the following insurance:

- (1) Worker's Compensation, with Employer's Liability limit not less than required by State of Illinois statute.
- (2) Comprehensive General Liability Insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations Coverage.
- (3) Comprehensive Automobile Liability Insurance with limits not less than \$500,000 each occurrence Combined Single Limit Bodily Injury and Property Damage, including Employer's non-ownership liability and hired auto coverage.
- (4) Property Insurance on tenant improvements, fixtures, and equipment insuring against the perils of fire, lightning, extended coverage perils, vandalism and malicious mischief in the granted premises in an amount equal to the full replacement value of tenant improvements, fixtures and equipment.

Comprehensive General Liability Insurance, Comprehensive Automobile Liability Insurance, and Property Insurance policies shall be endorsed to provide the following:

- (1) Name as Additional Insured the City of Chicago and its members, and all of the officers, agents, and employees of each of them.
- (2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applies separately to each insured against whom claim is made or suit is brought.

All Policies Shall Be Endorsed To Provide:

Forty-five (45) days advance written notice to Licensor of cancellation, non- renewal or reduction in coverage, delivered to the following:

Commissioner, Department of Aviation
City of Chicago
20 North Clark Street
Suite 3000
Chicago, Illinois 60602

and City Comptroller
City of Chicago
121 North LaSalle
Street
Room 511 -- City Hall
Chicago, Illinois 60602

Certificates of insurance evidencing all coverages and endorsements above shall be furnished to the Licensor before commencing any operations under this Agreement.

Licensee agrees that the terms of these Insurance requirements may be increased and revised upon the written demand of the Licensor, which demand must be based on reasonable and justifiable grounds.

All insurance coverage shall be with a company or companies approved by City Comptroller.

Licensee expressly understands and agrees that any insurance protection furnished by Licensee hereunder shall in no way limit its responsibility to indemnify and save harmless Licensor under the provisions of Article XIV of this Agreement.

Article XIII.

"First Source" Agreement.

Licensee shall enter into an Agreement with the Mayor's Office of Employment and Training commonly known as and hereinafter referred to as a "First Source Agreement" for the recruitment, referral and placement of entry level employees required for the operation of any and all business under this Concession License Agreement. The Licensee shall commence negotiations for such First Source Agreement immediately upon execution of this Concession License Agreement and shall complete such negotiations and enter into said First Source Agreement with the Mayor's Office of Employment and Training within thirty (30) days and said First Source Agreement shall be attached to this Concession License Agreement and marked "Exhibit B" and shall become a binding part hereof.

Article XIV.

Indemnity.

The Licensee does hereby covenant and agree to indemnify, save harmless from and defend the Licensor against all fines, claims, demands and actions of any kind and nature including but not limited to antitrust claims (including reasonable attorney fees) arising by reason of any and/or all of its operations hereunder and does hereby agree to assume all the risk in the operation of its business hereunder and shall be solely responsible and answerable in damages for any and all accidents or injuries to persons or property arising by reason of any and/or all of its operations hereunder.

Article XV.

Inspection.

The Licensee shall allow the Licensor's authorized representative access to the granted premises at all reasonable hours, for the purpose of examining and inspecting said premises, for purposes necessary, incidental to or connected with the performance of its obligations hereunder, or in the exercise of Licensor's governmental functions. Licensor shall strive to keep such inspections from interfering with Licensees normal business operations.

Article XVI.

Ingress and Egress.

Subject to rules and regulations governing the use of the Airport, the Licensee, his agents and servants, patrons and invitees, and his suppliers of service and furnishers of materials shall have the right of reasonable ingress to and egress from the granted

premises, provided, however, that the suppliers of services, furnishings, materials, or stock shall do so in such reasonable manner and at such times so as not to interfere with normal Airport operations.

Article XVII.

Assignment, Subletting, Change of Ownership.

The Licensee shall not assign, transfer, pledge, surrender or otherwise encumber or dispose of this Agreement or any rights and privileges created thereby, or any interest in any portion of the same, and shall not permit any other person or persons, company or corporation to occupy the premises, without the consent of the City Council being first obtained.

Any substantial change in ownership or proprietorship of Licensee, which has not received the prior written approval of the Commissioner of Aviation and which in the opinion of the Commissioner is not in the best interest of the City or the public, shall be subject to the remedies available in Article XXIII hereof.

Article XVIII.

Signs.

Licensee shall not erect, install, operate nor cause or permit to be erected, installed or operated in or upon the granted premises, the terminal buildings, or the Airport, any signs or other similar advertising device without first having obtained the Commissioner of Aviation's written consent thereto.

Article XIX.

Redelivery.

Licensee will make no unlawful or offensive use of the granted premises and will at the expiration of this Agreement, through the passage of time or otherwise or upon any sooner termination thereof without notice, quit and deliver up said premises to the Licensor and those having its estate in the premises, peaceably, quietly and in as good order and condition, reasonable use and wear excepted, as the same now are or may hereafter be placed by the Licensee or the Licensor.

Article XX.

Concessionaire's Bond.

At the time of the execution of this Agreement, Licensee shall execute and deliver to the City Comptroller a Concessionaire's Bond satisfactory to the City Comptroller with an approved corporate surety in the sum of Fifty Thousand and No/100 Dollars (\$50,000.00) which bond shall guarantee faithful performance of the provisions of this Agreement.

Article XXI.

*Subject to Airline Agreements, Non-Discrimination and
F.A.A. Requirements.*

A. This Agreement is subject to the provisions of Paragraph 4, Article XI of that certain Agreement entitled "Airport Use Agreement" of 1959 and the further provisions, including the right of cancellation of Section 6.04 Article VI of that certain Agreement entitled "Lease of Terminal Facilities" of 1959 and the further provisions of that certain Agreement entitled: "Airport Use Agreement and Terminal Facilities Lease" of 1983 and to such other provisions of said related Agreements as may be pertinent as entered into between the City and Scheduled Airlines governing use and operation of the Airports.

B. Licensee, in performing under this Agreement, shall not discriminate against any worker; employee, or applicant, or any member of the public, because of race, creed, color, religion, age, sex, national origin, or physical or mental handicap, nor otherwise commit an unfair employment practice. Licensee will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, creed, color, religion, age, sex, national origin or physical or mental handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Licensee agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause. Licensee further agrees that this clause will be incorporated in all contracts entered into with suppliers or materials or services, contractors and subcontractors and all labor organizations, furnishing skilled, unskilled and craft union skilled labor, or who may perform any such labor or services in connection with this Agreement.

Attention is called to Executive Order 11246, issued September 24, 1965, 3 C.F.R., 1964 - 1965 Compilation, p. 339, as modified by Executive Order 11375, issued October 13, 1967, 3 C.F.R., 1967 Compilation, p. 320; The Civil Rights Act of 1964, 42 U.S.C. Section 2000d, *et seq.*, The Age Discrimination Act of 1975, 42 U.S.C. Section 6101, *et seq.*, and all amendments to those statutes and executive orders and regulations of the United States Departments of Labor, Transportation, and Health, Education, and Welfare and most particularly Department of Transportation, Title 49, Code of Federal Regulations, Part 21; to the State Acts approved July 26, 1967, Ill. Rev. Stat., Ch. 48, Sections 881 -- 887 inclusive; July 28, 1961, Ill. Rev. Stat., Ch. 8, Sections 13-1 to 13-4 inclusive; July 21, 1961, Ill. Rev. Stat., Ch. 48, Sections 851 to 856 inclusive; July 8, 1933, Ill. Rev. Stat., Ch. 29, Sections 17 to 24 inclusive (all 1977); and to an ordinance passed by the City Council of the City of Chicago, August 21, 1945, Journal of the Council Proceedings, p. 3877, Municipal Code of the City of Chicago, Ch. 198.7A.

To demonstrate compliance, Licensee and his contractors and subcontractors will furnish such reports and information as requested by the Chicago Commission on Human Relations.

Non-Discrimination in the Use of the Premises by Licensee.

This Agreement involves the construction or use of, or access to, space on, over, or under real property acquired, or improved under the Airport Development Aid Program and the Federal Aviation Administration, and therefore involves activity which services the public.

Licensee for himself, his personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color, physical or mental handicap or national origin shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishings of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination, and (3) that Licensee shall use the granted premises in compliance with all other requirements imposed by, or pursuant to, the Department of Transportation regulations.

The breach of any of the above non-discrimination covenants, shall constitute cause for the City of Chicago to terminate this Agreement under the provisions of Article XXIII.

Article XXII.

Non-Waiver.

Any waiver or any breach of covenants herein contained to be kept and performed by the Licensee shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent the Licensor from declaring a forfeiture for any succeeding breach either of the same conditions or covenants or otherwise.

Article XXIII.

Default.

The entire Agreement is made upon condition that if the Licensee shall be in arrears in the payment of any of the license fees for a period of thirty (30) days, or if Licensee shall fail to operate the facilities herein as required or if Licensee shall fail or neglect to do or perform or observe any of the covenants contained herein on its part to be kept and performed and such failures or neglect shall continue for a period of thirty (30) days after the Licensor has notified Licensee in writing of Licensee's default hereunder and Licensee has failed to correct such defaults within said thirty (30) days (such thirty-day notification period shall not be construed to apply if Licensee shall be declared to be bankrupt or insolvent according to law, or if any assignment of its property shall be made for the benefit of creditors), then in any of said cases or events, the Licensor, lawfully may, at its option, immediately or any time thereafter, without demand or notice, enter into, and upon the granted premises or any part thereof and in the name of the whole, and repossess the same and expel said Licensee and those claiming by, through, or under it, and remove its effects, if any, forcibly if necessary, without being deemed guilty of trespass and without prejudice to any remedy which otherwise might be used, for arrearages of license fees or preceding breach of covenant. On the reentry aforesaid, this Agreement shall terminate.

*Article XXIV.**Independence of Agreement.*

It is understood and agreed that nothing herein contained is intended or should be construed as in any way creating or establishing the relationship of co- partners or joint venturers between the Licensor and Licensee, or as constituting the Licensee or any officer, owner, employee or agent of Licensee as agent, representative or employee of the Licensor for any purpose or in any manner whatsoever. The Licensee is to be and shall remain an independent contractor with respect to all services performed under this Agreement.

*Article XXV.**Rules, Regulations, Laws, Ordinances and Licenses.*

The Licensor shall have the right to and shall adopt and enforce reasonable rules and regulations with respect to the use of the Airports, Terminal Buildings, and related facilities, which Licensee agrees to observe and obey. The Licensee shall observe and obey all the laws, ordinances, regulations and rules of the federal, state and county and municipal governments which may be applicable to its operations at the Airport and shall obtain and maintain all permits and licenses necessary for its operation at the Airport. Licensee further agrees to pay all taxes imposed by law on the property or operation.

Licensor, by and through the Commissioner of Aviation, reserves the right to require of Licensee, during the term of this Agreement, the relocation of installed improvements within the Terminal Buildings or the exchange of any of the granted premises for other areas of equivalent size and exposure to the traveling public where and when in the opinion of said Commissioner same is necessary for the proper functioning of the Airport.

*Article XXVI.**Notices.*

Notices to Licensor provided for herein shall be sufficient if sent by registered mail, postage prepaid, addressed to the Department of Aviation, 20 North Clark Street, Room 3000 Floor, City Hall, Chicago, Illinois 60602, Attention: Commissioner, and notice to Licensee if sent by certified mail, postage prepaid, addressed to Licensee at 6340 South Kedvale, Chicago, Illinois 60610, Attention: Corporate Secretary or to such other addresses as the parties may designate to each other in writing from time to time.

Such notice shall be deemed effective upon mailing in compliance with this Article XXVI.

*Article XXVII.**Paragraph Headings.*

The paragraph headings contained herein are for convenience of reference and are not intended to define or limit the scope of any provision of this Agreement.

Article XXVIII.

Invalid Provisions.

In the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, provided that the invalidity of such covenant, condition or provision does not materially prejudice either Licensor or Licensee in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

Article XXIX.

Prohibition Of Recordation.

This Agreement shall not and will not, nor shall any copy thereof, or any statement, paper or affidavit, in any way or manner referring hereto, be filed in the Office of the Recorder of Deeds of Cook County or DuPage County, Illinois, or in any other public office, by Licensee or anyone acting for Licensee and that if the same be so filed, this Agreement and each and every provision hereof shall, at the option of the Licensor, be and become absolutely null and void and Licensor may declare such filing a breach of this Agreement.

Execution of this Agreement authorized by ordinance of the City Council of the City of Chicago passed _____, (C.J.P. pp. _____).

In Witness Whereof, the parties hereto have caused this Agreement to be executed under their respective seals on the day and year first above written.

[Signature forms omitted for printing purposes.]

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

Initial Schedule of Merchandise attached to this ordinance reads as follows:

The Midwest Gourmet Food Exchange

Representative Listing Of Intended Products:

Product		Retailer	Retailer Price	The Midwest Gourmet Food Exchange
6# Loaf	Genoa Salami	Ambrosino Foods	\$ 3.79 #	\$ 3.98 #
5# Loaf	Pastrami	Ambrosino Foods	5.69 #	5.98 #

Product		Retailer	Retailer Price	The Midwest Gourmet Food Exchange
Whole	Smoke Ham	Honey Bear Farms	\$ 3.59 #	\$ 3.89 #
Frozen 1 Dozen	Greek Spanako Pita	Jewel Food Stores	4.59/Box	4.89/Box
8# Box Frozen	Pasta	Ambrosino Foods	1.99 #	2.09 #
Jar 6 Case	Flavor Wine Vinegar	Ambrosino Foods	24.54/Case	24.54/Case
Whole Frozen	Cheesecake	Ely's	7.90 Each	7.50 Each
6 1/2 Dz. Frozen	Cannoli	Naples Bakery	6.60/Pkg.	7.50/Pkg.
Dozen Frozen	Bacon Buns	Adda Bakery	4.20/Doz.	4.50/Doz.
3# Pkg. Frozen	3-Star Nova Lox	Marshall Fields	15.00 #	15.00 #
Fresh Whole	Nova Lox Hand Cut Smoked Salmon	Marshall Fields	19.75 #	19.75 #
Fresh Whole	Sogbwek Smoked Turkey Breast	Marshall Fields	9.89 #	9.89 #
Fresh 3# Pkg.	Select Smoked Chubs	Treasure Island	6.69 #	6.69 #

12/18/86

REPORTS OF COMMITTEES

38383

Product		Retailer	Retailer Price	The Midwest Gourmet Food Exchange
6# Loaf Fresh	Best Kosher Slicing Salami	Treasure Island	\$ 4.78 #	\$ 4.98 #
4# Loaf Fresh	Best Kosher Cooked Corned Beef Brisket	Treasure Island	7.78 #	8.29 #
5# Box Fresh	Best Kosher Natural Casing Franks	Treasure Island	4.19 #	4.69 #
Live	Whole Lobster	Treasure Island	7.50 #	8.75 #
5# Box Frozen	Crab	Treasure Island	5.99 #	6.29 #
5# Box Frozen	Lake Perch Filet	Treasure Island	6.95 #	6.98 #
5# Box Frozen	Scallops	Treasure Island	6.50 #	6.79 #
5# Box Frozen	Frog Legs	Treasure Island	8.99 #	8.99 #
3# Box Frozen	P.D. Shrimp 21/25 Ct.	Treasure Island	9.65 #	9.65 #
10# Box Frozen	Baby Back Ribs	Ambrosino Ribs	3.75 #	3.60 #
5# Box Frozen	Prime Filet of Beef	Treasure Island	8.95 #	8.98 #
5# Box Frozen	Center Cut Lamb Chops	Jewel Food Stores	6.00 #	6.25 #
1/2# Box	Dried Mushrooms (Black)	Ambrosino Foods	9.00/Box	8.75/Box

Product		Retailer	Retailer Price	The Midwest Gourmet Food Exchange
5 Doz. Box Frozen	White Castle Hamburgers	Jewel Food Stores	\$ 24.00/Box	\$24.00/Box
12 Bottles	Imported Spice Assortment	Marshall Fields	48.00	45.00
5# Box Frozen	Chicago Style Polish Sausage	Ambrosino Foods	10.45/5#	11.00/5#
5# Box Frozen	Chicago Style Italian Sausage	Ambrosino Foods	9.45/5#	9.55/5#

[Exhibits A and B printed on pages 38385 through 38386 of this Journal.]

Action Deferred -- EXECUTION OF COOKIE AND MUFFIN SHOP CONCESSION LICENSE AGREEMENT WITH NEWBERRY MUFFINS FOR PREMISES AT CHICAGO-O'HARE INTERNATIONAL AIRPORT.

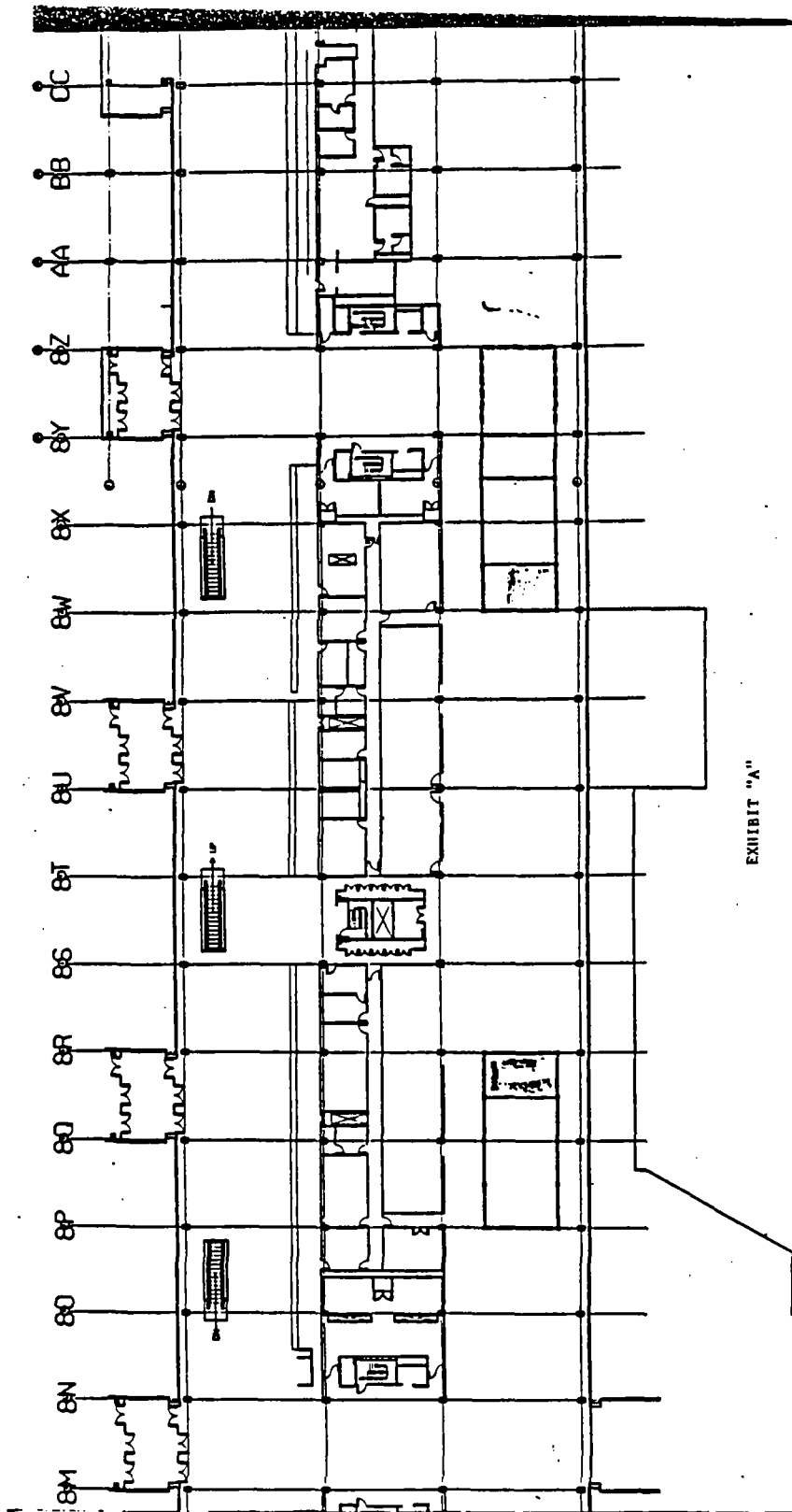
The Committee on Aviation submitted the following report, which was, on motion of Alderman Burke and Alderman Hagopian, *Deferred* and ordered published:

CHICAGO, December 15, 1986.

To the President and Members of the City Council:

Your Committee on Aviation, having had under consideration a proposed ordinance authorizing the Mayor to execute in behalf of the City a Cookie and Muffin Shop Concession License Agreement with Newberry Muffins, to operate a concession at O'Hare International Airport (which was referred on May 14, 1986) begs leave to recommend that Your Honorable Body pass the said proposed ordinance, which is transmitted herewith.

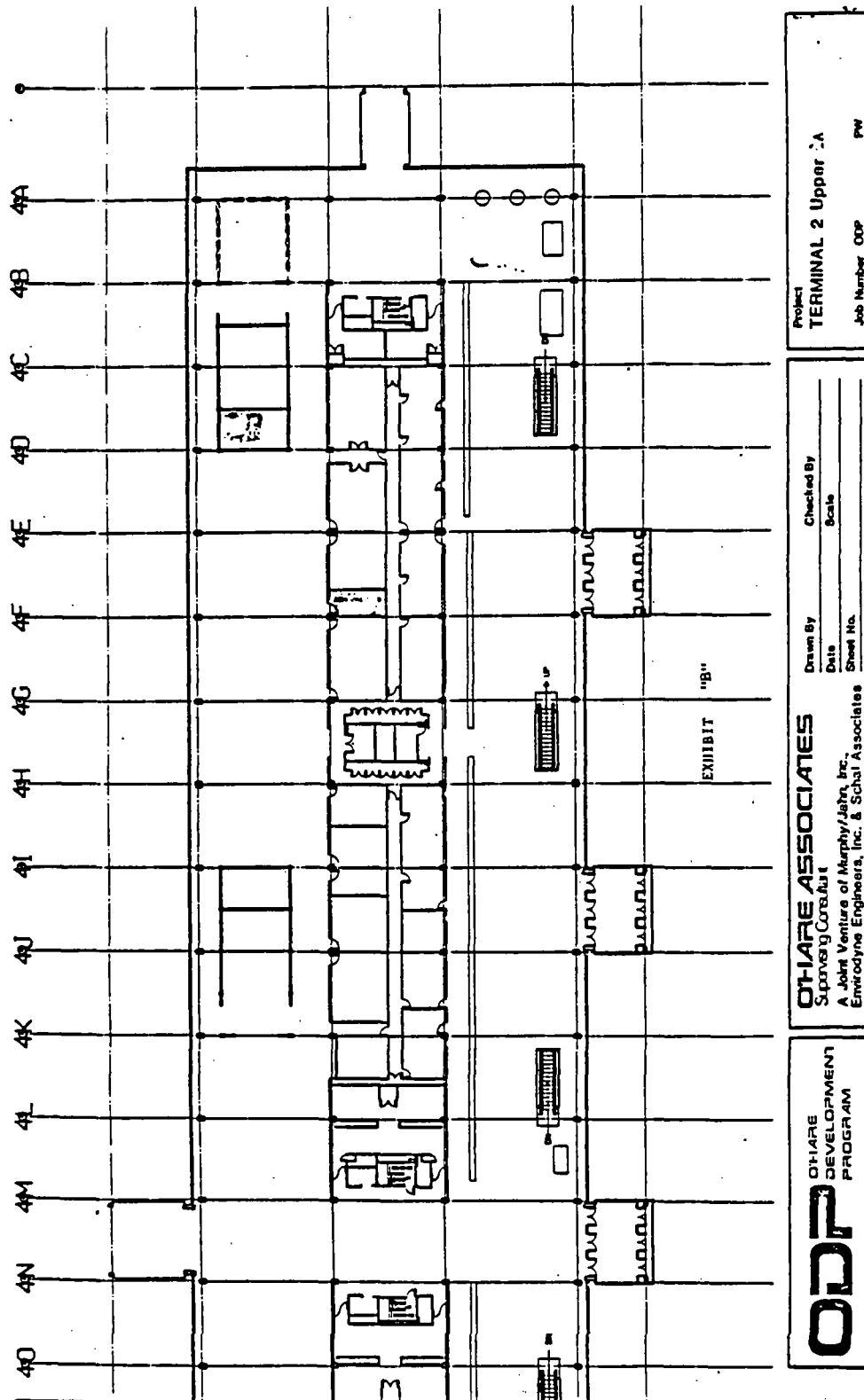
(Continued on page 38387)



Project	TERMINAL 3 Upper B
Job Number	ODP
PW	

Drawn By	Checked By
Date	Scale
Sheet No.	
OTIARE ASSOCIATES Sponsoring Consultant A Joint Venture of Murphy/Jahn, Inc. Envirodyne Engineers, Inc. & Schal Associates	

OTIARE DEVELOPMENT PROGRAM



(Continued from page 38384)

This recommendation was concurred in by 6 members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) JESUS G. GARCIA,
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 Mayor, subject to attestation by the City Clerk, approval by the Commissioner of Aviation and the City Comptroller, and by the Corporation Counsel as to form and legality, is authorized to execute in behalf of the City of Chicago a Cookie and Muffin Shop Concession License Agreement for certain premises in the Terminal Building at Chicago-O'Hare International Airport, said Agreement to be substantially in the following form:

Cookie/Muffin Shop Concession License Agreement.

This Agreement (hereinafter referred to as this "Agreement"), made this _____ day of _____, 1986, between the City of Chicago, a municipal corporation of Illinois, acting by and through its Department of Aviation (hereinafter referred to as "Licensor") and Newberry Muffins, Inc., an Illinois corporation, (hereinafter referred to as "Licensee").

Witnesseth:

Whereas, Licensor owns and operates the Airport known as Chicago-O'Hare International Airport, (hereinafter referred to as "Airport"), situated in the City of Chicago, Counties of Cook and Du Page, State of Illinois; and

Whereas, Licensee desires to obtain from Licensor a license to operate a concession with certain privileges and rights in the Airport's Terminal Building; and

Whereas, the Licensor deems it advantageous to itself and to its operation of the Airport to grant unto the Licensee a license to operate a concession area with the rights and privileges as herein set forth;

Now, Therefore, for and in consideration of the premises and the mutual promises contained herein, the parties agree as follows:

Article I.

Premises.

Licensor, in consideration of the compensation and the sundry covenants and agreements set forth herein to be kept and performed by Licensee, for the purposes set forth herein does hereby grant unto Licensee the following area at the Airport (sometimes referred to herein as the "licensed premises" or "premises"), all of which Licensee accepts, for the purposes set forth herein:

- (1) Space 2B-253-U1, consisting of approximately 315 square feet in Terminal Building No. 2 as indicated in Exhibit "A" which is attached hereto and made a part hereof.

Or such other area or areas to which Licensee may be relocated pursuant to Article XXV.

The license with respect to any other area or areas or space may be terminated by the Licensor as specified in Paragraph C (7) of Article V, Paragraph A of Article XXI, Article XXIII or Article XXV.

Article II.

Term.

The term of this Agreement shall be for a period of three (3) years, beginning the earlier of sixth (60) days after the approval of authorizing ordinance by the City Council of the City of Chicago or the first day of operations (such date to be referred to as the beginning date of this Agreement and to be confirmed immediately in writing by letter between Licensor and Licensee) and terminating on the last day of the thirty-sixth month following the beginning date.

Licensor reserves the right to request Licensee to operate an additional Cookie/Muffin Shop or cart when traffic demands such additional facilities and upon the mutual agreement of Licensor and Licensee. Such additional granted areas will be subject to the provisions of all Articles of this Agreement, including a license fee of \$30.00 per square foot per annum and will be indicated on Exhibits added hereto and made a part hereof.

In the event Licensee shall, with the consent of the Licensor, hold over and remain in possession of the premises after the expiration of the term of this Agreement, such holding over shall not be deemed to operate as a renewal or extension of this Agreement, but shall only create an occupancy from month-to-month on the same terms, conditions, and covenants, including consideration, herein contained.

In the event that air transportation operations are discontinued at the Airport for an extended period of time, then the terms and conditions of this Agreement, shall thereafter no longer be operative, except as they apply to the payment of outstanding fees, the performance of covenants and obligations occurring prior to the date of such discontinuance or to other specific conditions of termination or cancellation contained herein.

Article III.

License Fee.

A. During the term of this Agreement, Licensee agrees to pay Licensor:

1.) An annual fixed license fee equal to \$30.00 per square foot (\$9,450.00) per annum for all granted areas, ("Fixed License Fee"), with payment equal to one- twelfth (\$987.50), thereof, due each month, in advance.

2.) A percentage license fee of 19% of gross receipts derived by Licensee from operations at the Airport, ("Percentage Fee"), provided that Licensee shall pay Licensor a Minimum Annual Percentage Fee of \$74,230 ("Minimum Annual Percentage Fee") for the twelve month period immediately following the first day of the month immediately following the beginning date of this Agreement. In any subsequent year of this Agreement, the Minimum Annual Percentage Fee shall be an amount equal to 80% of the actual amount paid in the previous year as Percentage Fee, but in no case is the Minimum Annual Percentage Fee, for a subsequent year to be less than \$74,230 or the direct proportion of that amount that the elapsed time bears to a full year, in the case that the final portion of this Agreement, or any extension of this Agreement, is not a full year.

B. Schedule of Payments. Licensee shall pay each month in advance to the City Comptroller of the City of Chicago ("City Comptroller") the sum equal to 1/12 of the Minimum Annual Percentage Fee noted above. The initial payment of the Minimum Annual Percentage Fee is to be made on the first day of the month immediately following the beginning date of this Agreement.

Licensee, within (15) days of the end of each calendar month, shall pay to the City Comptroller the Percentage Fee for said calendar month less any amount prepaid as Minimum Annual Percentage Fee for that month.

Licensee, within fifteen (15) days of the end of each calendar month, shall furnish a separate monthly report of gross receipts for each location at the Airport, certified by an officer of Licensee, to the City Comptroller and the Commissioner of Aviation of the City of Chicago ("Commissioner of Aviation").

Additional payments or refunds required by adjustments, if any, for fees payable or paid in excess of amount paid as required above shall be made concurrent with the submission of the annual "Statement of Sales and Fees" required by Paragraph C, of Article III. The Minimum Annual Percentage Fee, referred to in this Article is intended to be, and is, an annual percentage license fee and not a monthly license fee.

C. Records of Licensee. The Licensee shall, with respect to business done by it in said concession operation, keep true, complete and accurate accounts, records, books, and data, in accordance with generally accepted accounting procedures consistently applied which shall, among other things, show all sales made and services performed for cash, or credit, or otherwise (without regard to whether paid or not) and also the gross receipts of said business, and the aggregate amount of all services and of all the Licensee's business done upon and within said concession area.

The term "gross receipts", as used herein, shall be construed to mean, for all the purposes thereof, the aggregate amount of all goods sold and services performed for cash, or credit, or otherwise, of every kind, name and nature, regardless of when or whether paid for or not, together with the aggregate amount of all service for like property, or services, at the price thereof, as if the same had been sold for cash or the fair and reasonable value thereof, whichever is greater.

The term "gross receipts" shall exclude: (1) Federal, State, municipal or other governmental excise taxes, (except Federal Manufacturer's Excise Tax), use, sales privilege or retailer's occupation taxes now or hereafter imposed and collected by Licensee or its sublicensee directly from patrons or customers, or as part of the price of any goods, wares, merchandise, services or displays and paid over in turn by the party so collecting to any governmental agency; but this provision shall not excuse the Licensee or its sublicensee firm paying to governmental agencies all taxes for which it may be liable to them; (2) sales made to employees of Licensee at a discount, (3) refunds for merchandise returned by customers because of their dissatisfaction therewith.

Licensee agrees to maintain an adequate and reasonable system of internal control to insure that revenues are properly reported to the Licensor. Licensee's recordkeeping, accounting, and internal control procedure must be described by the Licensee in writing and submitted to the City Comptroller for approval prior to the effective date of this Agreement. Any changes to the internal controls must be reported to the City Comptroller in writing thirty (30) days prior to the effective date of change. The City Comptroller has the authority to require additional internal controls or procedures as he deems appropriate.

D. Books, Records, and Audits. Licensee, at all times during the term of this Agreement and for three (3) years following the termination hereof shall maintain at its office in Chicago or make available in Chicago if requested: its books, ledgers, journals, accounts and records wherein are kept all entries reflecting its operations at the Airport under this Agreement. Such books, ledgers, journals, accounts and records shall be available for inspection and examination by the Commissioner of Aviation and the City Comptroller, or their duly authorized representatives, at reasonable times during business hours, and to make copies and excerpts therefrom as may be necessary to make a full, proper and complete audit of all business transacted by Licensee in connection with its operation hereunder.

Within 120 days of the signing of this Agreement, Licensee shall furnish the Licensor with a written statement indicating Licensee's election to report either on a calendar year or fiscal year basis; such letter shall explain the Licensee's fiscal year if elected. Within 120 days after the close of each calendar or fiscal year, as previously elected, or the termination of the Agreement through passage of time or otherwise, the Licensee will provide the Licensor with a "Statement of Sales and Fees" representing receipts by month for the period being reported on, together with an opinion thereon of an independent certified public accountant. The Licensee must inform the Licensor of the identity of the independent certified public accountant prior to the close of such calendar or fiscal year and such independent certified public accountant must be acceptable to the Licensor.

The following is an example of an opinion which would satisfy these requirements (such opinion may be subject to additional requirements determined by Licensor):

"We, a firm of independent certified public accountants, have examined the accompanying statement of sales and fees reported to the City of Chicago by _____, an _____ corporation for the year ended _____ relating to concession operations at Chicago-O'Hare International Airport pursuant to an Agreement between the City of Chicago and _____ an _____ corporation dated _____. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstance.

In our opinion, the accompanying statement of receipts showing gross receipts of _____ presents fairly the amount of gross receipts, as defined in the Agreement, for the year ended _____."

If the opinion of the independent certified public accountant is qualified or conditional in any manner, the City Comptroller has the right to cause an audit to be performed at Licensee's expense. The Licensor may in its sole discretion cause an audit to be performed at City's expense even if the opinion of the independent certified accountant is not qualified or conditional, provided, however, that if any discrepancies are discovered the cost of the audit shall be borne by Licensee.

Licensee, shall, upon request, furnish such other further financial or statistical reports as the Licensor may, from time to time, require relative to Licensee's concession operation.

E. *Pro Rata* Payment. If the commencement or termination of this Agreement falls upon any date other than the first or last day of any calendar month, the applicable fees and charges for said month shall be paid by Licensee to Licensor *pro rata* in the same proportion that the number of days the Agreement is in effect for that month bears to the total number of days in that month.

F. Interest for Late Payment. Without waiving any other right of action available to Licensor in the event of delinquency by Licensee in its payment to Licensor for a period of thirty (30) days or more from the date as specified in Article III (B) and without waiving the interest specified herein upon acceptance of said payment, Licensee shall pay to Licensor interest thereon at the rate of ten (10%) percent per annum from the date such item was due and payable until paid. Such interest shall not accrue with respect to disputed items being contested in good faith by Licensee, in which event the legal rate of interest shall prevail if money is determined to be owed.

Article IV.

General Description of the Concession.

A. Merchandise. Licensee shall have the right to operate a Cookie and Muffin shop concession at the Airport and in connection therewith, shall have the right to and shall sell items subject to the prior approval of the Commissioner of Aviation and to the limitations set forth below. Licensee shall engage in no other business activity on the airport or

premises and shall not sell items other than those enumerated below on the basis indicated without written authorization of the Commissioner of Aviation.

Licensee shall be permitted to and shall sell on a non-exclusive basis in Terminal 2, the items listed below and none other:

The items included on a list entitled Initial Schedule of Merchandise (see attachment), which is an attachment hereto and made a part hereof.

Except with prior written approval of the Commissioner of Aviation, the Licensee shall not install or operate coin-activated vending machines or devices of any nature, kind or type; nor shall he engage in any activities or sell any items other than those enumerated above.

B. Conflicts between Concessions. In the event of a conflict between Licensee and any other licensee or concessionaire at the Airport as to the items and merchandise to be sold by the respective concessionaire or Licensees, Licensee agrees that the Commissioner of Aviation shall make the final decision as to which unspecified items of merchandise may be sold by the Licensee and Licensee agrees to be bounded by such decision of the Commissioner of Aviation.

Article V.

Investment by the Licensor and Licensee.

A. Licensee agrees, as a necessary condition of this Agreement, to completely furnish and fixture to the satisfaction of Licensor and to the extent necessary, the Concession Area on the upper level of Terminal No. 2 at Chicago-O'Hare International Airport. This construction is to begin immediately after approval of the plans and specifications by the Department of Public Works of the City of Chicago, and shall be completed such that a certificate of occupancy may issue not later than ninety (90) days following the day of approval of the authorizing ordinance by City Council of the City of Chicago excluding any delays not directly attributable to Licensee's failure to act or perform any obligation relative to the issuance of said certificate. All such improvements, decor and equipment as are specified hereinafter as the responsibility of the Licensee, shall be furnished, supplied, installed and/or constructed by Licensee at its sole cost and expense, and Licensee agrees and guarantees to make capital investments for said purposes, exclusive of any capital improvements made by Licensor, in the minimum amount of Forty Thousand and no/100 Dollars (\$40,000.00).

B. Installations by the Licensor and by the Licensee. In the concession area designated on Exhibit "A", the Licensor will provide:

- (1) Finished floors.
- (2) General illumination.
- (3) Adequate heat and ventilation, the adequacy to be determined by the Licensor.

- (4) Enclosure walls and folding doors in any open wall areas of the concession areas, such enclosure walls and folding doors to be of a type, color, and design which is compatible with other and similar installations in the terminals.
- (5) Electrical service.

In these same spaces the Licensee will provide to the reasonable satisfaction of Licensor:

- (1) All necessary improvements not provided by the Licensor including, but not limited to counters, cabinets, interior partitions, enclosures, doors; additional lighting fixtures, decorations and all other fixtures, equipment and supplies.
- (2) All equipment, furniture, furnishings and fixtures necessary in the proper conduct of Licensee's business.
- (3) Electrical outlets provided in suitable numbers and locations.

C. Improvements, Equipment and Decor installed by Licensee at the Airport.

1.) Licensee agrees that all improvements, equipment and decor installed shall be designed to make the concession areas more attractive and provide better service to the public. *All such items shall employ optimum essentials of aesthetics, convenience, function and design and shall be compatible in such respects with those of the Airport.*

2.) Plans and specifications, and changes thereto, for all such structures and improvements shall be subject to the advance approval in writing of the Commissioner of Aviation and the Commissioner of Public Works of the City of Chicago ("Commissioner of Public Works").

3.) During the period of construction, all construction work, workmanship, materials and installation involved or incidental to the construction of the Concession Area shall be subject at all time to inspection by Licensor without additional cost to Licensee. Licensee shall give or cause to be given to the Commissioner of Aviation and Commissioner of Public Works advance notice before starting any new work, and shall provide and cause the contractors and subcontractors to provide reasonable and necessary facilities for inspection. Licensee shall cause all construction work, workmanship, materials and installation to be in full compliance with plans and specifications and all applicable governmental laws, ordinances, rules and regulations.

4.) Licensee shall reimburse Licensor for the cost of reviewing said plans and specifications, inspections or other related engineering services upon receipt of a warrant from Licensor. Licensee may deduct that portion of such cost of review or such other related engineering that exceeds \$750.00 from Licensee's next due payment of minimum percentage license fee.

5.) Licensee except as otherwise provided in Article VII shall at all times throughout the term hereof maintain the improvements (including those installed by Licensor) and all other portions of the granted premises in good and serviceable condition and repair.

6.) Licensee shall keep the granted premises and the improvements and facilities constructed thereon free and clear of any and all liens in any way arising out of the action, or use thereof by Licensee; provided, however, that Licensee may in good faith contest the validity of any lien sought to be imposed provided Licensee provides Licensors with such bonds or security that may be reasonably requested by Licensors. Notwithstanding the foregoing, liens incurred on equipment obtained by Licensee subsequent to the beginning date which are the direct result of said equipment being financed by Licensee are excluded from this paragraph.

7.) In the event that the granted premises are reasonably required for other Airport purposes prior to the expiration of this Agreement, the Commissioner of Aviation may upon sixty (60) days advance written notice to the Licensee direct Licensee to vacate the same provided that Licensors, within sixty (60) days after Licensee removal therefrom, will pay to Licensee the unamortized portion of the cost of any permanent structures, fixtures and improvements constructed and installed thereon; such amortization to be computed on a straight-line basis over the period from the completion of said improvements to the expiration date hereof.

D. Concession Area Layout and Decoration. The Licensee shall be entitled to layout the space as it desires, subject to written approval of the Commissioner of Aviation in advance of any installation.

E. Alterations, Additions or Replacements. Following the installation as hereinabove set forth, Licensee shall make no alterations, additions or replacements without obtaining the Commissioner of Aviation's written approval in advance thereof. The Licensee shall obtain prior approval from the Commissioner of Aviation and the Commissioner of Public Works before installing, at its own expense, any equipment which requires new electrical or plumbing connections or changes in those installed on the premises as of the effective date of this Agreement.

Article VI.

Obligations of Licensee.

A. Hours of Operation. The concession at the Chicago-O'Hare International Airport shall be open to serve the public at least twelve (12) hours each day, seven days a week, provided, however, that if the Commissioner of Aviation deems it necessary to better serve the public, the Licensee agrees to remain open for longer periods as directed in writing by said Commissioner of Aviation.

B. Type of Operation. The Licensee shall operate the concession in accordance with the highest standards for this type of operation at other major airport terminal buildings. Products offered shall be top quality, dispensed in compliance with all applicable federal, state and local laws, ordinances and regulations. The service shall at all times be prompt, clean, courteous and efficient. Licensee shall at all times keep the shelves and display cases fully stocked and filled and all window and other displays visually attractive.

C. Personnel. The Licensee's employees shall be clean, courteous, efficient and neat in appearance. Employees of Licensee while on duty shall be identified as such by uniform or

name badge. The Licensee shall not employ any person or persons in or about the granted premises who shall use improper language or act in a loud or boisterous or otherwise improper manner. The Licensee agrees to dispense with the services of any employee whose conduct the Commissioner of Aviation reasonably feels is detrimental to the best interest of the Licensor.

D. Laws, Ordinances, etc. The Licensee shall observe and obey all the laws, ordinances, regulations, and rules of the federal, state, and municipal governments which may be applicable to its operations at the Airport.

E. Trash, Garbage, etc. Licensor will remove all refuse disposed of in designated areas, however, the Licensee shall provide a complete and proper arrangement for the adequate sanitary handling and disposal of all trash, garbage and other refuse caused as a result of the operation of its business. The Licensee shall provide and use suitable covered metal receptacles for all garbage, trash and other refuse on or in connection with the granted premises. Piling of boxes, cartons, barrels, or other similar items, in an unsightly or unsafe manner, on or about the granted premises, is forbidden. Such trash, garbage and other refuse shall be disposed of between the hours of 12:00 midnight and 8:00 A.M. each day in a place to be designated by the Commissioner of Aviation.

F. Concession Operation. The Licensee shall bear at his own expense all costs of operating the concession, and shall pay in addition to the above mentioned license and percentage fees all other costs connected with the use of the premises and facilities, right and privileges granted, including, but not limited to the maintenance, cleaning of glass enclosures inside and out, insurance, any and all taxes, janitorial service and supplies, and shall pay for all permits and licenses required by law.

G. Public Address System. The Licensee shall permit the installation in its premises of a system for broadcast of flight announcements and other information over the system if in the opinion of the Commissioner of Aviation such installation is necessary.

H. Maintenance. Licensee shall maintain the licensed premises, including all of installed improvements, (whether installed by Licensor or Licensee), trade fixtures, enclosure walls and doors in good order, condition and repair, keeping the same clean, safe, functioning and sanitary.

Article VII.

Obligations of Licensor.

The Licensor will maintain the structure, the roof and outer walls of the Terminal Buildings.

Licensor will not furnish janitorial service, interior or exterior window cleaning or custodial services anywhere on the granted premises.

Article VIII.

Quality and Price Control.

A. Merchandise. Licensee acknowledges the desire and obligation of Licensor to provide the public and the air traveler high quality merchandise and a high level of public service. Therefore, Licensee covenants and agrees to offer for sale from the granted premises only high quality merchandise at prices not to exceed the prices customarily charged for similar merchandise in high quality Chicago metropolitan area operations. Licensee's initial schedule of merchandise items to be offered for sale from the granted premises, and the prices to be charged therefore, shall be delivered to Licensor prior to commencement of this Agreement. Thereafter, prices may be decreased or increased as mutually agreed by Licensee and Licensor. In the event that Licensee adds merchandise items, Licensee shall submit to Licensor not less than annually a schedule of such new merchandise items to be offered for sale on the granted premises and the prices to be charged therefore. Thereafter, prices for such new items may be decreased or increased in the same manner as aforesaid. It is specifically understood and agreed that, where a suggested retail price is printed on any item, the price charged by Licensee for said item shall not exceed the printed price. If in the opinion of the Commissioner of Aviation, the selection of items offered is inadequate in general or at any particular concession location, if the merchandise is not of high quality, if any of said prices, charges and rates are excessive or if any of said items is found to be objectionable for display and/or sale in a public facility, the Commissioner of Aviation shall meet and confer with Licensee regarding such matters but Licensee acknowledges that Licensor's determination as to same shall be conclusive. Failure on the part of Licensee to correct, rectify or modify its prices or quality within thirty (30) days of being advised in writing by the Commissioner of Aviation shall be cause for default by Licensor, under the provisions of Article XXIII.

B. Inspection and Review. At Licensor's discretion, responsible representatives of Licensor and Licensee will make a complete inspection of Licensee's operations, including a review of the quality of service, merchandise and prices, maintenance of premises, furnishings and equipment and such other items as Licensor may wish to inspect or review.

Article IX.

Interruptions, Reduction and Cancellation of Operations.

In the event of an interruption or reduction in concession services beyond the control of Licensee, including but not limited to acts of God, accidents, weather and conditions, arising therefrom, strikes, boycotts, lockouts, bankruptcy and discontinuation of airline service, riot, fire, earthquakes, flood, storm, lightning, epidemic, insurrection, rebellion, revolutions, civil war, hostilities, war, the declaration or existence of a national emergency and conditions arising therefrom, and such interruption or reduction of services results in reduction in monthly gross receipts of thirty (30%) percent or greater in the granted premises, based upon the previous three (3) months average sales, Licensor agrees that the obligation of Licensee for payment of the Minimum Annual Percentage Fee shall be abated proportionately for subsequent month(s) after a thirty-day (30) period in direct relation to the reduction in gross receipts generated by each affected location and such abatement shall continue until such time as the monthly gross receipts obtain a level equal to eighty (80%) percent of the average monthly gross receipts for such location during the three (3) month period preceding the abatement, at which time the full Minimum Annual Percentage Fee shall again be paid by Licensee. The Percentage Fee shall not be affected.

This Agreement shall be subject to cancellation by the Licensee as specifically provided in any provision herein in the event of any one or more of the following events:

- (1) The permanent abandonment of the Airport or Terminal Building.
- (2) The lawful assumption by the United States Government, or any authorized agency thereof, of the operation, control or use of said Airport, or any substantial part or parts thereof, in such a manner as substantially to restrict Licensee for a period of at least ninety (90) days from operating thereon.
- (3) Issuance by any court of competent jurisdiction of any injunction remaining in force at least ninety (90) days which prevents or substantially restrains the use of the concession area granted by this Agreement.
- (4) The breach by the Licensor in the performance of any covenant or agreement herein required to be performed by the Licensor and the failure of the Licensor to remedy such breach for a period of sixty (60) days after receipt from the Licensee of written notice to remedy the same.

Article X.

Property Rights Upon Termination.

Upon the termination of this Agreement, through passage of time or otherwise, Licensee shall aid the Licensor in continuing the business of operating a concession in said terminal building(s) uninterrupted. Licensee further agrees to sell any or all Licensee's furniture, furnishings, fixtures and equipment to Licensor. In the event the Licensor exercises its option to purchase any or all of said furniture, furnishings, fixtures, and equipment, it is agreed that the purchase price to be paid by Licensor shall be the fair market value of such items at the date of such termination. If the parties are unable to agree upon the fair market value, it is agreed that each party shall appoint an appraiser and the two so appointed shall name a third appraiser and that the three appraisers so named shall determine the fair market value of such items, which determination shall be final and binding upon the parties hereto.

Upon the termination of this Agreement, through passage of time or otherwise, it is mutually agreed that the Licensee shall have no further claim, right, title or interest in or to any of the improvements excluding however, furniture, furnishings, fixtures and equipment of Licensee not sold to Licensor as aforementioned installed by it under this Agreement, including but not limited to the enclosure walls and doors, subject, however, to Licensor's right to require Licensee to remove all or any portion of said improvements, equipment, fixtures, and facilities and to restore the premises, wherein the same were installed, or the affected portions thereof, to their original condition, reasonable wear and tear excepted. This Article does not supersede rights granted to Licensee in Article V, Section C(7) hereof.

Article XI.

Damage or Destruction of Premises.

Should any portion of the granted premises be partially damaged by fire or other casualty, (unless caused by the negligence of Licensee) but not be rendered untenable thereby, such premises shall be repaired by Licensor at its expense as quickly as practicable; and, in such event, there shall be no abatement of the Minimum Annual Percentage Fee payable hereunder. In the event, however, that such damage from such fire or other casualty (unless caused by the negligence of Licensee) is so extensive as to render any portion of the premises untenable, the damage shall be repaired by Licensor at its expense as quickly as practicable and the Minimum Annual Percentage Fee payable hereunder shall abate proportionately to the amount of damage sustained to the premises from such fire or other casualty from the date of such damage until such time as the said premises shall again be tenable. The Percentage Fee provided hereunder shall not be affected by such circumstances.

Should any portion of the granted premises be so extensively damaged by fire or other casualty (unless caused by the negligence of Licensee) as to render the same untenable, and should Licensor fail or refuse to repair or rebuild the same, Licensee shall be under no obligation to do so and shall be relieved of its obligation to continue the business formerly conducted by it in such area or areas, until such time as Licensor shall furnish Licensee with replacement space suitable to Licensee. In such event, the Fixed License Fee and Minimum Annual Percentage Fee payable hereunder with respect thereto shall abate, but the Percentage Fee provided hereunder shall not be affected.

Should Terminal Building No. 2 at the Airport be damaged by fire or other casualty (unless caused by the negligence of Licensee) or should any alterations or repairs be necessitated thereto as a result of which the traveling public is partially or totally diverted from those areas of the terminal in which Licensee is operating its concession (even if no actual damage is caused to the premises granted Licensee therein), the Fixed License Fee and Minimum Annual Percentage Fee payable hereunder shall, until such time as such diversion ceases, be totally abated (if the diversion is total) or reasonably and proportionately adjusted (if the diversion is partial) to reflect such interference with the normal operation of Licensee's business. Licensor and Licensee shall forthwith negotiate the good faith such reasonable fee adjustment. The Percentage Fee provided hereunder shall not be affected.

Should any portion of the granted premises be either partially, extensively or totally damaged by fire or other casualty caused in part or totally by the negligence of Licensee the Commissioner of Aviation may in his sole discretion deem Licensee in default under Article XXIII hereof. Provided, however, that nothing herein contained shall in any way be construed as to limit any rights the City may have in law or equity against Licensee.

*Article XII.**Insurance.*

Licensee shall procure and maintain at all times during the term of this Agreement the following insurance:

- (1) Worker's Compensation, with Employer's Liability limit not less than mandated by State of Illinois statute.
- (2) Comprehensive General Liability insurance with limits not less than \$1,000,000 each occurrence Combined Single Limit Bodily Injury and Property Damage, including Contractual Liability, Personal Injury, Products and Completed Operations Coverage.
- (3) Comprehensive Automobile Liability Insurance with limits not less than \$500,000 each occurrence Combined Single Limit Bodily Injury and Property Damage, including Employer's non-ownership liability and hired auto coverage.
- (4) Property Insurance on tenant improvements, fixtures, and equipment insuring against the perils of fire, lightning, extended coverage perils, vandalism and malicious mischief in the granted premises in an amount equal to the full replacement value of tenant improvements, fixtures and equipment.

Comprehensive General Liability Insurance, Comprehensive Automobile Liability Insurance, and Property Insurance policies shall be endorsed to provide the following:

- (1) Name as Additional Insured the City of Chicago and its members, and all of the officers, agents and employees of each of them.
- (2) That such policies are primary insurance to any other insurance available to the Additional Insureds, with respect to any claims arising out of this Agreement, and that insurance applied separately to each insured against whom claim is made or suit is brought.

All Policies Shall Be Endorsed To Provide:

Forty-five (45) days advance written notice to Licensor of cancellation, non-renewal or reduction in coverage, delivered to the following:

Commissioner, Department of Aviation
City of Chicago
20 North Clark Street
Suite 3000
Chicago, Illinois 60602

and City Comptroller
City of Chicago
121 North LaSalle
Street
Room 511 -- City Hall
Chicago, Illinois 60602

Certificates of insurance evidencing all coverages and endorsements above shall be furnished to the Licensor before commencing any operations under this Agreement.

Licensee agrees that the terms of these Insurance requirements may be increased and revised upon the written demand of the Licensor, which demand must be based on reasonable and justifiable grounds.

All insurance coverage shall be with a company or companies approved by City Comptroller.

Licensee expressly understands and agrees that any insurance protection furnished by Licensee hereunder shall in no way limit its responsibility to indemnify and save harmless Licensor under the provisions of Article XIV of this Agreement.

Article XIII.

"First Source" Agreement.

Licensee shall enter into an Agreement with the Mayor's Office of Employment and Training commonly known as and hereinafter referred to as a "First Source Agreement" for the recruitment, referral and replacement of entry level employees required for the operation of any and all business under this Concession License Agreement. The Licensee shall commence negotiations for such First Source Agreement immediately upon execution of this Concession Agreement and shall complete such negotiations and enter into said First Source Agreement with the Mayor's Office of Employment and Training within thirty (30) days and said First Source Agreement shall be attached to this Concession License Agreement and marked "Exhibit B" and shall become a binding part hereof.

Article XIV.

Indemnity.

The Licensee does hereby covenant and agree to indemnify, save harmless from and defend the Licensor against all fines, suits, claims, demands and actions of any kind and nature including but not limited to antitrust claims (including reasonable attorney fees) arising by reason of any and/or all of its operations hereunder and does hereby agree to assume all the risk in the operation of its business hereunder and shall be solely responsible and answerable in damages for any and all accidents or injuries to persons or property arising by reason of any and/or all of its operations hereunder.

Article XV.

Inspection.

The Licensee shall allow the Licensor's authorized representative access to the granted premises at all reasonable hours, for the purpose of examining and inspecting said premises, for purposes necessary, incidental to or connected with the performance of its obligations hereunder, or in the exercise of Licensor's governmental functions.

Article XVI.

Ingress and Egress.

Subject to rules and regulations governing the use of the Airport, the Licensee, his agents and servants, patrons and invitees, and his suppliers of service and furnishers or material shall have the right of reasonable ingress to and egress from the granted premises, provided, however, that the suppliers of services, furnishings, materials, or stock shall do so in such reasonable manner and at such times so as not to interfere with normal Airport operations.

*Article XVII.**Assignment, Subletting, Change of Ownership.*

The Licensee shall not assign, transfer, pledge, surrender or otherwise encumber or dispose of this Agreement or any rights and privileges created thereby, or any interest in any portion of the same, and shall not permit any other person or persons, company or corporation to occupy the premises, without the consent of the City Council being first obtained.

Any substantial change in ownership or proprietorship of Licensee, which has not received the prior written approval of the Commissioner of Aviation and which in the opinion of the Commissioner is not in the best interest of the City or the public, shall be subject to the remedies available in Article XXIII hereof.

*Article XVIII.**Signs.*

Licensee shall not erect, install, operate nor cause or permit to be erected, installed or operated in or upon the granted premises, the terminal buildings, or the Airport, any signs or other similar advertising device without first having obtained the Commissioner of Aviation's written consent thereto.

*Article XIX.**Redelivery.*

Licensee will make no unlawful or offensive use of the granted premises and will at the expiration of this Agreement, through the passage of time or otherwise or upon any sooner termination thereof without notice, quit and deliver up said premises to the Licensor and those having its estate in the premises, peaceably, quietly and in as good order and condition, reasonable use and wear excepted, as the same now are or may hereafter be placed by the Licensee or the Licensor.

*Article XX.**Concessionaire's Bond.*

At the time of the execution of this Agreement, Licensee shall execute and deliver to the City Comptroller a Concessionaire's Bond satisfactory to the City Comptroller with an approved corporate surety in the sum of Thirty-five Thousand and no/100 Dollars (\$35,000.00) which bond shall guarantee faithful performance of the provisions of this Agreement.

Article XXI.

*Subject to Airline Agreement, Non-Discrimination and
F.A.A. Requirements.*

A. This Agreement is subject to the provisions of Paragraph 4, Article XI of that certain Agreement entitled: "Airport Use Agreement" of 1959 and the further provisions, including the right of cancellation of Section 6.004, Article VI of that certain Agreement entitled: "Airport Use Agreement and Terminal Facilities Lease" of 1983 and to such other provisions of said-related Agreements as may be pertinent as entered into between the City and Scheduled Airlines governing use and operation of the Airports.

B. Licensee, in performing under this Agreement, shall not discriminate against any worker, employee, or applicant, or any member of the public, because of race, creed, color, religion, age, sex, national origin, or physical or mental handicap, nor otherwise commit an unfair employment practice. Licensee will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, creed, color, religion, age, sex, national origin or physical or mental handicap. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship. Licensee agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of the non-discrimination clause. Licensee further agrees that this clause will be incorporated in all contracts entered into with suppliers of materials or services, contractors and subcontractors and all labor organizations, furnishing skilled, unskilled and craft union skilled labor, or who may perform any such labor or services in connection with this Agreement.

Attention is called to Executive Order 11246, issued September 24, 1965, 3 C.F.R., 1964-1965 Compilation, p. 339, as modified by Executive Order 11375, issued October 13, 1967, 3 C.F.R., 1967 Compilation, p. 320; The Civil Rights Act of 1964, 42 U.S.C. Section 2000d, *et seq.*; The Age Discrimination Act of 1975, 42 U.S.C. Section 6101, *et seq.*, and all amendments to those statutes and executive orders and regulations of the United States Departments of Labor, Transportation, Health, Education, and Welfare and most particularly Department of Transportation, Title 49, Code of Federal Regulations, Part 21; to the State Acts approved July 26, 1967, Ill. Rev. Stat., Ch. 48, Sections 881-887 inclusive; July 28, 1961, Ill. Rev. Stat., Ch. 8, Sections 13-1 to 13-4 inclusive; July 21, 1961, Ill. Rev. Stat., Ch. 48, Sections 851 to 856 inclusive; July 8, 1933, Ill. Rev. Stat., Ch. 29, Sections 17 to 24 inclusive (all 1977); and to an ordinance passed by the City Council of the City of Chicago, August 21, 1945, Journal of the Council Proceedings, p. 3877, Municipal Code of the City of Chicago, Ch. 198.7A.

To demonstrate compliance, Licensee and his contractors and subcontractors will furnish such reports and information as requested by the Chicago Commission on Human Relations.

Non-Discrimination in the Use of the Premises by Licensee.

This Agreement involves the construction of, use of, or access to, space on, over, or under real property acquired, or improved under the Airport Development Aid Program and the

Federal Aviation Administration, and therefore involves activity which services the public.

Licensee for himself, his personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, that (1) no person on the grounds of race, color, physical or mental handicap or national origin shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements on, over, or under such land and the furnishings of services thereon, no person on the grounds of race, color, age, handicap or national origin shall be excluded from participation in, denied benefits of, or otherwise be subjected to discrimination, and (3) that Licensee shall use the granted premises in compliance with all other requirements imposed by, or pursuant to, the Department of Transportation regulations.

The breach of any of the above nondiscrimination covenants, shall constitute cause for the City of Chicago to terminate this Agreement under the provisions of Article XXIII.

Article XXII.

Non-Waiver.

Any waiver or any breach of covenants herein contained to be kept and performed by the Licensee shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent the Licensor from declaring a forfeiture for any succeeding breach either of the same conditions or covenants or otherwise.

Article XXIII.

Default.

This entire Agreement is made upon condition that if the Licensee shall be in arrears in the payment of any of the license fee for a period of thirty (30) days, or if Licensee shall fail to operate the facilities herein as required or if Licensee shall fail or neglect to do or perform or observe any of the covenants contained herein on its part to be kept and performed and such failures or neglect shall continue for a period of thirty (30) days after the Licensor has notified Licensee in writing of Licensee's default hereunder and Licensee has failed to correct such defaults within said thirty (30) days (such thirty-day notification period shall not be construed to apply if Licensee shall be declared to be bankrupt or insolvent according to law, or if any assignment of its property shall be made for the benefit of creditors), then in any of said cases or events, the Licensor, lawfully may, at its option, immediately or any time thereafter, without demand or notice, enter into, and upon the granted premises or any part thereof and in the name of the whole, and repossess the same and expel said Licensee and those claiming by, through, or under it, and remove its effects, if any, forcibly if necessary, without being deemed guilty of trespass and without prejudice to any remedy which otherwise might be used, for arrearages of license fees or preceding breach of covenant. On the reentry aforesaid, the Agreement shall terminate. In addition, this entire agreement is made upon the condition that if Licensor shall fail or neglect to do or perform or observe any of the covenants contained herein on its part to be kept and performed and such failures or neglect shall continue for a period of thirty (30) days, after

the Licensee has notified Licensor in writing of Licensor's default hereunder and Licensor has failed to correct or contest in writing such defaults within said sixty (60) days, then in any of said cases or events, the Licensee lawfully may cure such defaults to the extent possible, and any and all costs incurred by Licensee in so doing may be offset against any amounts due Licensor under this agreement. In the event Licensee is unable to cure such defaults due to the nature of the default, Licensee may use any remedies available to it in law or equity.

Article XXIV.

Independence of Agreement.

It is understood and agreed that nothing herein contained is intended or should be construed as in any way creating or establishing the relationship of co- partners or joint venturers between the Licensor and Licensee, or as constituting the Licensee or any officer, owner, employee or agent of Licensee as agent, representative or employee of the Licensor for any purpose or in any manner whatsoever. The Licensee is to be and shall remain an independent contractor with respect to all services performed under this Agreement.

Article XXV.

Rules, Regulations, Laws, Ordinances and License.

The Licensor shall have the right to and shall adopt and enforce reasonable rules and regulations with respect to the use of the Airports, Terminal Buildings, and related facilities, which Licensee agrees to observe and obey. The Licensee shall observe and obey all the laws, ordinances, regulations and rules of the federal, state and county and municipal governments which may be applicable to its operations at the Airport and shall obtain and maintain all permits and licenses necessary for its operation at the Airport. Licensee further agrees to pay all taxes imposed by law on the property or operation.

Licensor, by and through the Commissioner of Aviation, reserves the right to require of Licensee, during the term of this Agreement, and at Licensor's sole cost and expense the relocation of installed improvements within the Terminal Buildings or the exchange of any of the granted premises for other areas of equivalent size and exposure to the traveling public where and when in the opinion of said Commissioner same is necessary for the proper functioning of the Airport.

Article XXVI.

Notices.

Notices to Licensor provided for herein shall be sufficient if sent by registered mail, postage prepaid, addressed to the Department of Aviation, 20 North Clark Street, Room 3000, City Hall, Chicago, Illinois 60602, Attention: Commissioner, and notice to Licensee if sent by certified mail, postage prepaid, addressed to Licensee at 320 North Michigan Avenue, Chicago, Illinois 60601, Attention: Corporate Secretary or to such other addresses as the parties may designate to each other in writing from time to time.

Such notice shall be deemed effective upon mailing in compliance with this Article XXVI.

Article XXVII.

Paragraph Headings.

The paragraph headings contained herein are for convenience of reference and are not intended to define or limit the scope of any provision of this Agreement.

Article XXVIII.

Invalid Provisions.

In the event any covenant, condition or provision herein contained is held to be invalid by any court of competent jurisdiction, the invalidity of any such covenant, condition or provision shall in no way affect any other covenant, condition or provision herein contained, provided that the invalidity of such covenant, condition or provision does not materially prejudice either Licensor or Licensee in its respective rights and obligations contained in the valid covenants, conditions or provisions of this Agreement.

Article XXIX.

Prohibition of Recordation.

This Agreement shall not and will not, nor shall any copy thereof, or any statement, paper or affidavit, in any way or manner referring hereto, be filed in the Office of the Recorder of Deeds of Cook County or DuPage County, Illinois, or in any other public office, by Licensee or anyone acting for Licensee and that if the same be so filed, this Agreement and each and every provision hereof shall, at the option of the Licensor, be and become absolutely null and void and Licensor may declare such filing a breach of this Agreement.

Execution of this Agreement authorized by ordinance of the City Council of the City of Chicago passed _____, (C.J.P. pp. _____).

In Witness Whereof, the parties hereto have caused this Agreement to be executed under their respective seals on the day and year first above written.

.[Signature forms omitted for printing purposes.]

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

[Exhibit A printed on page 38408 of this Journal.]

Initial Schedule of Merchandise attached to this Agreement reads as follows:

Initial Schedule of Merchandise.

Extra Large Gourmet Muffins:

\$1.10 Each *

Flavors:

Blueberry

Bran

Carrot Walnut

Banana Nut

Cream Cheese with Raspberry

The Newbury Muffin (Blueberries, blackberries and raspberries)

Fruity Bran (Bran with Pineapple and Apple)

The Weekly Special (Pumpkin, Chocolate chip, Peach yogurt, Cherry crumble, Apple-Cinnamon, and 230 other varieties)

Large Gourmet Cookies: \$.65 to \$.85 Each*

Flavors:

Chocolate-Chip

Carrot Walnut

White Chocolate Chunk

Oatmeal and Fig

Macadamia Nut

Pina Colada

Rum Coconut

The Weekly Special (Triple chocolate, peanut butter raisin, banana nut, celery and spice and 50 other varieties.)

Coffee: small \$.85 large \$1.00

Special Hawaiian Kona Blend (Reg. and Decaf.)

Tea: \$1.10

Gourmet Teas (Earl Grey, Plantation Mint, Dijling, Etc.)

Sodas: Sm. \$.65 Reg. \$.85 Lg. 1.05

* Our Baker's dozen is 14 for the price of 12.

Action Deferred -- FEDERAL AVIATION ADMINISTRATION URGED
TO CONDUCT FEASIBILITY STUDY CONCERNING SPECIFIED
SECURITY REGULATIONS AT CHICAGO AIRPORTS.

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

CHICAGO, December 15, 1986.

To the President and Members of the City Council:

Your Committee on Aviation, having had under consideration a resolution introduced by Alderman Smith memorializing the F.A.A. to conduct a study at O'Hare-International Airport (which was referred on May 30, 1986) begs leave to recommend that Your Honorable Body pass the said proposed resolution, which is transmitted herewith.

This recommendation was concurred in by 6 members of the committee with no dissenting vote.

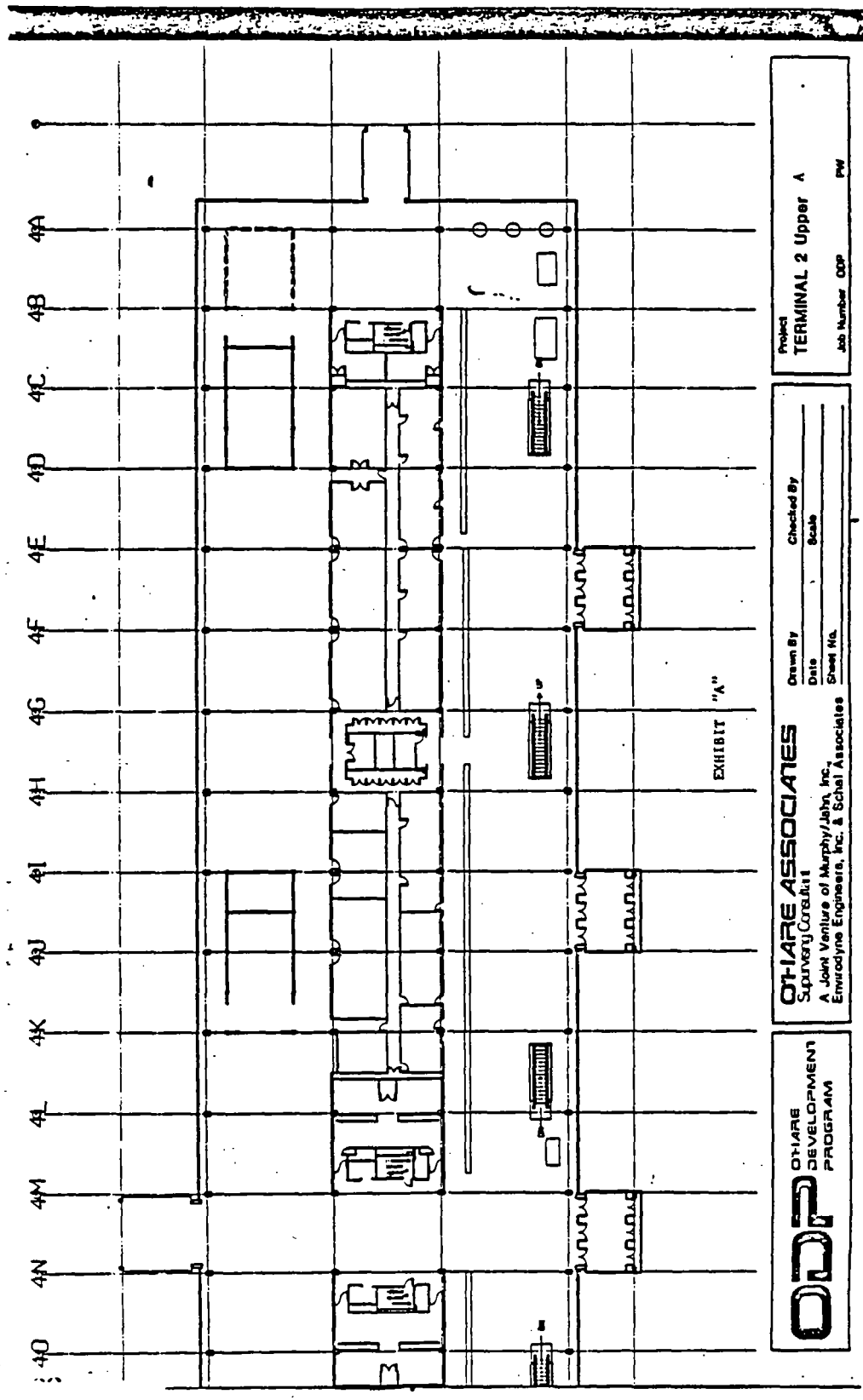
Respectfully submitted,
(Signed) JESUS G. GARCIA,
Chairman.

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

WHEREAS, Airport Security has become a primary concern of people and governments throughout the world; and

WHEREAS, The highest standards of airport security must be promoted at all times by all governments; and

(Continued on page 38409)



(Continued from page 38407)

WHEREAS, O'Hare Airport is the busiest airport in the world, and Midway Airport is one of the world's most successful inner city airports; and

WHEREAS, Local governments have the responsibility to provide security at major airports, and the Federal Aviation Administration is charged with ensuring that proper security is provided; and

WHEREAS, The City of Chicago must promote the most sound means of public safety and welfare possible; now, therefore,

Be It Resolved, That the F.A.A. is hereby memorialized to study the feasibility of restricting entry beyond security checkpoints at Chicago airports to airline, airport and security personnel and to passengers holding tickets for flights scheduled for departures not exceeding one hour from the time of entry.

Action Deferred -- AMENDMENT OF AUTOMOBILE RENTAL
CONCESSION AGREEMENT WITH DOLLAR RENT-
A-CAR AT CHICAGO-O'HARE AIRPORT.

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

CHICAGO, December 15, 1986.

To the President and Members of the City Council:

Your Committee on Aviation, having had under consideration a proposed ordinance authorizing the approval of assignment and assumption of an Automobile Rental Concession Agreement from Autocat Company, d/b/a/ Dollar Rent-A-Car, to Omega Rental and Leasing, Inc., d/b/a/ Dollar Rent-A-Car at Chicago-O'Hare Airport (which was referred on July 29, 1986) begs leave to recommend that Your Honorable Body pass the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 6 members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) JESUS G. GARCIA,
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 Mayor, subject to attestation by the City Clerk, approval by the Commissioner of Aviation and the City Comptroller, and by the Corporation Counsel as to form and legality, is authorized to execute on behalf of the City of Chicago an Airport Concession Agreement Amendment with Omega Rental and Leasing, Inc., for certain premises in the Terminal Building at Chicago-O'Hare International Airport, said agreement to be substantially in the following form:

This Agreement made and entered into, this _____ day of _____, A.D., 1986, by and between the City of Chicago, a municipal corporation of the State of Illinois, hereinafter referred to as "City" and Omega Rental and Leasing, Inc., d/b/a Dollar Rent-A-Car a corporation organized under and existing by virtue of the laws of the State of Wisconsin, hereinafter referred to as "Concessionaire",

Witnesseth:

Whereas, City and Concessionaire have heretofore entered into an agreement under date of September 24, 1980, authorized by the City Council, September 24, 1980 (C.J.P. pp. 3904 -- 3914), as amended and subsequently assigned from First General Automotive Corporation, Inc., to Autocat Company, and further subsequently assigned from Autocat Company to Omega Rental and Leasing, Inc., hereinafter referred to as "Said Agreement", in and by which City among other provisions, granted to Concessionaire certain privileges or premises to be occupied and used for the purposes therein stated, located at Chicago O'Hare International Airport in the City of Chicago, Counties of Cook and Du Page, State of Illinois;

Now, Therefore, City, in consideration of the provisions and conditions set forth in said agreement, does hereby amend said Agreement, and Concessionaire hereby accepts said privileges or premises therein set forth and upon the terms, conditions and provisions set forth and stated therein (to which reference is hereby made, and which the parties agree will be incorporated, and shall be considered to be incorporated herein, by this reference thereto) except in so far and only in so far as said privileges, premises, terms, conditions and provisions are modified, changed or amended by the further provisions of said Agreement.

It is hereby further agreed that the sole modifications of, changes in, and amendments to said Agreement, which are hereby made therein, and which shall be applicable to all renewals and extensions as may be made and provided for therein are as follows:

1. Article V, Demised Premises; appearing on page 4 of said Agreement shall be deleted in its entirety and the following shall be inserted in lieu thereof:

Article V. Demised Premises. The City in consideration of the compensation and the sundry covenants and agreements set forth herein to be kept and performed by Concessionaire, does hereby demise and lease to Concessionaire the following areas, all of which Concessionaire accepts, at Chicago-O'Hare International Airport, described as Automobile Rental Counter Areas:

- (1) Space 2B23-L1, consisting of approximately 160 square feet in Terminal Building II as indicated in Exhibit "A", which is attached hereto and made a part hereof;
- (2) Space 3B23-L1, consisting of approximately 160 square feet in Terminal Building III as indicated in Exhibit "B", which is attached hereto and made a part hereof;
- (3) Space 3C23-L2, consisting of approximately 50 square feet in Terminal Building III as indicated on Exhibit "C", which is attached hereto and made a part hereof.

2. Section A. Concession Fees and Minimum Guarantee appearing on pages 6 and 7 under Article VI of said Agreement, as amended, and reading as follows:

"Concession Fees and Minimum Guarantee" -- Concessionaire agrees to compensate the City for the privileges and authority to operate its rent-a-car business on, upon and from the Airport in a amount equal to either: (1) ten percent (10%) of Concessionaire's gross receipts as defined in Article II, Section D. of this Agreement, or (2) an annual minimum guarantee hereinafter set forth in this Article VI, Section 1, whichever amount is greater for each contract year. The first contract year shall begin on June 1, 1981 and terminate on the last day of May 1982. Each subsequent contract year will begin on the first day of June and terminate on the thirty-first day of May. The minimum guarantee for said first contract year shall be Two Hundred Fifty Thousand and No/100 (\$250,000.00). Should Concessionaire begin operation at the Airport prior to June 1, 1981, the minimum guarantee for each month of operations shall be 1/12 of the minimum guarantee fixed for the first contract year or, should said operation begin other than on the first day of any given calendar month, the minimum guarantee for the particular month shall be prorated at Six Hundred Ninety-four and 44/100 Dollars (\$694.44) for each day of operation, payable in arrears only for said partial monthly period. In no case, however, shall Concessionaire fail to pay the proper monthly minimum guarantee after January 31, 1981, even through the start up of operations might be delayed beyond February 1, 1981.

shall be and the same is changed, modified and amended to read as follows:

A. "Concession Fees and Minimum Guarantee" -- Concessionaire agrees to compensate the City for the privileges and authority to operate its rent-a-car business on, upon and from the Airport in a amount equal to either: (1) ten percent (10%) of Concessionaire's gross receipts as defined in Article II, Section D of this Agreement, or (2) an annual minimum guarantee hereinafter set forth in this Article VI, Section A, whichever is greater, for each contract year. The period from June 1, 1985 through May 31, 1986 shall be the contract period and for the purposes of this Agreement shall be considered the contract year. Each subsequent contract year shall begin on the first day of June and end on the last day of the following May. The minimum guarantee for said contract period/year shall be One Hundred Thousand and No/100 Dollars (\$100,000.00).

3. Section C. Adjustment of Minimum Guarantee -- appearing on page 7 under Article VI of said Agreement shall be deleted in its entirety and the following shall be inserted in lieu thereof:

C. Adjustment of Minimum Guarantee -- Minimum guarantee for years subsequent to the contract year ending May 31, 1986, shall be adjusted in direct proportion to the percentage increase or decrease, as the case may be, in the aggregate amount of fees paid to City by all Airport rent-a-car concessionaires on account of the Airport rentals made during the immediate preceding contract year, compared with such aggregate fees paid on account of Airport rentals made during the twelve (12) month period to such preceding contract year; provided, however, that in no event shall the minimum guarantee for any contract year be less than One Hundred Thousand and No/100 Dollars (\$100,000.00). The annual minimum guarantee for any contract year shall be prorated when this Agreement is not in effect during the full year because of the commencement of termination of Agreement during such year. This Article does not supersede rights granted to Concessionaire in Article IV hereof.

It is therefore, agreed that except solely as hereinabove modified, changed and amended, the privileges, premises, terms, conditions and provisions of said agreement shall apply to, and shall govern, this amendment of said agreement and any and all further renewals or extensions thereof for any subsequent period which may be affected or made under and in accordance therewith.

Execution of this Amendment authorized by ordinance of the City Council of the City of Chicago passed on the _____ day of _____, 1986, (C.J.P. pp. _____).

In Witness Whereof, the parties hereto have caused this instrument to be executed under their respective seals on the day and year first above written.

[Signature forms omitted for printing purposes.]

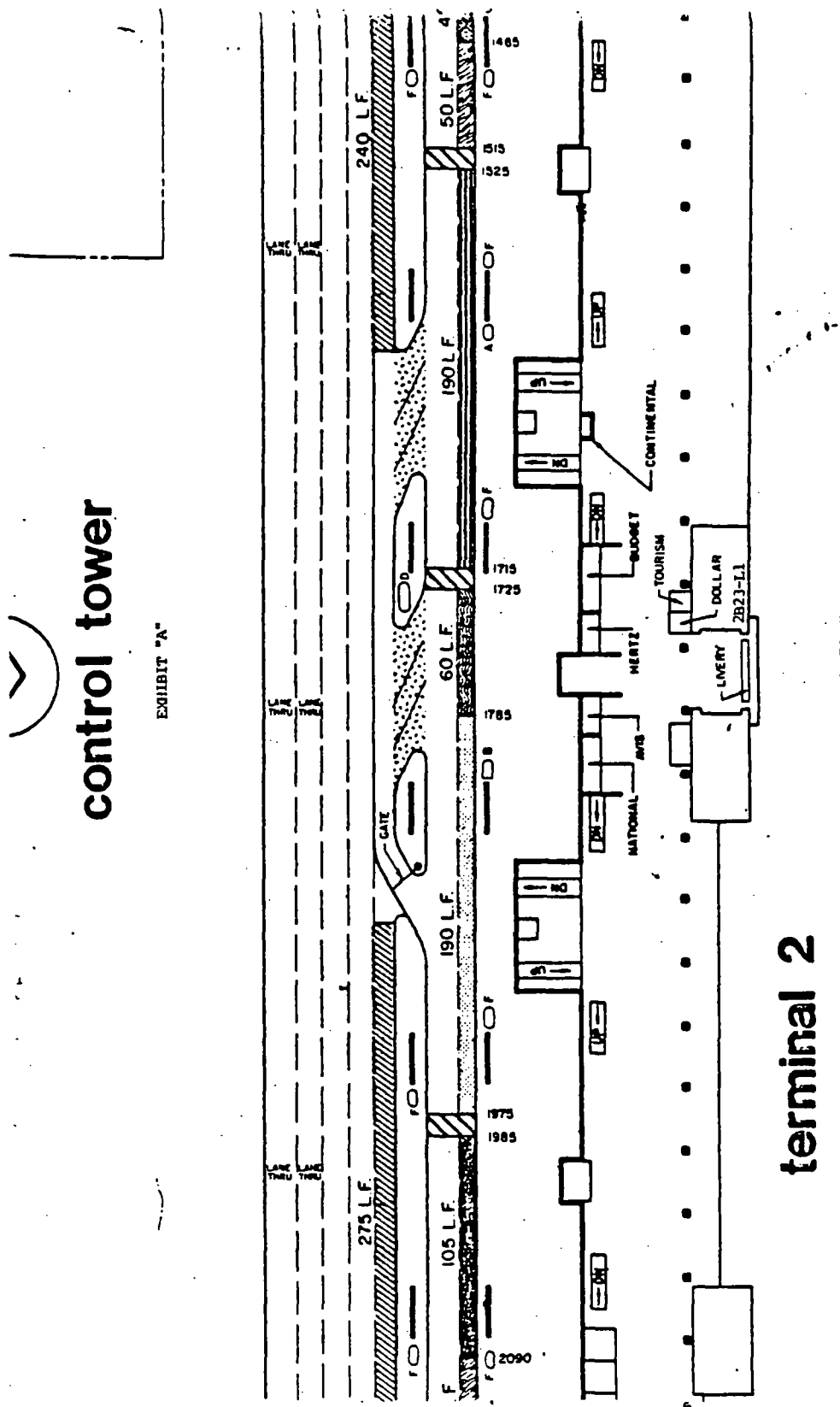
SECTION 2. This ordinance shall be in force and effect from and after its passage.

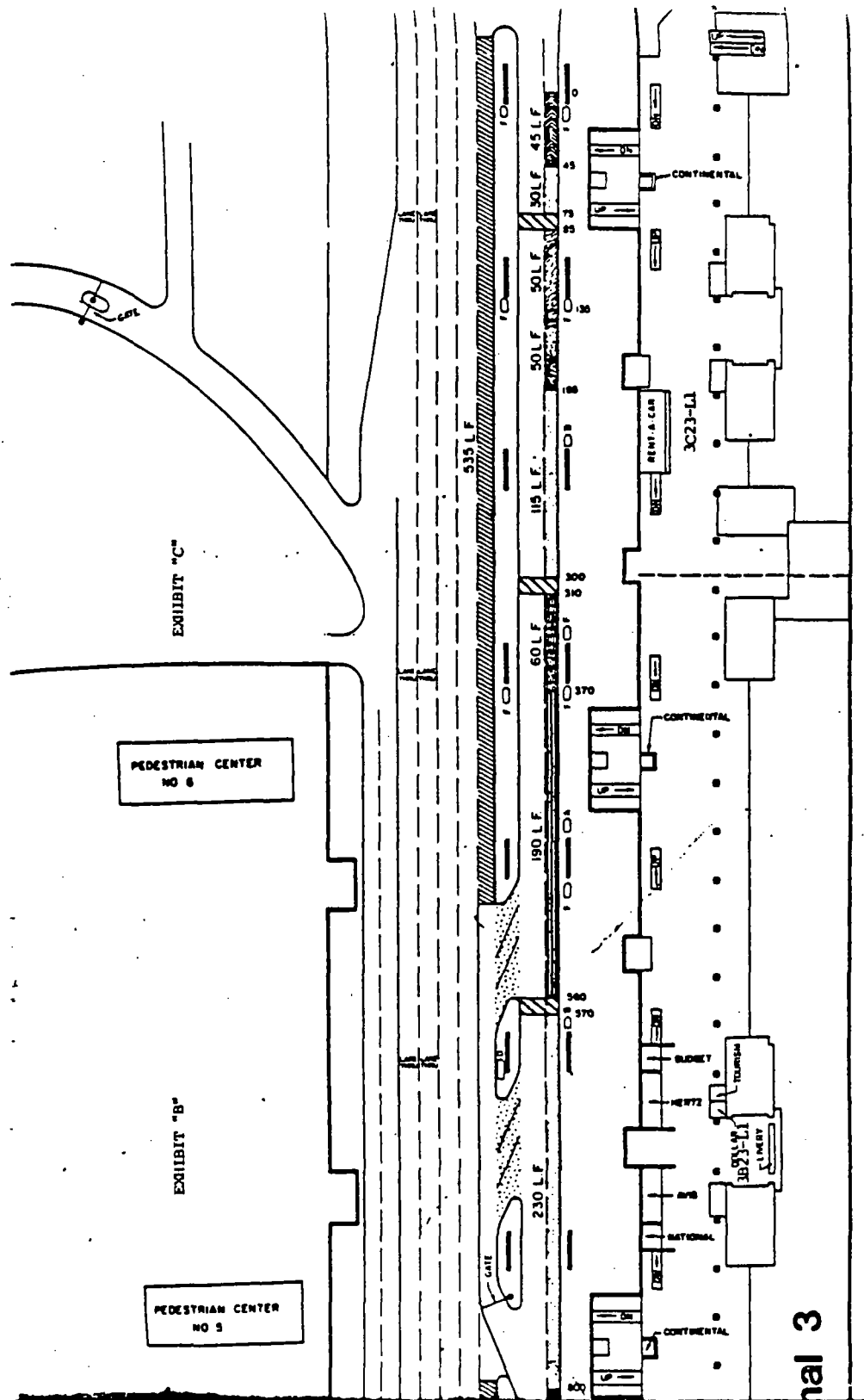
[Exhibits A, B, and C printed on pages 38413 through
38415 of this Journal.]

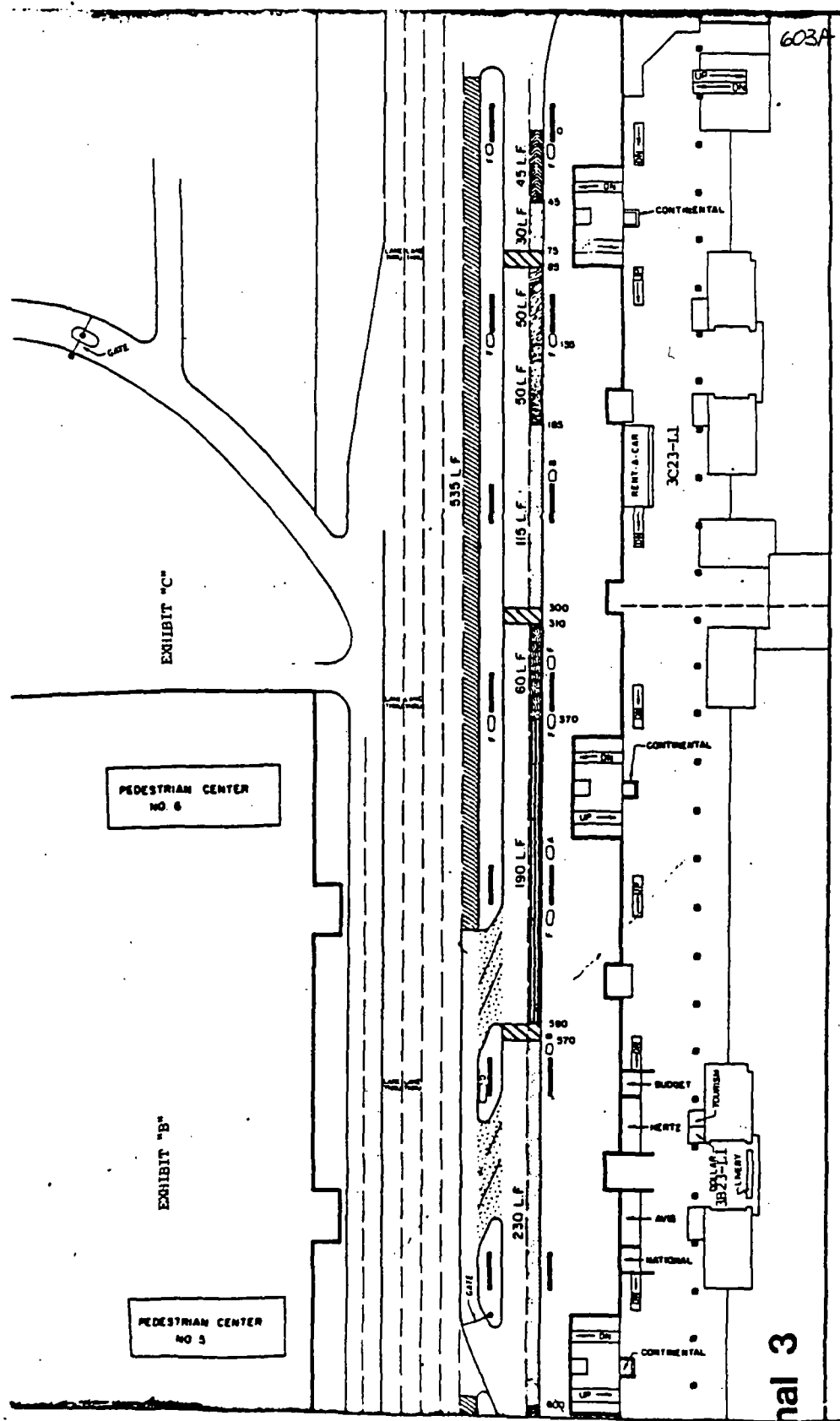
Action Deferred -- EXECUTION OF FLIGHT KITCHEN AND
SITE AGREEMENT WITH S.A.S. SERVICE PARTNER,
INCORPORATED FOR PREMISES
AT CHICAGO-O'HARE
INTERNATIONAL
AIRPORT.

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

(Continued on page 38416)







(Continued from page 38412)

CHICAGO, December 15, 1986.

To the President and Members of the City Council:

Your Committee on Aviation, having had under consideration a proposed ordinance authorizing the Mayor to execute in behalf of the City of Chicago subject to approval of the City Comptroller and, as to form and legality by the Corporation Counsel, a Flight Kitchen and Site Agreement with S.A.S. Service Partner, Inc. for premises at O'Hare International Airport (which was referred on December 10, 1986) begs leave to recommend that Your Honorable Body pass the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 6 members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) JESUS G. GARCIA,
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 Commissioner of Aviation is authorized to execute on behalf of the City of Chicago subject to approval of the City Comptroller and, as to form and legality by the Corporation Counsel, a Flight Kitchen and Site Agreement with S.A.S. Service Partner, Inc. for premises at Chicago-O'Hare International Airport; said agreement to be in substantially the following form:

Flight Kitchen And Site Agreement

Between

The City Of Chicago

S.A.S. Service Partner, Inc.

This Agreement is made this ____ day of _____, 1986 by and between the City of Chicago, a municipality and home rule unit existing under the laws of the State of Illinois (hereinafter called "City"), and S.A.S. Service Partner, Inc., a corporation organized and existing under the laws of the State of Delaware (hereinafter called "Tenant").

Witnesseth:

Whereas, City owns and operates Chicago O'Hare International Airport (hereinafter called "Airport") as shown on Exhibit A attached hereto and by this reference made a part hereof; and

Whereas, the City, on September 14, 1981 (C.J.P. pp. 7017 -- 7036) approved the Assignment and Assumption of the original lease agreement between the City of Chicago and Golden Jet Flight Kitchens, Inc., authorized by the City Council on November 27, 1964 (C.J.P. pp. 3405 -- 3410) to S.A.S. Catering, Inc.; and

Whereas, Tenant has evidenced that the facility should be significantly enlarged and re-equipped to provide flight kitchen capacity necessary for commercial viability and that a possible plan for a significant enlargement and re-equipment program ("Renovation Program") is currently being studied and will likely result in the Renovation Program proceeding in two or more phases, the magnitude of which is dependent upon currently unquantifiable factors affecting future operations; and

Whereas, City desires to provide Tenant with a lease on the existing Flight Kitchen (hereinafter defined) and Flight Kitchen Site (hereinafter defined), all as depicted on Exhibit B attached hereto and made a part hereof; and

Whereas, City desires to encourage the Tenant to begin the Renovation Program early in the term of the Agreement;

Now, Therefore, for and in consideration of the covenants and conditions herein contained, City and Tenant agree as follows:

Article I.

1.1 Demised Premises. City, for and in consideration of the covenants and agreements hereinafter contained, hereby demises and leases to Tenant a paved and fenced area of approximately 110,642 square feet ("Flight Kitchen Site") and the one story brick building containing approximately 12,000 square feet of floor space on the main floor and approximately 4,000 square feet of floor space in the basement together with all the improvements and equipment located therein ("Flight Kitchen") as depicted on Exhibit B (the Flight Kitchen Site and Flight Kitchen collectively referred to as the "Demised Premises").

1.2 Term. The initial term of this agreement shall be for five (5) years commencing on the first day of the month immediately following the day of approval of the authorizing ordinance by the City Council of the City of Chicago ("Commencement Date") and terminating on the last day of the sixtieth month following the Commencement Date ("Initial Term"); provided, however, if the Tenant shall invest a minimum of \$300,000.00 (in 1986 dollars) in capital improvements to the Demised Premises during the Initial Term, substantially (as reasonably determined by the Commissioner of Aviation) completing such improvements before the expiration of the Initial Term, then this Agreement shall be extended for an additional seven (7) year period through the last day of the one hundred forty-fourth month following the Commencement Date ("First Extension Term"); provided further, that for each additional \$150,000 (above and beyond the initial

\$300,000.00) in capital improvements made to the Demised Premises by the Tenant during the Initial Term, First Extension Term or Second Extension Term (hereinafter defined), this Agreement shall be extended an additional year up to a maximum of eight (8) additional years ("Second Extension Term") for a total maximum lease term of twenty (20) years (the total number of years the Tenant being entitled to at any time under this Agreement being referred to as "Total Lease Term").

1.3 Subordination. This agreement shall be subject and subordinate to:

(a) Any existing or future Federal or State of Illinois statute or any existing or future lease or agreement between City and the United States of America or the State of Illinois relative to the development, construction, operation, or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of Federal or State of Illinois funds for the development, construction, operation or maintenance of the Airport.

(b) The provisions of a deed from the United States to City appearing as Document No. 13747964, recorded on March 22, 1946, a release executed by the United States in favor of City as Document No. 17260008, recorded on July 15, 1958, a deed from the United States to the City of Chicago appearing as Document No. 17966152, recorded on September 16, 1960, and a release executed by the United States in favor of the City of Chicago, as Document No. 18246321, recorded on August 14, 1961, all in the office of the Recorder of Deeds, Cook County, Illinois.

(c) Any other existing or future agreements or leases between City and the Federal government with reference to the conveyance by the Federal government to City of any real or personal property under any Federal statutes authorizing the conveyance of such property to City for Airport purposes.

(d) Any lease or agreement heretofore executed by City with airlines operating at the Airport, or any future lease or agreement which City may enter into with other airlines, so long as future leases or agreements are limited to the scope and character of the leases or agreements now existing with airlines.

(e) Any prior existing executed written agreements and leases between City and others relating to premises at the Airport.

Article II.

2.1 Base Rent. As compensation for the privileges granted hereunder, and in addition to the Percentage Rent set forth in Section 2.2, Tenant shall pay to City, at the Office of the Comptroller of City ("City Comptroller"), on or before the first day of each calendar month during the term hereof:

(a) A monthly rental ("Base Rent") of \$3,227.00, in advance, during the Initial Term of this Agreement, calculated on the basis of \$.35 per annum per square foot of the Flight Kitchen Site, which rate shall never decrease during the term of this agreement.

(b) Base Rent shall be increased ("Adjusted Base Rent") on the fifth anniversary of the Commencement Date of this Agreement and every five (5) years thereafter ("Adjustment Date") during the Total Lease Term, or any extension hereto by multiplying Base Rent by a fraction, the numerator of which is the Producer Price Index/All Commodities ("P.P.I.") published by the United States Department of Labor, Bureau of Labor Statistics (1967=100) for the month in the anniversary year immediately preceding the month within which the Commencement Date falls and the denominator of which is the P.P.I. for the month in the 1st year of the Initial Term ("Base Year") immediately preceding the month within which the Commencement Date falls.

(c) The Tenant shall commence payment of the Adjusted Base Rent on the Adjustment Date as provided in subparagraph 2.1(b) as reasonably estimated by the City. As soon as possible following the Adjustment Date, the City shall provide the Tenant a statement showing (i) the P.P.I. for the month immediately preceding the Commencement Date in the Base Year; (ii) the P.P.I. for the month immediately preceding the Adjustment Date and (iii) the amount of the Adjusted Base Rent to be paid monthly during each of the next five (5) years. Tenant shall pay any deficiency to the City as shown by such statement within thirty (30) days after receipt of such statement. If the Tenant shall have overpaid any amount based on the City's statement, the Tenant shall take a credit against future payment(s) of Adjusted Base Rent.

(d) If the manner in which the P.P.I. is determined by the Department of Labor shall be substantially revised, an adjustment shall be made in such revised index which would produce results equivalent, as nearly as possible, to those which would have obtained if the P.P.I. had not been so revised. If the 1967 average shall no longer be used as an index of 100, such change shall constitute a substantial revision. If the P.P.I. shall become unavailable to the public because publication is discontinued, or otherwise, City will substitute therefor a comparable index based upon changes in the cost of living or purchasing power of the consumer dollar published by any other governmental agency or, if no such index shall then be available, a comparable index published by a major bank or other financial institution or by a university or a recognized financial publication.

2.2 Percentage Rent. In addition to Base Rent and Adjusted Base Rent, Tenant shall pay to City for each of the first ten (10) years of this Agreement, rent ("Percentage Rent") equal to 2% of the amount, if any, by which Gross Revenues (as defined below) derived by Tenant from its operations on, in, or from the Demised Premises during such year exceeds the sum of \$1,383,050. In addition to the Adjusted Base Rent, Tenant shall pay to City, for the eleventh through the fifteenth years of the term (if so extended) Percentage Rent equal to 2-1/2% of the amount, if any, by which Gross Revenues derived by Tenant from its operations on, in, or from the Demised Premises during such year exceeds the sum of \$1,000,000.00 and for the sixteenth through the twentieth years of the term (if so extended) Percentage Rent equal to 3% of the amount, if any, by which Gross Revenues derived by Tenant from its operations on, in, or from the Demised Premises during each year exceeds the sum of \$1,000,000.00. Percentage Rent shall be due monthly and paid on or before the 15th day of each calendar month during the Total Lease Term, on the basis of Tenant's

Gross Revenues for the preceding month. Each payment of Percentage Rent shall be made to the City Comptroller and shall be accompanied by a report showing Tenant's Gross Revenues for said month and cumulatively for the then-current calendar year inclusive of said month. A duplicate copy of such report shall be sent to the Commissioner of Aviation at the same time. This monthly report of Tenant's Gross Revenues must be submitted to the City Comptroller for each month of this Agreement, including months when no Percentage Rent is due. For purposes hereof, "Gross Revenues" means the total gross receipts regardless of when or whether paid or not derived by Tenant from any and all business conducted by Tenant at the Airport, including the percentage fees applicable under the terms of this Agreement if they are included in the customer's cost excluding receipts if any, from the sale or exchange of Tenant's trade equipment, automotive vehicles, furniture, fixtures, or furnishings, and exclusive of Federal, State, Municipal or other governmental excise tax, (except Federal Manufacturer's Excise Tax) use, sale privilege or retailer's occupation tax now or hereafter imposed and collected by Tenant directly from customers; but this provision shall not excuse Tenant from paying to governmental agencies all taxes for which it may be liable to them.

2.3 Building Rental. In addition to Base Rent, Adjusted Base Rent and Percentage Rent, Tenant shall pay to City for each succeeding year of term of this Agreement an annual building rental of \$48,000 ("Building Rent"). Tenant agrees to pay, each month in advance 1/12th of the annual Building Rent.

2.4 Taxes and Other Charges. In addition to Base Rent, Adjusted Base Rent, Percentage Rent, and Building Rent, Tenant shall pay all fees and charges relating to the Demised Premises, including charges for utilities, license fees and taxes of any nature, and all charges of any nature whatsoever for maintenance, debris removal, snow removal, waste removal and like charges. City shall not be obligated to incur any costs or charges in connection with the Demised Premises.

2.5 Book, Records, and Audits. Tenant shall maintain at its office in Chicago or make available in Chicago if requested: its books, ledgers, journals, accounts, and records wherein are kept all entries reflecting its operation at the Airport under this Agreement. Such books, ledgers, journals, accounts and records shall be available for inspection and examination by the Commissioner of Aviation and the Comptroller of the City of Chicago, or their duly authorized representative, at reasonable times during business hours, and to make copies and excerpts therefrom as may be necessary to make a full, proper, and complete audit of all business transacted by Tenant in connection with its operation hereunder.

Within 120 days after the close of each calendar year or fiscal year, as previously elected, or termination of the Agreement through passage of time or otherwise the Tenant will provide the City with a "Statement of Revenues" representing revenues by month for the period being reported on, together with an opinion thereon of an independent certified public accountant. Tenant must inform City of the identity of the independent certified public accountant prior to the close of such calendar or fiscal year and such independent certified public accountant must be acceptable to the City, said acceptance not to be unreasonably withheld.

The following is an example of an opinion which would satisfy these requirements:

"We, a firm of independent certified public accountants, have examined the accompanying statement of fees reported to the City of Chicago by S.A.S. Service Partner, Inc., for the year ended _____, relating to its flight kitchen operations at Chicago-O'Hare International Airport, pursuant to an agreement between the City of Chicago and S.A.S. Service Partners, Inc., dated _____. Our examination was made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying statement of revenues showing gross revenues of _____ presents fairly the amount of gross revenues, as defined in the agreement, for the year ended _____."

If the opinion of the independent certified public accountant is qualified or conditional in any manner, the City Comptroller has the right to cause an audit to be performed at Tenant's expense.

Tenant shall, upon request, furnish such other further financial or statistical reports as the City may, from time to time, reasonably require relating to sales at Chicago-O'Hare International Airport.

2.6 Pro Rata Payment. If the termination of this Agreement falls upon any date other than the first or last day of any calendar month, the applicable fees and charges for said month shall be paid by Tenant to City *pro rata* in the same proportion that the number of days the Agreement is in effect for that month bears to the total number of days in that month.

2.7 Interest for Late Payment. Without waiving any other right of action available to City in the event of delinquency by Tenant for a period of 30 days or more in its payment to City of the above fees and charges, and without waiving the interest specified herein upon acceptance of said payment, Tenant shall pay to City interest thereon at the rate of 10% per annum from the date such item was due and payable until paid. Such interest shall not accrue with respect to disputed items being contested in good faith by Tenant in which event the legal rate of interest shall prevail only if the City shall prevail in such dispute.

2.8 Performance Bond. At the time of and as a prerequisite to the execution hereof by City, Tenant shall execute and deliver to the Commissioner of Aviation a Performance Bond or surety bond in the amount of \$75,000.00, an amount equal to the anticipated fees payable by Tenant to City over the first six months of this Agreement. The bond shall be in a form approved by the City Comptroller and issued by a company reasonably acceptable to the Comptroller, which company may at its option renew this bond by a new bond or a continuation thereof certified each year. In the event a new bond is used the amount shall not be cumulative but any new bond must be for an amount which will guaranty payment of Tenant's Base Rent, Adjusted Base Rent, Building Rent and Percentage Rent over the next succeeding six month period.

Article III.

3.1 Operation of Flight Kitchen. City hereby grants to Tenant a non-exclusive privilege, in common with others that City may from time to time so authorize, to operate at the Airport the business of preparing, handling, and selling meals, food and beverages to be served as in-flight meals on aircraft (and for services related thereto) and of preparing, handling and selling meals, food and beverages as an executive catering service on or off Airport except within those areas designated as areas of restaurant operations in the lease between Carson International and the City of Chicago authorized July 18, 1961 (C.J.P. pp. 5379 -- 5394) as amended. Nothing in this Agreement shall be deemed to grant to Tenant the right to conduct any business other than as described in this Section 3.1.

3.2 Incidental Rights and Privileges. In connection with the rights granted to Tenant in Section 3.1, City hereby grants to Tenant the exclusive use of the Demised Premises, subject to the terms and provisions hereof and to rules and regulations promulgated by the Commissioner of Aviation and provided to the Tenant, for the foregoing privileges and for the operation of related administrative offices, parking, loading, unloading of aircraft trucks, delivery trucks, or automobiles of employees and other having business with Tenant. Tenant may park on the Demised Premises without charge so long as the vehicles so parked are being used in connection with Tenant's business.

Article IV.

4.1 Construction and Maintenance.

(a) Plans and specifications for any improvements, repairs to, or remodeling of the Demised Premises and changes thereto for all such structures and improvements shall be subject to the prior written approval of the Commissioner of Aviation and the Commissioner of the Department of Public Works of City ("Commissioner of Public Works"), said approvals not to be unreasonably withheld. The City shall notify the Tenant in writing within ninety (90) days of the submittal of the plans and specifications if said plans and specifications are acceptable. If the plans and specifications are not acceptable, the City shall specify the reason in its written notice to the Tenant. Upon any resubmittal of the plans and specifications to the City, the City shall have sixty (60) days within which to advise the Tenant in writing of the acceptance or nonacceptance (including reasons therefore) of the plans and specifications.

(b) During the period of construction, all construction work, materials, and installations involved in or incidental to the construction of the Flight Kitchen shall be subject at all times to inspection by City. Tenant shall give or cause to be given to the Commissioner of Aviation and the Commissioner of Public Works advance notice before starting any new work, and shall provide and cause its contractors and subcontractors to provide reasonable and necessary facilities for inspection. Tenant shall cause all construction work workmanship, materials, and installations to be in full compliance with plans and specifications.

(c) Prior to commencement of any of the construction referred to immediately hereinabove, the plans shall be submitted to the District Airport Engineer of the Federal Aviation Administration, pursuant to Part 77 of the Federal Aviation Regulations.

Evidence of such submission and action thereon shall be transmitted to the Commissioner of Aviation and the Commissioner of Public Works.

(d) Tenant further agrees to provide such meters as are necessary to properly measure the amount of water used and to maintain said equipment in such a manner as to supply accurate measurement of the gallonage.

(e) Tenant will, at Tenant's own expense, keep the Demised Premises in good order, repair and condition at all times during the Total Lease Term, and Tenant shall promptly and adequately repair all damage to the Demised Premises and replace or repair all damaged or broken fixtures and appurtenances, under the supervision and subject to the approval of the City, and within any reasonable period of time specified by the City. If after receiving written notice from the City, the Tenant does not perform such remedial work within a reasonable time based upon the type of work to be done, City may, but need not, make such repairs and replacements, and Tenant shall pay City the cost thereof, including a reasonable percentage of the cost thereof sufficient to reimburse City for all overhead, general conditions, fees and other costs or expenses arising from City's involvement with such repairs and replacements forthwith upon being billed for same. City shall be permitted to enter upon the Demised Premises to make repairs, alterations, improvements and additions to the Demised Premises as may be required by governmental order or writ decree.

(f) Tenant shall not, without the prior written consent of City, said consent not to be unreasonably withheld, make any material or structural alterations, improvements or additions to the Demised Premises. If City consents to said alterations, improvements or additions, it may impose such conditions with respect thereto as City deems appropriate, including, without limitation, requiring Tenant to furnish City with security for the payment of all costs to be incurred in connection with such work, insurance against liabilities which may arise out of such work, and plans and specifications plus permits necessary for such work. The work necessary to make any alterations, improvements or additions to the Demised Premises shall be done at Tenant's expense. Upon completion of such work Tenant shall deliver to City evidence of payment, contractor's affidavits, and full and final waivers of all liens for labor, services, or materials. Tenant shall defend and hold City and the Demised Premises harmless from all costs, damages, liens, and expenses related to such work. All work done by Tenant or its contractors pursuant to this Article IV shall be done in a first-class workmanlike manner using only good grades of materials and shall comply with all insurance requirements and all applicable laws and ordinances and rules and regulations of governmental departments or agencies.

(g) Tenant shall furnish to the Commissioner of Public Works an itemized statement, certified by an authorized officer of the Tenant, showing the total cost of all fixed alterations, improvements or additions constructed under the terms of this Agreement upon the Demised Premises, including architects' and engineers' fees, cost of plans and specifications and other costs incidental to said construction and installation, within 60 days after the completion of the construction thereof, and shall, if requested by the City, produce copies of all invoices and other records in connection therewith. The Commissioner of Public Works shall review the material and notify the Tenant in writing within 60 days after its receipt whether said itemized statement and supporting invoices or other records meet with this approval, or not, and, in the latter event, in what respect it is

deficient; provided, however, that said statement shall be deemed approved in the event the Commissioner of Public Works shall not so notify Tenant within such 60 day period. Upon approval of the Commissioner of Public Works, said costs shall constitute the basis for the extension of the lease term as provided in Section 1.2 of Article I and the amortization considered in Article IX. The books and records of the Tenant relating to the project shall be subject to examination and audit by the Commissioner of Public Works to verify such costs.

4.2 Title. Title to the fully improved Flight Kitchen on the Demised Premises shall upon completion vest in City as does title to the original facilities; provided, however, that City shall not be vested in title to trade fixtures and trade equipment as defined in Article V.

Article V.

5.1 Lease of Equipment.

(a) Tenant shall have the right, for use on the Demised Premises, to lease certain restaurant trade equipment, furniture, and fixtures from a reputable equipment rental company, to be rented to Tenant either directly from such rental company or by way of an equipment sublease or assignment of an equipment sublease from an equipment sublessor. If Tenant elects to exercise such right, City shall recognize the property rights in such equipment of the equipment lessor, sublessor, or assignee; provided, however, that (1) prior to the installation or use by Tenant of any leased equipment, City shall be furnished with a listing thereof which shall be kept current by appropriate written notice of amendment by Tenant to City; and (2) all such leased equipment shall bear a permanently affixed identification indicating its ownership by the particular lessor, sublessor, or assignee.

(b) All such items of leased equipment shall be and remain personal property notwithstanding the fact they may be attached or affixed to real property. Tenant and the lessor, sublessor, or assignee to the extent of their respective interest in such equipment, shall have the right at any time to remove or replace any and all such equipment, regardless of whether attached or affixed to real property; provided, however, that any damage caused to the Demised Premises by such removal or replacement, shall be repaired to the satisfaction of City and at the expense of Tenant.

(c) With respect to trade equipment installed or used by Tenant which is not under lease, Tenant shall have the right at any time during the term or upon termination of this Agreement to remove or replace such non-leased trade equipment subject to any valid lien which City may have thereof for unpaid fees or charges; provided, however, that upon removal of any such facilities, Tenant shall, at its sole expense, restore the Demised Premises to a condition satisfactory to City.

(d) Tenant shall be deemed to have abandoned to City any trade equipment (including furniture, furnishings, special lighting fixtures, draperies, decorations, appliances, trade fixtures, and equipment, furnished and installed or used by Tenant) and other property of Tenant which Tenant fails to remove from the Demised Premises within 30 days after the end of the period of this Agreement or effective date of termination thereof, unless City grants in writing a further period for this purpose.

Article VI.

6.1 Warning Lights. Tenant shall install, maintain, and operate such obstruction or warning lights on structures located on the Demised Premises as may from time to time be required to conform to Federal Aviation Administration standards or to conform to standards prescribed by City and any other governmental agency having jurisdiction over the Demised Premises.

6.2 No Signs. Tenant shall not install, erect, or place, or permit others to do so, any illuminated signs, placards, displays or other advertising media on the Flight Kitchen or elsewhere at the Airport, without the prior written consent of the Commissioner of Aviation.

6.3 Inspection. City, by its representatives, shall have the right at any reasonable time, upon prior notice, and as often as it considers necessary, to inspect the Demised Premises and to enter thereon to direct Tenant to make ordinary repairs.

Article VII.

7.1 Access.

(a) City hereby grants to Tenant the right of access to and from the Demised Premises by Tenant and its employees, agents, contractors, sub-contractors, servants and invitees; provided, however, that such rights of access be exercised in conformance with all regulations promulgated by the Commissioner of Aviation (which Tenant shall be provided a copy thereof) or any other lawful authority, for the care, operation, maintenance, and protection of the Airport and the public.

(b) City hereby also grants to tenant the right of access to and from the Demised Premises to the airfield portion of the Airport for the purpose of serving aircraft and performing all acts incidental to the conduct of Tenant's business at the Airport; provided, however, that such rights of access shall be exercised in conformance with all regulations promulgated by the Commissioner of Aviation (which Tenant shall be provided a copy thereof) or any lawful authority, for the care, operation, maintenance, and protection of the public.

(c) Tenant shall not be obligated to operate its business at the Airport or to pay Base Rent, Adjusted Base Rent, Percentage Rent or Building Rent for the Demised Premises during any time when the means of ingress and egress as described in Sections 7.1(a) and/or 7.1(b) are interrupted on a continuing basis for a period of more than five (5) days.

7.2 Non-Disturbance. The operations of Tenant and its employees on the Demised Premises shall be conducted in an orderly and proper manner so as not to annoy, disturb or be offensive to others at the Airport. Upon request from City to Tenant to correct the demeanor, conduct, or appearance of Tenant's employees, Tenant shall take all steps necessary to comply with such request.

Article VIII.

8.1 Trash Disposal. Tenant shall provide for the adequate sanitary handling and disposal off the Airport of all trash, garbage, and other refuse which results from the operation of its business at the Airport. Tenant shall provide and use suitable covered metal receptacles for all garbage, trash, and other refuse on or in connection with the Demised Premises. Tenant shall not pile boxes, cartons, barrels, or other similar items in an unsightly or unsafe manner, on or about the Demised Premises. The method of handling and disposing of trash, garbage, and other refuse on the Demised Premises shall be subject to approval of the Commissioner of Aviation.

Article IX.

9.1. Untenantability. Tenant shall not be obligated to operate its business at the Airport or to pay Base Rent, Adjusted Base Rent or Building Rent for the Demised Premises during any time when all of the Demised Premises are untenable, as reasonably determined by the Commissioner of Aviation, through no fault or negligence of Tenant, its employee and agents. In the event the Demised Premises are partially untenable through no fault or negligence of Tenant, its employees and agents, and Tenant can still perform the services described in Section 3.1, as reasonably determined by the Commissioner of Aviation, Tenant shall not be obligated to operate such untenable part of the Demised Premises and both Base Rent (or Adjusted Base Rent) and Building Rent shall be proportionately abated. In the event that the Airport is closed for any period longer than 10 days by any order or direction of City or any other governmental authority or agency, or by any order or direction of any court of competent jurisdiction, Base Rent, Adjusted Base Rent, Percentage Rent and Building Rent shall abate for the period of such closing.

9.2 Amortization. In the event that the Demised Premises or such part thereof as will substantially impair Tenant's ability to use the Demised Premises for the purpose specified in this Agreement, is required for Airport purposes (including, but not limited to, runways, taxiways or navigational uses) and not for any private commercial use or other private use by any person, firm, corporation, partnership, association or other entity, then in such case and only in such case, the Commissioner of Aviation may, upon 120 days prior written notice to the Tenant direct Tenant to vacate the same and this Agreement shall terminate. Landlord, within sixty (60) days after Tenant's removal therefrom, will pay to tenant the unamortized portion of the cost of the permanent structures and improvements constructed and installed thereon by Tenant under the terms of this Agreement; such amortization to be computed on a straight- line basis over the period from the completion of said improvements to the expiration date of the Total Lease Term.

Article X.

10.1 Insurance.

(a) Tenant, at its sole expense, shall keep in force, during the term of this Agreement, insurance issued by responsible insurance companies, of the following types and in the following amounts:

1. General liability automobile insurance with bodily injury and property damage limits of liability of \$5,000,000 per occurrence, including contractual liability coverage endorsed to include the indemnity agreement in Section 11.3 hereof.
2. Worker's compensation (and occupational disease) insurance providing statutory benefits under the laws of the State of Illinois, and employer's liability insurance with limits of liability thereunder of \$500,000.
3. Insurance upon the buildings and improvements (1) for the replacement cost of the improvements, (2) covering such hazards as are insured against by fire and extended coverage insurance upon improvements of similar character, and (3) the proceeds of which will be disbursed in accordance with this Agreement.
4. During the course of the construction of the improvements, mentioned in the third "WHEREAS" clause or those contemplated in Section 1.2 of ARTICLE I, owner's protective liability insurance in Tenant's name with limits of liability for bodily injury and property damage of not less than \$5,000,000.

(b) Tenant shall also, at its expense, keep in force such other insurance coverage as is reasonably required, from time to time, by the City Comptroller and the Commissioner of Aviation. All policies or endorsements obtained by Tenant pursuant to this Agreement shall name City as an additional insured.

(c) Tenant shall not exercise any of the rights and privileges granted to it under this Agreement until all insurance directed and required to be furnished by tenant is in full force and effect.

(d) Any insurance protection furnished by Tenant hereunder shall in no way limit its responsibility to indemnify and save harmless City under the provisions of this Agreement.

(e) Tenant shall, before commencing the construction of any improvements or additions on the Demised Premises, furnish to City a performance bond in the full amount of the construction contract with sureties satisfactory to City.

(f) City and Tenant each hereby waive any and every claim for recovery from the other for any and all loss of or damage to the Demised Premises or to the contents thereof, which loss or damage is covered by valid and collectible fire and extended coverage insurance policies, to the extent that such loss or damage is recoverable under said insurance policies. Inasmuch as this mutual waiver will preclude the assignment of any such claim by subrogation (or otherwise) to an insurance company (or any other person), City and tenant each agree to give to each insurance company which has issued, or in the future may issue, to it policies of fire and extended coverage insurance, written notice of the terms of this mutual waiver, and to have said insurance policies properly endorsed, if necessary, to prevent the invalidation of said insurance coverage by reason of said waiver.

Article XI.

11.1 Release of City. City shall not be liable to Tenant, or to Tenant's agents, representatives or employees, for any injury to, or death of, any of them or of any other person or for any damage to any of Tenant's property or loss of revenue, caused by any third person in the maintenance, construction, or operation of facilities at the Airport, or caused by any third person using the Airport, or caused by any third person navigating any aircraft on or over the Airport, whether such injury, death, or damage is due to negligence or otherwise.

11.2 Regulating the Airport. Except as otherwise expressly set forth herein, City reserves the right to regulate, police, and further develop, improve, reconstruct, modify, or otherwise alter the Airport in City's sole discretion.

11.3 Indemnification of City. Tenant shall defend, indemnify and hold harmless the City, its officers, agents and employees, from and against all claims and liabilities of and to third persons, excluding claims and liabilities resulting from the primary or active negligence of the City, its officers, agents and employees, arising out of the use or occupancy of the Demised Premises by Tenant or others with its consent or out of any other acts or omissions of Tenant, its officers, agents and employees, on the Demised Premises or elsewhere on the Airport. In the event any claim is made or action brought which is covered by the foregoing indemnity the City shall give prompt written notice of the same to Tenant and, if requested, Tenant shall attend to the defense of the same. The City shall not take any action, including settlement or compromise, which may in any manner adversely affect Tenant's ability to defend against any such claim or action, and if the City desires to defend itself without waiving its rights under the foregoing indemnity it shall do so at its own expense and Tenant shall be allowed to participate, at its expense, in the defense.

Article XII.

12.1 Fire or Other Casualty.

(a) If at any time during the term of this Agreement the Demised Premises, except as specified in (b) hereinbelow, are damaged or destroyed in whole or in part by fire or by any other peril for which insurance proceeds are or under this Agreement should have been payable, Tenant shall, with all reasonable dispatch after such damage or destruction, cause plans, specifications and estimates of cost for repairing, replacing, or reconstructing the damaged or destroyed property (in accordance with the original design, subject to such modifications thereof as may be approved by the Commissioner of Aviation and the Commissioner of Public Works), to be prepared by a firm of architects selected by the Tenant and approved by the Commissioner of Aviation. The plans, specifications and estimated costs for such work (except for emergency repairs) shall be submitted to and receive the approval of the Commissioner of Aviation and the Commissioner of Public Works prior to the commencement of such work. Upon approval of the plans and specifications for such work as aforesaid and receipt by Tenant of insurance recovered on account of such damage or destruction, Tenant shall, with reasonable diligence, proceed, except for unavoidable delays, to repair, restore, replace, or rebuild, in accordance with the approved plans and specifications, the buildings, structures, or other improvements so damaged or destroyed as nearly as possible to their condition immediately prior to such

damage or destruction. Base Rent, Adjusted Base Rent, Percentage Rent and Building Rent shall abate during such casualty period as provided in Article IX.

(b) If said Flight Kitchen shall be damaged by fire or casualty during the last 2 years of The Total Lease Term or if the damage at any time exceeds 50% or more of the Flight Kitchen's replacement value, Tenant by notice to City, within 30 days after the occurrence of such damage, may elect to terminate this Agreement as of the occurrence of such damage. In case of such termination, Tenant shall assign all its interest in the insurance recovery for the damage to the building to City and the parties shall have no further obligations under the terms of this Agreement; provided, however, that Tenant will indemnify City and save it harmless from and against any and all claims for damage to persons or property arising from or out of any occurrence of the Demised Premises not otherwise covered by insurance or due to City's overt negligence.

(c) All insurance proceeds recovered on account of damage or destruction to improvements on the Demised Premises shall be applied and disbursed as follows:

1. To pay or reimburse Tenant for all expenses incurred in connection with the adjustment or collection of such loss.
2. To pay or reimburse Tenant for all costs and expenses incurred in connection with the preparation of the aforesaid plans, specifications and estimates of cost for repairing, replacing, or restoring the damaged or destroyed Demised Premises.
3. To pay or reimburse Tenant for the costs and expenses of such work as the same progresses so that the Demised Premises shall at all times be free from liens for any labor, services, or materials, performed, furnished, or delivered in connection with such work.
4. Of the balance, if any, of the insurance proceeds, exclusive of interest, remaining after payment in full of all of the above described prior charges, Tenant shall pay to City such proportion thereof as the number of full years of the Total Lease Term of the Agreement immediately preceding the year in which such damage or destruction occurs bears to the remaining years of the Total Lease Term of this Agreement, and the balance of any such remaining proceeds shall be retained by Tenant.

(d) Tenant shall provide Landlord with copies of all invoices, bills, receipts and documentation related to the payments by Tenant of the costs and expenses associated with the repair, replacing or restoring of the Demised Premises as provided under this Article XII.

Article XIII.

13.1 Compliance with Laws.

(a) Tenant, its officers, agents, employees, and any other person over which Tenant has control, shall comply with all rules and regulations and amendments or supplements thereto governing or related to the use of the Airport or of the Demised Premises as may from time to time be promulgated by City in the interests of health, safety, sanitation and good order which are not inconsistent with applicable rules and regulations of any Federal, State, or local governmental body having jurisdiction with respect thereto, provided the Tenant shall receive a copy of all such rules, regulations, amendments and supplements.

(b) Tenant shall comply with all laws and ordinances of Federal, State of Illinois or local governmental bodies and rules and regulations lawfully promulgated thereunder, whether or not of the type enumerated, applicable to, or affecting Tenant and its operations and activities in the Demised Premises or elsewhere at the Airport not inconsistent with the provisions of this Agreement.

Article XIV.

14.1 Assignment and Subletting.

(a) Tenant shall not, without the prior written consent of the City; (i) assign, convey, or mortgage this Agreement or any interest hereunder; (ii) suffer to occur or permit to exist any assignment of this Agreement, or any lien upon Tenant's interest, involuntarily or by operation of law; or (iii) sublet the entire Demised Premises. Any such action on the part of Tenant shall be void and of no effect. City's consent to any assignment, subletting, or transfer, or City's election to accept any assignee, subtenant, or transfer shall not release the original Tenant from any covenant or obligation under this Agreement. City's consent to any assignment, subletting, or transfer shall not constitute a waiver of City's right to withhold its consent to any future assignment, subletting or transfer.

(b) Tenant shall not without the prior written consent of the Commissioner of Aviation: (i) sublease a portion of the Demised Premises; or (ii) permit the use of the Demised Premises by any parties other than Tenant, its employees, and invitees.

(c) As a precondition to consent by City to any assignment or sublease of the Demised Premises, Tenant shall agree to pay to City a percentage of the profit derived by Tenant from such assignment or sublease. This percentage shall be determined in negotiations between the City and Tenant prior to the giving of any written consents on the part of the City. Tenant shall furnish City with a sworn statement, certified by an independent certified public accountant, setting forth in detail the computation of profit (which computation shall be based upon generally accepted accounting principles), and City, or its representatives, shall have access to the books, records, and papers of Tenants in relation thereto, and to make copies thereof. Any rent in excess of that paid by Tenant hereunder realized by reason of such assignment shall be deemed an item of such profit. If a part of the consideration for such assignment shall be payable other than in cash, the payment to City shall be payable in accordance with the agreed percentage in cash of the value of the non-cash consideration as that value is established to the satisfaction of the City. Such percentage of Tenant's profit shall be paid to City promptly by Tenant upon Tenant's receipt from time to time of periodic payments from such assignee or subtenant or at such other time as Tenant shall realize its profits from such assignment or sublease.

(d) Notwithstanding the provisions of Sections 14.1(a), (b) and (c) of this Article, Tenant shall be permitted without the prior consent of the City, and without any requirement to pay the City any additional rental payments, consideration or other compensation to assign this Agreement, sublet the Demised Premises (or any portion thereof) or otherwise transfer its interest under this Agreement to an Illinois Partnership in which the only general partners shall be the Tenant and Dobbs Houses, Inc., a Delaware corporation (or any other totally owned subsidiary of Carson Pirie Scott & Co., a Delaware corporation); provided, that upon such assignment, subletting or transfer the Demised Premises shall only be utilized for the purposes set forth in Section 3.1 of Article III.

(e) The only activities which Tenant may conduct on or from the Demised Premises, directly or indirectly, alone or through others, are those activities authorized under the terms of this Agreement.

(f) It is understood and agreed that nothing herein contained is intended or should be construed as in any way creating or establishing the relationship of co- partners or joint venturers between the parties hereto or as constituting the Tenant as the agents, representatives, or employees of the City for any purpose or in any manner whatsoever. The Tenant is to be and shall remain an independent contractor with respect to all services performed under this Agreement.

(g) City covenants that Tenant may peaceably and quietly have, hold, and enjoy the Demised Premises during the term of this Agreement and any renewal thereof, unless such term shall be terminated sooner as provided in this Agreement or any renewal thereof.

(h) Tenant agrees to use its best efforts in recruitment or recruitment advertising to attract and hire employees who live within the City limits of the City of Chicago.

Article XV.

15.1 Equal Opportunity. Tenant agrees that in performing under this Agreement it shall neither discriminate against any worker, or applicant, or any member of the public, because of race, creed, color, religion, age, sex, or national origin nor commit an unfair employment practice.

Tenant will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, creed, color, religion, age, sex, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rate of pay or other forms of compensation; and selection for training, including apprenticeship.

Tenant agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this Section 15.1. Tenant further agrees that this clause will be incorporated in all contracts entered into with any suppliers of materials or furnishers of services, contractors and subcontractors, and all labor organizations, which furnish skilled, unskilled, and craft union skilled labor, or which may perform any such labor or services in connection with this Agreement.

Attention is called to Executive Order 11246 issued September 24, 1965, 3 C.F.R., 1964 - 1965 Compilation, p. 339, as modified by Executive Order 11375 issued October 13, 1967, 3 C.F.R., 1967 Compilation, p. 320; The Civil Rights Act of 1964, Pub. L. 88-352, July 2, 1964, 78 Stat. 241 *et sub.*; to the State Acts approved July 28, 1961, Ill. Rev. Stat. 1979, Ch. 38, Secs. 13-1 to 13-4 inclusive; July 8, 1933, Ill. Rev. Stat. 1979, Ch. 29, Secs. 17 to 24 inclusive; July 21, 1961, Ill. Rev. Stat. 1979, Ch. 48, Secs. 881 to 887; an ordinance passed by the City Council of the City of Chicago, August 21, 1945, page 3877 of the Journal of Proceedings (Mun. Code of the City of Chicago, Ch. 198. 7A); and the provisions of 41 C.F.R. Ch. 1/2 60, and Part 21, Regulations of the Office of the Secretary of Transportation.

To demonstrate compliance, Tenant will furnish, and will obligate its contractors and subcontractors to furnish, such reports and information as is reasonably requested by the Chicago Commission on Human Relations.

15.2 Non-Discrimination in the Use of the Demised Premises by Tenant. This Agreement involves the construction or use of or access to space on, over or under real property acquired or improved under the Airport Development Aid Program of the Federal Aviation Administration, and therefore involves activity which serves the public.

Tenant, for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (a) no person on the grounds of race, creed, color, religion, age, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination in the use of said facilities; (b) that no person on the grounds of race, creed, color, religion, age, sex, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination in the construction of improvements on, over, or under such land and the furnishing of services thereon; and (c) that Tenant shall use the Demised Premises in compliance with all other requirements imposed by or pursuant to regulations of the Department of Transportation.

15.3 Non-Discrimination in Furnishing Services. Tenant agrees to furnish services on a fair and not unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and not unjustly discriminatory prices for each unit or service; provided, that Tenant may be allowed to make reasonable and non-discriminatory discounts, rebates, and other similar types of price reductions.

15.4 Affirmative Action. Tenant assures that it will undertake an affirmative action program as required by 14 C.F.R. Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, religion, age, sex, or national origin, be excluded from participating in any employment activities covered in 14 C.F.R. Part 152, Subpart E. Tenant assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by Subpart E. Tenant assures that it will require that its covered suborganizations provide assurances to Tenant that they similarly will undertake an affirmative action program and that they will require assurance from their suborganizations, as required by 14 C.F.R. Part 152, Subpart E, to the same effect.

Article XVI.

16.1 Events of Default.

(a) In the event of any of the following, City shall have the right to terminate this Agreement:

1. In the event Tenant fails to pay Base Rent, Adjusted Base Rent, Percentage Rent or Building Rental in the amounts and at the times and in the manner herein provided and such failure continues for 30 or more days after written notice thereof has been given to Tenant;
2. In the event Tenant violates any of the terms, covenants, and conditions imposed on Tenant in this Agreement, and Tenant has not cured or corrected such failure or violation within 30 days after written notice thereof has been given to Tenant, unless such failure or violation cannot be reasonably cured or corrected within said thirty (30) days where Tenant shall have commenced and shall be diligently (as reasonably determined by the Commissioner of Aviation) pursuing all action necessary to cure such failure or violation;
3. If Tenant makes an assignment for the benefit of creditors, or files a petition in bankruptcy, or is adjudged bankrupt, and such adjudication, is not stayed or vacated within 90 days thereafter or the interest of Tenant under this Agreement is levied upon and sold upon execution or by operation of law becomes vested in another person, firm or corporation because of the insolvency of Tenant; or in the event that a receiver or trustee is appointed for Tenant or the interest of Tenant under this Agreement, and such appointment has not been vacated within 90 days thereafter; or
4. In the event Tenant vacates or abandons the Demised Premises, or permits the same to remain vacant or unoccupied without prior written consent of City, or ceases to conduct at the Airport the business authorized to be conducted under this Agreement.

(b) Upon the occurrence of any one or more of the events of default herein specified, Tenant's right to possession of the Demised Premises shall terminate and Tenant shall surrender possession thereof immediately, in such event, City shall be entitled to enter upon the Demised Premises, or any part thereof, to take possession thereof with or without process of law, and to expel and remove Tenant or any other person who may be occupying the Demised Premises, or any part thereof. City may use such force in removing Tenant and said other person as may reasonably be necessary; and City may repossess itself of the Demised Premises as of its former estate. Such entry of the Demised Premises by City shall not constitute a trespass or forcible entry or detainer, nor shall it cause a forfeiture of Base Rent, Adjusted Base Rent or Percentage Rent due by virtue hereof, nor a waiver of any covenant, agreement, or promise contained in this Agreement, to be performed by Tenant. Tenant shall make no claim of any kind against City, its agents, and representatives by reason of such termination or any act incident thereto.

(c) In addition to terminating this Agreement, City may, in the event of default, sue for and recover all damages and rent accrued or accruing under this Agreement or arising out of any breach thereof.

(d) City may, if it so elects, pursue any other remedies provided by law for the breach of this Agreement or any of its terms, covenants, conditions, or stipulations. No right or remedy herein conferred upon or reserved to City or Tenant is intended to be exclusive of any other right or remedy.

(e) The acceptance of Base Rent, Adjusted Base Rent, Percentage Rent or Building Rent by City, after knowledge of any breach hereof by Tenant, or the giving or making of any notice or demand, whether according to any statutory provision or not, or any act or series of acts except an express waiver in writing, shall not be deemed to be a waiver of City's right to act or of any other right hereby given City, nor shall it be deemed to be an election not to proceed under the provisions of this Agreement.

(f) The obligation of Tenant to pay Base Rent, Adjusted Base Rent, Percentage Rent or Building Rent during the balance of the term hereof shall not be deemed to be waived, released or terminated by the service of any 5 day notice, other notice to collect, demand for possession, or notice that the tenancy hereby created will be terminated on the date therein named, the institution of any action of forcible detainer or ejectment or any judgment for possession that may be rendered in such action or any other act or acts resulting in the termination of Tenant's right to possession of the Demised Premises. City may collect and receive any rent due from Tenant, and payment or receipt thereof shall not waive or affect any such notice, demand or suit, or in any manner whatsoever waive, affect, change, modify, or alter any rights or remedies which City may have by virtue hereof.

(g) The Tenant shall pay upon demand all City's costs, charges and expenses including the reasonable fees and out-of-pocket expenses of counsel, agents, and others retained by City incurred in enforcing the Tenant's obligations hereunder or incurred by the City in any litigation, negotiation, or transaction in which the Tenant causes the City without the City's fault to become involved or concerned.

Article XVII.

17.1 Governing Law. This Agreement shall be deemed to have been made in and shall be construed in accordance with the laws of the State of Illinois.

17.2 Notices. Notices to City provided for herein shall be sent by registered or certified United States mail, postage prepaid, addressed to the Commissioner of Aviation of the City of Chicago, 20 North Clark Street, Suite 3000, Chicago, Illinois 60602, and notices to Tenant provided for herein shall be sent by registered or certified United States mail, postage prepaid, addressed to Tenant as follows: S.A.S. Service Partner, Inc., P.O. Box 66505, O'Hare International Airport, Chicago, Illinois 60666 or in either case to such other respective parties and addresses as the parties hereto may designate in writing from time to time, and such notices shall be deemed to have been given when so sent.

17.3 Entire Agreement. This Agreement constitutes the entire agreement between the parties, and no warranties, inducements, considerations, promises, or other inference shall be implied or impressed upon such Agreement that are not set forth herein at length.

In Witness Whereof, the parties hereto have caused this instrument to be signed in triplicate under their respective seals on the day and year first above written.

[Signature forms omitted for printing purposes.]

COMMITTEE ON THE BUDGET.

TRANSFERS OF FUNDS AUTHORIZED TO COVER ANTICIPATED EXPENDITURES FROM FINANCE GENERAL FUND -- 1986.

The Committee on the Budget submitted a report recommending that the City Council pass ten proposed ordinances transmitted therewith, authorizing the transfers of funds to cover anticipated expenditures from Finance General in the 1986 Annual Appropriation Ordinance, to various City departments' operating budgets.

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

Yeas -- Aldermen Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

Said ordinances as passed read respectively as follows:

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year of 1986 payable from such appropriations in various City departments.

FROM:

Account	Number	Amount
Pay Increase	100-9112-003	\$583,000.00

TO:

Account	Number	Amount
Salaries and Wages	100-1110-005	\$99,000.00
Salaries and Wages	100-1150-005	182,000.00
Salaries and Wages	100-1210-005	117,000.00
Salaries and Wages	100-1212-005	60,000.00
Salaries and Wages	100-1290-005	64,000.00
Salaries and Wages	100-1340-005	61,000.00

SECTION 2. That the sole purpose of this transfer of funds is to provide funds for salaries and wages in various City departments.

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

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year of 1986 payable from such appropriations in various City departments.

FROM:

Account	Number	Amount
Pay Increase	100-9112-003	\$686,000.00

TO:

Account	Number	Amount
Salaries and Wages	100-1410-005	\$120,000.00

Account	Number	Amount
Salaries and Wages	100-1510-005	\$115,000.00
Salaries and Wages	100-1524-005	98,000.00
Salaries and Wages	100-1710-005	72,000.00
Salaries and Wages	100-1910-005	278,000.00
Salaries and Wages	100-3410-005	3,000.00

SECTION 2. That the sole purpose of this transfer of funds is to provide funds for salaries and wages in various City departments.

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

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year of 1986 payable from such appropriations in various City departments.

FROM:

Account	Number	Amount
Pay Increase	100-9112-003	\$185,000.00

TO:

Account	Number	Amount
Salaries and Wages	100-3420-005	\$22,000.00
Salaries and Wages	100-3440-005	23,000.00
Salaries and Wages	100-4310-005	30,000.00
Salaries and Wages	100-4330-005	7,000.00
Salaries and Wages	100-4410-005	97,000.00
Salaries and Wages	100-4470-005	6,000.00

SECTION 2. That the sole purpose of this transfer of funds is to provide funds for salaries and wages in various City departments.

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

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year of 1986 payable from such appropriations in various City departments.

FROM:

Account	Number	Amount
Pay Increase	100-9112-003	\$3,549,000.00

TO:

Account	Number	Amount
Salaries and Wages	100-4510-005	\$13,000.00
Salaries and Wages	100-4710-005	28,000.00
Salaries and Wages	100-4860-005	7,000.00
Salaries and Wages	100-4870-005	4,000.00
Salaries and Wages	100-5310-005	2,560,000.00
Salaries and Wages	100-5610-005	937,000.00

SECTION 2. That the sole purpose of this transfer of funds is to provide funds for salaries and wages in various City departments.

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

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may

be incurred during the year of 1986 payable from such appropriations in various City departments.

FROM:

Account	Number	Amount
Pay Increase	100-9112-003	\$528,000.00

TO:

Account	Number	Amount
Salaries and Wages	100-6120-005	\$31,000.00
Salaries and Wages	100-6410-005	13,000.00
Salaries and Wages	100-6420-005	116,000.00
Salaries and Wages	100-6430-005	360,000.00
Salaries and Wages	100-8655-005	8,000.00

SECTION 2. That the sole purpose of this transfer of funds is to provide funds for salaries and wages in various City departments.

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

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year of 1986 payable from such appropriations in various City departments.

FROM:

Account	Number	Amount
Pay Increase	200-9112-003	\$911,000.00

TO:

Account	Number	Amount
Salaries and Wages	200-4410-005	\$31,000.00

Salaries and Wages	200-8210-005	\$9,000.00
Salaries and Wages	200-8220-005	100,000.00
Salaries and Wages	200-8270-005	137,000.00
Salaries and Wages	200-8310-005	31,000.00
Salaries and Wages	200-8340-005	603,000.00

SECTION 2. That the sole purpose of this transfer of funds is to provide funds for salaries and wages in various City departments.

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

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year of 1986 payable from such appropriations in the Department of Water.

FROM:

Account	Number	Amount
Pay Increase	200-9112-003	\$253,000.00

TO:

Account	Number	Amount
Salaries and Wages	200-8350-005	\$253,000.00

SECTION 2. That the sole purpose of this transfer of funds is to provide funds for salaries and wages in the Department of Water.

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

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may

be incurred during the year of 1986 payable from such appropriations in various City departments.

FROM:

Account	Number	Amount
Pay Increase	300-9112-003	\$348,000.00

TO:

Account	Number	Amount
Salaries and Wages	300-1410-005	\$135,000.00
Salaries and Wages	300-1524-005	159,000.00
Salaries and Wages	300-6420-005	54,000.00

SECTION 2. That the sole purpose of this transfer of funds is to provide funds for salaries and wages in various City departments.

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

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year of 1986 payable from such appropriations for the Chicago Public Library.

FROM:

Account	Number	Amount
Pay Increase	346-9112-003	\$1,720,000.00

TO:

Account	Number	Amount
Salaries and Wages	346-7110-005	\$1,720,000.00

SECTION 2. That the sole purpose of this transfer of funds is to provide funds for salaries and wages for the Chicago Public Library.

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

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year of 1986 payable from such appropriations in the Department of Public Works.

FROM:

Account	Number	Amount
Pay Increase	701-9112-003	\$87,000.00

TO:

Account	Number	Amount
Salaries and Wages	701-6270-005	\$87,000.00

SECTION 2. That the sole purpose of this transfer of funds is to provide funds for salaries and wages in the Department of Public Works.

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

TRANSFER OF FUNDS AUTHORIZED IN MAYOR'S OFFICE
OF LATINO AFFAIRS.

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

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year of 1986 payable from such appropriations in the Mayor's Office of Latino Affairs.

FROM:

Account	Number	Amount
Postage and Postal Charges	100-3440-130	\$352.00
Local Transportation	100-3440-270	47.00

Office Machines	100-3440-422	\$78.68
Stationery and Office Supplies	100-3440-350	641.00

TO:

Account	Number	Amount
Professional and Technical Services	100-3440-149	\$1,118.68

SECTION 2. That the sole purpose of this transfer of funds is to provide funds for the payment of professional and technical services.

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

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

TRANSFER OF FUNDS AUTHORIZED IN MAYOR'S OFFICE OF INQUIRY AND INFORMATION.

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

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year of 1986 payable from such appropriations in the Mayor's Office of Inquiry and Information.

FROM:

Account	Number	Amount
Automobile Allowance Schedule Rate	100-1180-228	\$500.00

TO:

Account	Number	Amount
Gasoline	100-1180-320	\$500.00

SECTION 2. That the sole purpose of this transfer of funds is to provide funds for the payment of gasoline.

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

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

TRANSFER OF FUNDS AUTHORIZED IN FINANCE GENERAL
FOR PAYMENTS IN TRAINEE AND COOPERATIVE
EDUCATION PROGRAMS.

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

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year of 1986 payable from such appropriations in Finance General.

FROM:

Account	Number	Amount
Apprenticeship and Training Program	100-9112-825	\$40,000.00

TO:

Account	Number	Amount
Students as Trainee Program	100-9112-044	\$30,000.00
Cooperative Education Program	100-9112-834	10,000.00

SECTION 2. That the sole purpose of this transfer of funds is to provide funds for the payment of trainee and cooperative education programs.

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

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

Nays -- None.

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

TRANSFER OF FUNDS AUTHORIZED IN BOARD OF ELECTIONS.

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

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year of 1986. This transfer will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year of 1986 payable from such appropriations in the Board of Elections.

FROM:

Account	Number	Amount
Judges of Election	100-1910-050	\$20,000.00
Advertising	100-1910-152	15,000.00
Property Rental	100-1910-155	3,400.00
Equipment and Service Rental	100-1910-157	15,000.00
Travel Reimbursement	100-1910-245	10,000.00
Local Transportation	100-1910-270	8,000.00

TO:

Account	Number	Amount
Material and Supplies	100-1910-340	\$71,400.00

SECTION 2. That the sole purpose of this transfer of funds is to provide for materials and supplies in the Board of Elections.

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

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

Nays -- None.

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

Rules Suspended -- TRANSFER OF FUNDS AUTHORIZED FOR PAYMENT
OF OUTSTANDING WORKERS' COMPENSATION CLAIMS.

Alderman Evans presented the following ordinance, which authorizes the transfer of funds to provide for the payment of outstanding Workers' Compensation claims:

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

SECTION 1. That the City Comptroller and the City Treasurer are authorized and directed to make the following transfer of funds for the year 1986. This matter will leave sufficient unencumbered appropriations to meet all liabilities that have been or may be incurred during the year 1986 payable for such appropriations.

FROM:

Account	Number	Amount
For Salaries and Wages to re-employ vocationally rehabilitated employees. Positions and salaries shall be determined by the Commissioner of Personnel and the Chairman of the Committee on Finance and approved by the City Council.	100-9112-060 (CAPS 100-99-2005-0054-0054)	\$99,000.00

TO:

Account	Number	Amount
Claims under the Workers' Compensation Act	100-9112-936 (CAPS 100-99-2005-0049-0049)	\$99,000.00

SECTION 2. The sole purpose of this transfer of funds is to provide funds for the payment of outstanding Workers' Compensation claims.

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

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

Thereupon, on motion of Alderman Evans, the foregoing proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

Nays -- None.

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

COMMITTEE ON BUILDINGS.

MUNICIPAL CODE CHAPTER 81.1, SECTION 81.1-8 AMENDED CONCERNING NATURAL LIGHT AND VENTILATION REQUIREMENTS IN HOTELS.

The Committee on Buildings submitted the following report:

CHICAGO, December 18, 1986.

To the President and Members of the City Council:

Your Committee on Buildings having had under consideration a proposed ordinance amending Section 81.1-8 of Chapter 81.1 of the Municipal Code of Chicago allowing the natural light and ventilation requirements that are presently allowed in hospital rooms facing an atrium now to be allowed in hotels, begs leave to recommend that Your Honorable Body *Pass* said proposed ordinance which is transmitted herewith.

This recommendation was concurred in by the members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) FRED B. ROTI,
Chairman.

On motion of Alderman Roti, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

The following is said ordinance as passed:

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

SECTION 1. Section 81.1-8 of Chapter 81.1 of the Municipal Code of Chicago is amended to read as follows, with additions indicated by italics and deletions indicated by brackets:

81.1-8. (a) Residential and Institutional Units. The effective glazed area required for natural light in habitable rooms in Residential Units and in sleeping rooms in Institutional Units shall be not less than ten (10%) percent of the floor area of the room nor less than ten (10) square feet, except that when any portion of a room is more than sixteen (16) feet from a window, the effective glazed area shall be not less than twelve (12%) percent of the floor area nor twelve (12) square feet. For patient rooms facing an atrium in Hospital Units, *or habitable rooms facing an atrium in Hotels*, see section 81.1-14(a)(4).

SECTION 2. Section 81.1-14 of Chapter 81.1 of the Municipal Code of Chicago is amended to read as follows, with additions indicated by italics and deletions indicated by brackets:

81.1-14. (a) Natural ventilation, when required, shall be provided by means of openings to the outside air having an aggregate clear area of not less than five (5%) percent of the floor area of the room with the following exceptions:

- (1) When any portion of the room is more than sixteen (16) feet from a required opening, the aggregate clear area of openings shall be not less than six (6%) percent of the floor area of the room.
- (2) When openings for natural ventilation occur on two (2) sides of a room, the aggregate clear area of openings shall be not less than four (4%) percent of the area of the room.
- (3) When a required opening faces a wall or other obstruction at a distance of less than ten (10) feet the effective area shall be computed at not more than eighty (80%) percent of the actual area.
- (4) When a required opening in any *habitable Hotel room or Hospital Patient* room faces an atrium, the following conditions must be complied with:
 - (A) Compliance with the requirements in Chapter 62.1, regardless of building height.
 - (B) Pressure relationship of [patient] room with respect to adjacent areas shall be equal except as specified in (I) below.
 - (C) A minimum of 0.3 cfm outside air per square foot shall be supplied to room. Recirculation of air within the [patient] room shall be permitted.
 - (D) The mechanical air handling equipment serving the atrium shall be designed to provide a minimum of six air changes per hour,

exhaust smoke and/or fire conditions without recirculation, and to be activated by the waterflow and smoke detection devices serving the atrium, and such air handling equipment shall be connected to an emergency generator as well as the normal electric service.

- (E) Windows for natural lighting to the atrium from the [patient] room shall be provided and such windows shall have an aggregate clear area of not less than twenty (20%) percent of the floor area of the [patient] room. Windows shall be only key operated. *Artificial light shall be capable of providing a minimum illumination as specified for natural light for a habitable Hotel room. The standard of natural light for all habitable Hotel rooms shall be adequate to provide an average illumination of 10 foot candles (107.64 lux) over the area of the room at a height of 30 inches (762 mm) above the floor level.*
- (F) No exhaust systems shall discharge into the atrium.
- (G) Venting of atrium shall be provided. Vents shall be activated by the waterflow and smoke detection devices serving the atrium. Location of vents and manual releases shall be as approved by the Bureau of Fire Prevention. Total area of vents shall be not less than three (3%) percent of the atrium area.
- (H) The minimum clear atrium opening shall be not less than $[1/3] 1/4$ the atrium height. In no case shall the minimum dimension of the opening be less than thirty (30) feet. The height of the atrium is the distance from the lowest level in the atrium to the underside of the atrium ceiling.
- (I) During fire conditions, supply air to fire area shall be discontinued and return air shall go to one hundred (100%) percent exhaust from each space in the fire area. For purposes of this section, fire area is defined as the floor area enclosed and bounded by walls of not less than two (2) hours fire resistive construction, atrium walls or exterior walls of a building to restrict the spread of fire.
- (J) The minimum required area of exterior glazed openings in an atrium in a hospital with rooms facing the atrium shall be calculated as follows:

Atrium Area	Minimum Exterior Glazed Opening as % of Atrium Floor Area
900-1,299 sq. ft.	90%
1,300-1,699 sq. ft.	80%

1,700-1,999 sq. ft.	70%
2,000-2,499 sq. ft.	60%
2,500-over sq. ft.	50%

- (K) The minimum visible light transmittance for exterior glazed openings in an atrium shall be fifty-five (55%) percent. If the percent of glazed area specified in (J) increased, the percent of light transmittance may be reduced accordingly.
- (L) Exterior glazed openings in the atrium area shall be distributed evenly.

(b) Enclosed porches shall have openings to the outside air of not less than three (3) times the aggregate required area of openings from a habitable room to the porch.

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

COMMITTEE ON LICENSE.

Action Deferred -- AMENDMENT OF CHAPTER 104.2, SECTION
104.2-1 OF MUNICIPAL CODE, REGARDING "AUTOMATIC
AMUSEMENT DEVICES".

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

CHICAGO, December 18, 1986.

To the President and the Members of the City Council:

Your Committee on License, to which was referred two proposed ordinances to amend Chapter 104 of the Municipal Code of the City of Chicago, begs leave that Your Honorable Body pass said proposed ordinances, as follows:

A proposed ordinance to amend Chapter 104.2-1 of the Municipal Code to allow incidental mechanical grab devices as an "Automatic Amusement Device", transmitted herewith.

A proposed ordinance to amend Chapter 104.1-7 and Chapter 104.1-18.1 creating a Class 4 Public Place of Amusement and restricting the hours of operation, as substituted, transmitted herewith.

Both proposed ordinances were passed by all members of the committee present, with no dissenting votes.

(Signed) PATRICK M. HUELS,
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 Section 104.2-1 of Chapter 104.2 of the Municipal Code of the City of Chicago be and is hereby amended by deleting the language contained in brackets and adding the language in italics as follows:

104.2-1 The term "Automatic Amusement Device" shall mean any machine which upon insertion of a coin, slug, token or similar object may be operated by the public generally for use as a game, entertainment or amusement whether or not registering a score and shall include but not be limited to such devices as juke boxes, marble machines, pinball machines, movie and video booths or stands and all games, operations or transactions similar thereto under whatever name by which they may be indicated. [Incidental mechanical grab devices and bingo are deemed gambling devices and are therefore prohibited from use in Chicago.] *Bingo devices are deemed gambling devices and are therefore prohibited from use except as provided by state law.*

SECTION 2. This ordinance shall be in full force and effect upon passage and publication.

Action Deferred -- AMENDMENT OF CHAPTER 104.1 OF
MUNICIPAL CODE, CONCERNING CLASS 4
PUBLIC PLACES OF AMUSEMENT.

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

CHICAGO, December 18, 1986.

To the President and Members of the City Council:

Your Committee on License, to which was referred two proposed ordinances to amend Chapter 104 of the Municipal Code of the City of Chicago, begs leave that Your Honorable Body pass said proposed ordinances, as follows:

A proposed ordinance to amend Chapter 104.2-1 of the Municipal Code to allow incidental mechanical grab devices as an "Automatic Amusement Device", transmitted herewith.

A proposed ordinance to amend Chapter 104.1-7 and Chapter 104.1-18.1 creating a Class 4 Public Place of Amusement and restricting the hours of operation, as substituted, transmitted herewith.

Both proposed ordinances were passed by all members of the committee present, with no dissenting votes.

(Signed) PATRICK M. HUELS,
Chairman.

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

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

SECTION 1. That Chapter 104.1-7 of the Municipal Code is hereby amended by adding the language in italics and deleting the language contained in brackets, as follows:

104.1-7. All public places of amusement are divided into the following class:

- Class 1. Auditorium, theater, tent or stadium provided with a screen, stage, arena or other space designed, used, or intended to be used for the amusement or entertainment of an audience or spectators, without being limited thereto. This class shall not, however, include a cabaret.
- Class 2. Amusement park, hall, billiard and pool room, bowling alley, arcade, [or other public resort,] exclusive of such parts thereof as fall within Class 1 places of amusement, designed, used or intended to be used only for participation in the amusement or entertainment by the public assembly.
- Class 3. Cabaret.
- Class 4. *Any dance hall, non-alcohol bar, "dry cabaret," "juice bar", "teenage cabaret" or other public resort not listed above which is designed, used or intended to be used primarily for participation by the public assembly in the entertainment or amusement, including but not limited to music, music videos and dancing. This class shall not include any establishment which is licensed to serve alcoholic beverages.*

SECTION 2. That Chapter 104 of the Municipal Code is hereby amended by adding thereto a new subsection 104.1-18.1 in italics, in its proper numerical sequence, as follows:

104.1-18.1. No person, firm, corporation or other legal entity shall operate any Class 4 Public Place of Amusement between the hours of 12:00 A.M. and 10:00 A.M. nor permit persons under sixteen years of age to enter or remain upon the premises after 10:30 P.M. on Sunday through Thursday or after 11:30 P.M. on Friday or Saturday. This section shall not be construed to prevent regular employees from performing necessary work within the premises during such prohibited hours of operation.

SECTION 3. This ordinance shall be full force and effect from and after its date of passage.

**COMMITTEE ON POLICE, FIRE AND
MUNICIPAL INSTITUTIONS.**

**APPOINTMENT OF MS. BERNARDA SHUI-HUNG WONG AS
MEMBER OF CHICAGO LIBRARY BOARD APPROVED.**

The Committee on Police, Fire and Municipal Institutions submitted the following report:

CHICAGO, December 18, 1986.

To the President and Members of the City Council:

Your Committee on Police, Fire and Municipal Institutions having under consideration a communication signed by Mayor Harold Washington, under the date of November 5, 1986, a proposed appointment of Ms. Bernarda Shui-Hung Wong to succeed Ms. Sally Berger as a member of the Chicago Library Board begs leave to recommend that Your Honorable Body *Pass* the said ordinance, which is transmitted herewith.

This recommendation was concurred in by an unanimous vote.

Respectfully submitted,
(Signed) MICHAEL F. SHEAHAN,
Chairman.

On motion of Alderman Sheahan, the committee's recommendation was *Concurred In* and said appointment of Ms. Bernarda Shui-Hung Wong as a member of the Chicago Library Board was *Approved* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Huels, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Stone -- 43.

Nays -- None.

COMMITTEE ON STREETS AND ALLEYS.

**APPROVAL GIVEN FOR GRANTS OF PRIVILEGE IN
PUBLIC WAYS.**

The Committee on Streets and Alleys to which had been referred (November 6 and 28, 1985, April 9, May 30, June 25, August 28 and October 27, 1986) sixteen proposed ordinances for grants of privilege in public ways, submitted separate reports recommending that the City Council pass said proposed ordinances which were transmitted therewith.

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

Yeas -- Aldermen Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

Nays -- None.

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

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

Alcon Apartments, Incorporated.

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

SECTION 1. Permission and authority are hereby given and granted to Alcon Apartments, Inc., a corporation, upon the terms and subject to the conditions of this ordinance, to maintain and use as now installed a six (6) inch tile conduit running for a total length of sixteen (16) feet under and across the alley south of W. Lawrence Avenue and west of N. Clarendon Avenue, used for the purpose of conveying fuel oil under and across the alley to the building located at the southwest corner of W. Lawrence Avenue and N. Clarendon Avenue and adjacent to its property located at 4750 N. Clarendon Avenue. Said privilege to remain in effect for a period of five (5) years from and after December 22, 1985.

The location of said privilege shall be as shown on prints hereto attached, which by reference is made a part of this ordinance. Said privilege shall be maintained and used in accordance with the ordinances of the City of Chicago and the directions of the Commissioner of Streets and Sanitation, the Commissioner of Inspectional Services and the Commissioner of Public Works. The grantee shall keep that portion of the public way over or under said privileges in good condition and repair, safe for public travel, free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation.

SECTION 2. The grantee agrees to pay to the City of Chicago as compensation to use the public way as herein granted the annual sum of Two Hundred Fifty Dollars (\$250.00) for the first year the grantee is authorized to use the public way. For every year (12 month

period) thereafter that the grantee is authorized to use the public way under this ordinance, grantee agrees to pay the previous year's annual sum plus an additional amount equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive the annual sum due in the current year.) Grantee agrees to pay its annual compensation in advance, the first payment to be made as of date stated in Section 1 and before a permit shall be issued, and each succeeding payment on the same day and month annually thereafter. In case of the termination of the privilege herein granted or if the grantee transfers title or vacates the premises, the grantee shall, nevertheless, remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored as herein required. Further, renewal authority for the continued maintenance and use of the public ways as herein described shall be obtained prior to date of expiration of this ordinance.

SECTION 3. This ordinance is subject to amendment, modification or repeal, and permission and authority herein granted may be revoked by the Mayor and the City Comptroller in their discretion, at any time without the consent of said grantee. Upon termination of the privilege herein granted, by lapse of time or otherwise, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by said structures or appliances or by the removal thereof, to a proper condition under the supervision and to the satisfaction of the Commissioner of Streets and Sanitation and in accordance to the City Municipal Code. In the event of the failure, neglect or refusal of said grantee so to do, the City of Chicago will have the choice of either performing said work and charging the cost thereof to said grantee or determining what the cost of said work shall be and billing the grantee for said cost.

SECTION 4. The insurance company and the grantee, as provided in Section 5, will hold and save the City of Chicago harmless from any and all liability and expense, including judgments, costs and damages, for removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized and from any and all damages thereto on account of the location, construction, alteration, repair or maintenance of any public ways, bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other utilities. For the City of Chicago to recover from the insurance company and grantee under this section, it is not necessary that the City of Chicago first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Streets and Sanitation is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration. The grantee and the insurance company, upon receiving written notification from the Commissioner of Streets and Sanitation of the cost shall pay said amount. The decision of the Commissioner of Streets and Sanitation shall be final and binding. It shall be the responsibility of the grantee to furnish the City of Chicago prior to issuance of permit, for this privilege, a copy of proof of insurance (certificate of insurance) in an amount not less than \$1,000,000 combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. The grantee must furnish the City of Chicago a certificate of insurance which names the City of Chicago as additional insured and also clearly indicates that the privilege being granted by this ordinance is covered by the insurance policy. Certificates renewing insurance must be furnished to the Department of Finance, Real Estate Division, no later

than 30 days prior to expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 5. The permittee(s) shall also indemnify and hold harmless the City of Chicago for any personal injuries or deaths occurring out of the reconstruction, maintenance and operation of the (vaults, fire escapes, canopies, etc.) and arising out of and including the passive negligence of the City of Chicago.

SECTION 6. The permission and authority herein granted shall not be exercised until a permit authorizing same shall have been issued by the City Comptroller and upon the faithful observance and performance of all and singular the conditions and provisions of this ordinance, and conditioned further to indemnify, keep and save harmless the City of Chicago against all liabilities, judgments, costs, damages and other expenses which may in any way come against said City in consequence of the permission given by this ordinance, or which may accrue against, be charged to or recovered from said City from or by reason or on account of any act or thing done or omitted or neglected to be done by the grantee in and about the construction, reconstruction, maintenance, use and removal of said structures or appliances and the restoration of the public way as herein required. Said insurance coverage shall be continuing in effect until the structures or appliances herein authorized are removed and the public way is restored as herein required.

SECTION 7. The grantee will further be liable to the City of Chicago for the annual compensation for the use of the public way.

SECTION 8. This ordinance shall take effect and be in force from and after its passage; provided said grantee file a written acceptance of this ordinance with the City Clerk, provided further, that proof of indemnification on behalf of the City of Chicago, as herein requested, and payment of the first year's compensation to be paid to the City Comptroller.

Assad and Laila Dawud.

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

SECTION 1. Permission and authority are hereby given and granted to Assad and Laila Dawud, upon the terms and subject to the conditions of this ordinance, to install, maintain, and use a lint catch basin in the public right of way adjacent to its property located at 1801 W. North Avenue. Said lint catch basin shall be located in the public way of N. Wood Street approximately thirty-two (32) feet south of W. North Avenue. Dimensions of said basin shall be eight (8) feet in depth and four (4) feet in diameter for a total of thirty-two (32) square feet. Authority for the above named privilege is herein granted for a period of five (5) years from and after date of passage of this ordinance.

The location of said privilege shall be as shown on prints hereto attached, which by reference is made a part of this ordinance. Said privilege shall be maintained and used in accordance with the ordinances of the City of Chicago and the directions of the

Commissioner of Streets and Sanitation, the Commissioner of Inspectional Services and the Commissioner of Public Works. The grantee shall keep that portion of the public way over or under said privileges in good condition and repair, safe for public travel, free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation.

SECTION 2. The grantee agrees to pay to the City of Chicago as compensation to use the public way as herein granted the annual sum of Two Hundred Fifty Dollars (\$250.00) for the first year the grantee is authorized to use the public way. For every year (12 month period) thereafter that the grantee is authorized to use the public way under this ordinance, grantee agrees to pay the previous year's annual sum plus an additional amount equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive that annual sum due in the current year.) Grantee agrees to pay its annual compensation in advance, the first payment to be made as of date stated in Section 1 and before a permit shall be issued, and each succeeding payment on the same day and month annually thereafter. In case of the termination of the privilege herein granted or if the grantee transfers title or vacates the premises, the grantee shall, nevertheless, remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored as herein required. Further, renewal authority for the continued maintenance and use of the public ways as herein described shall be obtained prior to the date of expiration of this ordinance.

SECTION 3. This ordinance is subject to amendment, modification or repeal, and permission and authority herein granted may be revoked by the Mayor and the City Comptroller in their discretion, at any time without the consent of said grantee. Upon termination of the privilege herein granted, by lapse of time or otherwise, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by said structures or appliances or by the removal thereof, to a proper condition under the supervision and to the satisfaction of the Commissioner of Streets and Sanitation and in accordance to the City Municipal Code. In the event of the failure, neglect or refusal of said grantee so to do, the City of Chicago will have the choice of either performing said work and charging the cost thereof to said grantee or determining what the cost of said work shall be and billing the grantee for said cost.

SECTION 4. The insurance company and the grantee, as provided in Section 5, will hold and save the City of Chicago harmless from any and all liability and expense, including judgments, costs and damages, for removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized and from any and all damages thereto on account of the location, construction, alteration, repair or maintenance of any public ways, bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other utilities. For the City of Chicago to recover from the insurance company and grantee under this section, it is not necessary that the City of Chicago first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Streets and Sanitation is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration. The grantee and the insurance company, upon receiving written notification from the Commissioner of Streets and Sanitation of the cost shall pay said amount. The decision of

the Commissioner of Streets and Sanitation shall be final and binding. It shall be the responsibility of the grantee to furnish the City of Chicago, prior to issuance of permit, for this privilege, a copy of proof of insurance (certificate of insurance) in an amount not less than \$1,000,000 combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. The grantee must furnish the City of Chicago a certificate of insurance which names the City of Chicago as additional insured and also clearly indicates that the privilege being granted by this ordinance is covered by the insurance policy. Certificates renewing insurance must be furnished to the Department of Finance, Real Estate Division, no later than 30 days prior to expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 5. The permittee(s) shall also indemnify and hold harmless the City of Chicago for any personal injuries or deaths occurring out of the reconstruction, maintenance and operation of the (vaults, fire escapes, canopies, etc.) and arising out of and including the passive negligence of the City of Chicago.

SECTION 6. The permission and authority herein granted shall not be exercised until a permit authorizing same shall have been issued by the City Comptroller and upon the faithful observance and performance of all and singular the conditions and provisions of this ordinance, and conditioned further to indemnify, keep and save harmless the City of Chicago against all liabilities, judgments, costs, damages and other expenses which may in any way come against said City in consequences of the permission given by this ordinance, or which may accrue against, be charged to, or recovered from said City from, or by reason, or on account of, any act or thing done, or omitted, or neglected to be done by the grantee in and about the construction, reconstruction, maintenance, use and removal of said structures or appliances and the restoration of the public way as herein required. Said insurance coverage shall be continuing in effect until the structures or appliances herein authorized are removed and the public way is restored as herein required.

SECTION 7. The grantee will further be liable to the City of Chicago for the annual compensation for the use of the public way.

SECTION 8. This ordinance shall take effect and be in force from and after its passage; provided, said grantee file a written acceptance of this ordinance with the City Clerk, provided further, that proof of indemnification on behalf of the City of Chicago, as herein requested, and payment of the first year's compensation to be paid to the City Comptroller.

B.C.E. Development Illinois Resources, Incorporated.

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

SECTION 1. Permission and authority are hereby given and granted to B.C.E. Development Illinois Resources, Inc., upon the terms and subject to the conditions of this ordinance to construct, maintain, and use thirty (30) caissons in the public right-of-way adjacent to its premises located at 700 N. Michigan Avenue and described as follows:

Under North Michigan Avenue.

Three (3) caissons shall project approximately two point seven five (2.75) feet into the public right-of-way and shall have a diameter of nine point five six (9.56) feet for a total of fifty-two (52) square feet. Two (2) caissons shall project approximately two (2) feet into the public right-of-way and shall have a diameter of seven point eight eight (7.88) feet for a total of twenty-one (21) square feet. One (1) caisson shall project approximately one point five (1.5) feet into the public right-of-way and shall have a diameter of six point five (6.5) feet for a total of six (6) square feet. Also included a foundation wall grade beam into a public right-of-way for a total of one hundred twelve (112) square feet.

Under East Superior Street.

Four (4) caissons shall project approximately one point two five (1.25) feet and shall have a diameter of six (6) feet for a total of twenty (20) square feet. One (1) caisson shall project approximately two point two five (2.25) feet into the public right-of-way and shall have a diameter of four point five (4.5) feet for a total of four (4) square feet. Also included a foundation wall grade beam into the public right-of-way for a total of seven (7) square feet.

Under North Rush Street.

Two (2) caissons shall project approximately point eight (.8) feet into the public right-of-way and shall have a diameter of four point five (4.5) feet for a total of five (5) square feet. Four (4) caissons shall project approximately one point five nine (1.59) feet into the public right-of-way and shall have a diameter of nine (9) feet for a total of thirty-eight (38) square feet. Two caissons shall project approximately two point five one (2.51) feet into the public right-of-way and shall have a diameter of ten (10) feet for a total of thirty-three (33) square feet. Two (2) caissons shall project approximately two point seven six (2.76) feet into the public right-of-way and shall have a diameter of ten point seven five (10.75) feet for a total of thirty-nine (39) square feet. Also included a foundation wall grade beam into the public right-of-way for a total of one hundred seven (107) square feet.

Under East Huron Street.

Four caissons shall project approximately point eight two (.82) feet into the public right-of-way and shall have a diameter of five (5) feet for a total of eleven (11) square feet. One (1) caisson shall project approximately one point seven five (1.75) feet into the public right-of-way and shall have a diameter of seven point five (7.5) feet for a total of nine (9) square feet. Two (2) caissons shall project approximately point seven five (.75) feet into the public right-of-way and shall have a diameter of three point seven five (3.75) feet for a total of four (4) square feet. One (1) caisson shall project approximately one point five (1.5) feet into the public right-of-way and shall have a

diameter of five point eight two (5.82) feet for a total of six (6) square feet. Also included a foundation wall grade beam into the public right-of-way for a total of seven (11) square feet.

Total square feet of the above named caissons and foundation wall grade beams in the public right-of-way shall be four hundred ninety-six (496) square feet.

Authority for the above named privilege is herein granted and shall remain in effect for a period of five (5) years from and after date of passage of this ordinance.

SECTION 2. Authority for this privilege shall remain in effect for _____ years from and after date of passage.

SECTION 3. Grantee shall not transfer through the sale, merger, consolidation, foreclosures, or through any other such manner, or sublease the rights or authority herein granted or any space that its facilities occupy or have occupied pursuant to this ordinance without the prior approval of the Chicago City Council.

SECTION 4. The location of said facilities, and the construction and installation thereof, or any change thereof including extension, reduction or removal of the grantee's structures on the public way shall be subject to the approval of the Commissioner of Public Works. Grantee is aware that in some cases related to grantee's proposed use of the public way approvals from other City Departments, such as Streets and Sanitation, may be required. Grantee shall keep the public way referenced in Section 1 of this ordinance safe for public travel, free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation. Grantee shall install its structures consistent with all installation and construction standards established by the Department of Public Works. Grantee shall correct or substantially correct any default or non-conformance with the City's installation and construction standards within 30 days of receipt of written notification ("the 30 day correction period") from the Commissioner of Public Works. If the Commissioner of Public Works determines that grantee has not corrected or substantially corrected the default or non-conformance, the grantee shall pay the City of Chicago, Office of the City Comptroller, liquidated damages of One Thousand Dollars (\$1,000) per day each day the default continues to go uncorrected beyond the 30 day correction period. If after the lapse of the 30 day correction period, the Commissioner of Public Works determines that the grantee has substantially but not completely corrected the default or non-conformance, or determines that failure to correct substantially the default or non-conformance was due to a suppliers strike, acts of God, or *force majeure*, the grantee shall not be charged liquidated damages, provided that grantee submits a time table within 5 days of the lapse of the 30 day correction period to the City specifying the anticipated date of completion. In an emergency, as determined by the Department of Public Works, the Commissioner shall have the right to order immediate correction of any default or non-conformance. If grantee has not substantially corrected the emergency within 5 days of the Commissioner's order, grantee shall be in default and shall pay the City liquidated damages of \$1,000 per day each day after the five day period that grantee fails to correct substantially the emergency. Grantee shall also abide by all current, applicable federal and state regulatory standards, including but not limited to Occupational Safety and Health Administration industrial standards, in any installation or construction activity.

SECTION 5. The City reserves the right to make physical on-site inspections of grantee's structures at the City's discretion.

SECTION 6. The grantee agrees to pay as compensation for the use of the public way of the City of Chicago as described in Section 1 of this ordinance the annual sum of Sixty-seven and no/100 Dollars (\$67.00) for the first twelve months that the grantee is authorized to use the public way and, for every twelve month period thereafter throughout the duration of this agreement pursuant to Section 2, grantee agrees to pay the previous year's annual sum plus an additional increment equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive the annual sum due in the current year.) Grantee agrees to pay its annual compensation in advance of each twelve month period. The first payment to be made as of date pursuant to Section 2 of this ordinance and before a permit shall be issued. Each succeeding payment shall be made on the same day and month annually thereafter. In case of the termination of the use of the public way herein granted or if the grantee transfers title or vacates the premises, the grantee shall remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored in accordance with Section 8 of this ordinance. Further, renewal authority for the continued maintenance and use of the public ways as herein described shall be obtained prior to the date of expiration of this ordinance.

SECTION 7. In the event that grantee fails to make any payment on the date due, grantee shall pay interest compounded daily at the rate of 150% of the prime rate as recorded daily by the First National Bank of Chicago. Interest shall be due on the entire annual late payment from the date on which payment was due until the date on which full payment is received.

SECTION 8. Authority for this privilege shall remain in effect pursuant to Section 2 of this ordinance. Upon termination of the privilege herein granted, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by removal of said structures or appliances to a proper condition under the supervision and to the satisfaction of the Commissioner of Public Works and in accordance with the City Municipal Code. Grantee shall restore the public way where disturbed by any installation activity by grantee without cost or expense to the City. In the event of the failure, neglect or refusal of said grantee to remove facilities or restore the public way where facilities are removed, the City of Chicago will have the right to determine the cost of said work and bill the grantee for such cost, and the City shall have the right, but not the obligation, to perform the work.

SECTION 9. The grantee shall, at its own expense, hold and save the City of Chicago harmless from any and all liability and expense, and provide insurance coverage to the sum of One Million Dollars (\$1,000,000.00), said liability and expense to include judgments, costs and damages for or associated with removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized, and from any and all damages hereto and on account of the location, construction, alteration, repair or maintenance of any public ways, including bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other public utilities. For the City to recover from the insurance company and grantee under this section, it is not necessary that the City first

make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Public Works is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration and his decision as to the amount shall be final and binding. Grantee and the insurance company, upon receiving written notification from the Commissioner of Public Works of the cost of said removal and restoration shall immediately pay said amount upon demand. The grantee shall, at its own expense, also indemnify and hold harmless the City of Chicago and its officers, agents and employees from liability, whether for personal injury, property damage or loss or interruption of utility service occurring out of the reconstruction, installation, maintenance and other operations of the grantee and arising out of torts and including the passive negligence of the City of Chicago, providing insurance coverage to the sum of One Million Dollars (\$1,000,000.00). It shall be the responsibility of the grantee to submit to the City of Chicago, Office of the City Comptroller, Real Estate Division, prior to issuance of a permit for this privilege to use the City's public way a copy of proof of insurance ("certificate of insurance") in an amount not less than One Million Dollars (\$1,000,000.00) combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. Said certificate of insurance must name the City of Chicago as additional insured and also clearly indicate that the privilege being granted by this ordinance is covered by the insurance policy. Likewise, certificates evidencing renewal of insurance must be furnished to the Office of the City Comptroller, Department of Finance, Real Estate Division, no later than 30 days prior to the expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 10. The privilege granted herein shall be maintained and used in accordance with the ordinances of the City and the directions of the Commissioners of Public Works, Streets and Sanitation and Inspectional Services.

SECTION 11. The permission and authority herein granted to use the City's public way may be revoked by the Mayor and the City Comptroller at any time in their discretion.

SECTION 12. The permission and authority herein granted shall not be exercised until a permit authorizing use of the City of Chicago's public way pursuant to the length of term specified in Section 2 has been issued to the grantee by the Office of the City Comptroller, Department of Finance, and thereafter only upon the faithful observance and performance of all the conditions and provisions of this ordinance, and until proof of insurance, as referenced in Section 9 herein, is submitted to the City.

SECTION 13. Prior to issuance of the permit provided in Section 12, the grantee shall file a written acceptance of this ordinance with the City Clerk, and proof of indemnification on behalf of the City of Chicago as herein required.

SECTION 14. This ordinance shall take effect and be in force from and after its passage.

Catholic Bishop of Chicago.

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

SECTION 1. Permission and authority are hereby given and granted to The Catholic Bishop of Chicago, upon the terms and subject to the conditions of this ordinance, to maintain and use as now constructed a pipe tunnel sixty-six (66) feet in length and six point thirty-three (6.33) feet in width for a total of four hundred eighteen (418) square feet under and across N. Cleaver Street, south of W. Division Street. Said tunnel to be used for the purpose of transmitting steam, vacuum service and electricity to Holy Trinity High School and located adjacent to its premises at the southwest corner of N. Cleaver Street and W. Division Street. Authority herein granted for a period of five (5) years from and after July 10, 1986.

The location of said privilege shall be as shown on prints hereto attached, which by reference is made a part of this ordinance. Said privilege shall be maintained and used in accordance with the ordinances of the City of Chicago and the directions of the Commissioner of Streets and Sanitation, the Commissioner of Inspectional Services and the Commissioner of Public Works. The grantee shall keep that portion of the public way over or under said privileges in good condition and repair, safe for public travel, free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation.

SECTION 2. The grantee agrees to pay to the City of Chicago as compensation to use the public way as herein granted the annual sum of Two Hundred Fifty Dollars (\$250.00) for the first year the grantee is authorized to use the public way. For every year (12 month period) thereafter that the grantee is authorized to use the public way under this ordinance, grantee agrees to pay the previous year's annual sum plus an additional amount equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive the annual sum due in the current year.) Grantee agrees to pay its annual compensation in advance, the first payment to be made as of date stated in Section 1 and before a permit shall be issued, and each succeeding payment on the same day and month annually thereafter. In case of the termination of the privilege herein granted or if the grantee transfers title or vacates the premises, the grantee shall, nevertheless, remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored as herein required. Further, renewal authority for the continued maintenance and use of the public ways as herein described shall be obtained prior to date of expiration of this ordinance.

SECTION 3. This ordinance is subject to amendment, modification or repeal, and permission and authority herein granted may be revoked by the Mayor and the City Comptroller in their discretion, at any time without the consent of said grantee. Upon termination of the privilege herein granted, by lapse of time or otherwise, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by said structures or appliances or by the removal thereof, to a proper condition under the supervision and to the satisfaction of the Commissioner of Streets and Sanitation and in accordance to the City Municipal Code. In the event of the failure, neglect or refusal of said grantee so to do, the City of Chicago will have the choice of either performing said work and charging the cost

thereof to said grantee or determining what the cost of said work shall be and billing the grantee for said cost.

SECTION 4. The insurance company and the grantee, as provided in Section 5, will hold and save the City of Chicago harmless from any and all liability and expense, including judgments, costs and damages, for removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized and from any and all damages thereto on account of the location, construction, alteration, repair or maintenance of any public ways, bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other utilities. For the City of Chicago to recover from the insurance company and grantee under this Section, it is not necessary that the City of Chicago first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Streets and Sanitation is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration. The grantee and the insurance company, upon receiving written notification from the Commissioner of Streets and Sanitation of the cost shall pay said amount. The decision of the Commissioner of Streets and Sanitation shall be final and binding. It shall be the responsibility of the grantee to furnish the City of Chicago prior to issuance of permit, for this privilege, a copy of proof of insurance (certificate of insurance) in an amount not less than \$1,000,000 combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. The grantee must furnish the City of Chicago a certificate of insurance which names the City of Chicago as additional insured and also clearly indicates that the privilege being granted by this ordinance is covered by the insurance policy. Certificates renewing insurance must be furnished to the Department of Finance, Real Estate Division, no later than 30 days prior to expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 5. The permittee(s) shall also indemnify and hold harmless the City of Chicago for any personal injuries or deaths occurring out of the reconstruction, maintenance and operation of the (vaults, fire escapes, canopies, etc.) and arising out of and including the passive negligence of the City of Chicago.

SECTION 6. The permission and authority herein granted shall not be exercised until a permit authorizing same shall have been issued by the City Comptroller and upon the faithful observance and performance of all and singular the conditions and provisions of this ordinance, and conditioned further to indemnify, keep and save harmless the City of Chicago against all liabilities, judgments, costs, damages and other expenses which may in any way come against said City in consequences of the permission given by this ordinance, or which may accrue against, be charged to or recovered from said City from or by reason or on account of any act or thing done or omitted or neglected to be done by the grantee in and about the construction, reconstruction, maintenance, use and removal of said structures or appliances and the restoration of the public way as herein required. Said insurance coverage shall be continuing in effect until the structures or appliances herein authorized are removed and the public way is restored as herein required.

SECTION 7. The grantee will further be liable to the City of Chicago for the annual compensation for the use of the public way.

SECTION 8. This ordinance shall take effect and be in force from and after its passage; provided said grantee file a written acceptance of this ordinance with the City Clerk, provided further, that proof of indemnification on behalf of the City of Chicago, as herein requested, and payment of the first year's compensation to be paid to the City Comptroller.

The Chicago Theological Seminary.

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

SECTION 1. Permission and authority are hereby given and granted, upon the terms and subject to the conditions of this ordinance, to The Chicago Theological Seminary to maintain and use, as now constructed, a three level ornamental bridge over and across the north-south twenty-foot public alley in the block bounded by E. 57th Street, E. 58th Street, S. University Avenue and S. Woodlawn Avenue, at a point forty-six (46) feet north of the north line of E. 58th Street and a tunnel under and across same alley. Said ornamental structure or bridge shall not exceed twenty (20) feet in length nor six (6) feet in width on each level, shall be forty (40) feet in height, the lowest portion thereof being not less than sixteen (16) feet above the alley grade. Said tunnel shall not exceed four (4) feet five (5) inches in width, six (6) feet in depth for a length of twenty (20) feet at a point fifty (50) feet north of the north line of E. 58th Street. Authority herein granted shall exist for a period of five (5) years from and after June 2, 1986.

SECTION 2. Authority for this privilege shall remain in effect for _____ years from and after date of passage.

SECTION 3. Grantee shall not transfer through the sale, merger, consolidation, foreclosure, or through any other such manner, or sublease the rights or authority herein granted or any space that its facilities occupy or have occupied pursuant to this ordinance without the prior approval of the Chicago City Council.

SECTION 4. The location of said facilities, and the construction and installation thereof, or any change thereof including extension, reduction or removal of the grantee's structures on the public way shall be subject to the approval of the Commissioner of Public Works. Grantee is aware that in some cases related to grantee's proposed use of the public way approvals from other City Departments, such as Streets and Sanitation, may be required. Grantee shall keep the public way referenced in Section 1 of this ordinance safe for public travel and free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation. Grantee shall install its structures consistent with all installation and construction standards established by the Department of Public Works. Grantee shall correct or substantially correct any default or non-conformance with the City's installation and construction standards within 30 days of receipt of written notification ("the 30 day correction period") from the Commissioner of Public Works. If the Commissioner of Public Works determines that grantee has not corrected or substantially corrected any default or non-conformance, the grantee shall pay the City of Chicago, Office of the City Comptroller, liquidated damages of One Thousand Dollars (\$1,000) per day each day the default continues to go uncorrected beyond the 30 day correction period. If after the

lapse of the 30 day correction period, the Commissioner of Public Works determines that the grantee has substantially but not completely corrected the default or non-conformance, or determines that failure to correct substantially the default or non-conformance was due to a suppliers strike, acts of God, or force majeure, the grantee shall not be charged liquidated damages, provided that grantee submits a time table within 5 days of the lapse of the 30 day correction period to the City specifying the anticipated date of completion. In an emergency, as determined by the Department of Public Works, the Commissioner shall have the right to order immediate correction of any default or non-conformance. If grantee has not substantially corrected the emergency within 5 days of the Commissioner's order, grantee shall be in default and shall pay the City liquidated damages of \$1,000 per day each day after the five day period that grantee fails to correct substantially the emergency. Grantee shall also abide by all current, applicable federal and state regulatory standards, including but not limited to Occupational Safety and Health Administration industrial standards, in any installation or construction activity.

SECTION 5. The City reserves the right to make physical on-site inspections of grantee's structures at the City's discretion.

SECTION 6. The Grantee agrees to pay as compensation for the use of the public way of the City of Chicago as described in Section 1 of this ordinance the annual sum of Sixty-seven and No/100 Dollars (\$67.00) for the first twelve months that the grantee is authorized to use the public way and, for every twelve month period thereafter throughout the duration of this agreement pursuant to Section 2, grantee agrees to pay the previous year's annual sum plus an additional increment equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive the annual sum due in the current year.) Grantee agrees to pay its annual compensation in advance of each twelve month period. The first payment shall be made as of the date pursuant to Section 2 of this ordinance and before a permit shall be issued. Each succeeding payment shall be made on the same day and month annually thereafter. In case of the termination of the use of the public way herein granted or if the grantee transfers title or vacates the premises, the grantee shall remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored in accordance with Section 8 of this ordinance. Further, renewal authority for the continued maintenance and use of the public way as herein described shall be obtained prior to the date of expiration of this ordinance.

SECTION 7. In the event that grantee fails to make any payment on the date due, grantee shall pay interest compounded daily at the rate of 150% of the prime rate as recorded daily by the First National Bank of Chicago. Interest shall be due on the entire annual late payment from the date on which payment was due until the date on which full payment is received.

SECTION 8. Authority for this privilege shall remain in effect pursuant to Section 2 of this ordinance. Upon termination of the privilege herein granted, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by removal of said structures or appliances to a proper condition under the supervision and to the satisfaction of the Commissioner of Public Works and in accordance with the City Municipal Code. Grantee

shall restore the public way where disturbed by any installation activity by grantee without cost or expense to the City. In the event of the failure, neglect or refusal of said grantee to remove facilities or restore the public way where facilities are removed, the City of Chicago will have the right to determine the cost of said work and bill the grantee for such cost, and the City shall have the right, but not the obligation, to perform the work.

SECTION 9. The grantee shall, at its own expense, hold and save the City of Chicago harmless from any and all liability and expense, and provide insurance coverage to the sum of One Million Dollars (\$1,000,000.00), said liability and expense to include judgments, costs and damages for or associated with removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized, and from any and all damages hereto and on account of the location, construction, alteration, repair or maintenance of any public ways, including bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other public utilities. For the City to recover from the insurance company and grantee under this Section, it is not necessary that the City first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Public Works is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration and his decision as to the amount shall be final and binding. Grantee and the insurance company, upon receiving written notification from the Commissioner of Public Works of the cost of said removal and restoration shall immediately pay said amount upon demand. The grantee shall, at its own expense, also indemnify and hold harmless the City of Chicago and its officers, agents and employees from liability, whether for personal injury, property damage or loss or interruption of utility service occurring out of the reconstruction, installation, maintenance and other operations of the grantee and arising out of torts and including the passive negligence of the City of Chicago, providing insurance coverage to the sum of One Million Dollars (1,000,000.00). It shall be the responsibility of the grantee to submit to the City of Chicago, Office of the City Comptroller, Real Estate Division, prior to issuance of a permit for this privilege to use the City's public way a copy of proof of insurance ("certificate of insurance") in an amount not less than One Million Dollars (\$1,000,000.00) combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. Said certificates of insurance must name the City of Chicago as additional insured and also clearly indicate that the privilege being granted by this ordinance is covered by the insurance policy. Likewise, certificates evidencing renewal of insurance must be furnished to the Office of the City Comptroller, Department of Finance, Real Estate Division, no later than 30 days prior to the expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 10. The privilege granted herein shall be maintained and used in accordance with the ordinances of the City and the directions of the Commissioners of Public Works, Streets and Sanitation and Inspectional Services.

SECTION 11. The permission and authority herein granted to use the City's public way may be revoked by the Mayor and the City Comptroller at any time in their discretion.

SECTION 12. The permission and authority herein granted shall not be exercised until a permit authorizing use of the City of Chicago's public way pursuant to the length of term specified in Section 2 has been issued to the grantee by the Office of the City Comptroller, Department of Finance, and thereafter only upon the faithful observance and performance of all the conditions and provisions of this ordinance, and until proof of insurance, as referenced in Section 9 herein, is submitted to the City.

SECTION 13. Prior to issuance of the permit provided in Section 12, the grantee shall file a written acceptance of this ordinance with the City Clerk, and proof of indemnification on behalf of the City of Chicago as herein required.

SECTION 14. This ordinance shall take effect and be in force from and after its passage.

Chicago Title and Trust Company, U/T No. 53014.

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

SECTION 1. Permission and authority are hereby given and granted, under the terms and subject to the conditions of this ordinance, to Chicago Title and Trust Company, U/T 53014 to maintain and use, as now constructed, a hydraulic loading platform and a canopy adjacent premises known as 444 N. Wabash Avenue. Said platform is constructed of steel, six and one-half (6.5) feet in length and the same in width, for a total of approximately forty-two (42) square feet and is four (4) feet in height when raised. Said platform is used to load and unload general merchandise and, when not in use, is lowered to a point level with the grade or surface of the east/west 18-foot public alley south of Illinois Street and west of N. Wabash Avenue. The canopy is twelve (12) feet long and eight feet wide. Authority herein granted shall exist for a period of five (5) years from and after August 5, 1984.

SECTION 2. Authority for this privilege shall remain in effect for _____ years from and after date of passage.

SECTION 3. Grantee shall not transfer through the sale, merger, consolidation, foreclosure, or through any other such manner, or sublease the rights or authority herein granted or any space that its facilities occupy or have occupied pursuant to this ordinance without the prior approval of the Chicago City Council.

SECTION 4. The location of said facilities, and the construction and installation thereof, or any change thereof including extension, reduction or removal of the grantee's structures on the public way shall be subject to the approval of the Commissioner of Public Works. Grantee is aware that in some cases related to grantee's proposed use of the public way approvals from other City Departments, such as Streets and Sanitation, may be required. Grantee shall keep the public way referenced in Section 1 of this ordinance safe for public travel and free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation. Grantee shall install its structures consistent with all installation and construction standards established by the Department of Public Works. Grantee shall correct or substantially correct any default or non-conformance with the City's installation and construction standards within 30 days of receipt of written

notification ("the 30 day correction period") from the Commissioner of Public Works. If the Commissioner of Public Works determines that grantee has not corrected or substantially corrected any default or non-conformance, the grantee shall pay the City of Chicago, Office of the City Comptroller, liquidated damages of One Thousand Dollars (\$1,000) per day each day the default continues to go uncorrected beyond the 30 day correction period. If after the lapse of the 30 day correction period, the Commissioner of Public Works determines that the grantee has substantially but not completely corrected the default or non-conformance, or determines that failure to correct substantially the default or non-conformance was due to a suppliers strike, acts of God, or force majeure, the grantee shall not be charged liquidated damages, provided that grantee submits a timetable within 5 days of the lapse of the 30 day correction period to the City specifying the anticipated date of completion. In an emergency, as determined by the Department of Public Works, the Commissioner shall have the right to order immediate correction of any default or non-conformance. If grantee has not substantially corrected the emergency within 5 days of the Commissioner's order, grantee shall be in default and shall pay the City liquidated damages of \$1,000 per day each day after the five day period that grantee fails to correct substantially the emergency. Grantee shall also abide by all current, applicable federal and state regulatory standards, including but not limited to Occupational Safety and Health Administration industrial standards, in any installation or construction activity.

SECTION 5. The City reserves the right to make physical on-site inspections of grantee's structures at the City's discretion.

SECTION 6. The grantee agrees to pay as compensation for the use of the public way of the City of Chicago as described in Section 1 of this ordinance the annual sum of Sixty-seven and no/100 Dollars (\$67.00) for the first twelve months that the grantee is authorized to use the public way and, for every twelve month period thereafter throughout the duration of this agreement pursuant to Section 2, grantee agrees to pay the previous year's annual sum plus an additional increment equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive the annual sum due in the current year.) Grantee agrees to pay its annual compensation in advance of each twelve month period. The first payment shall be made as of the date pursuant to Section 2 of this ordinance and before a permit shall be issued. Each succeeding payment shall be made on the same day and month annually thereafter. In case of the termination of the use of the public way herein granted or if the grantee transfers title or vacates the premises, the grantee shall remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored in accordance with Section 8 of this ordinance. Further, renewal authority for the continued maintenance and use of the public way as herein described shall be obtained prior to the date of expiration of this ordinance.

SECTION 7. In the event that grantee fails to make any payment on the date due, grantee shall pay interest compounded daily at the rate of 150% of the prime rate as recorded daily by the First National Bank of Chicago. Interest shall be due on the entire annual late payment from the date on which payment was due until the date on which full payment is received.

SECTION 8. Authority for this privilege shall remain in effect pursuant to Section 2 of this ordinance. Upon termination of the privilege herein granted, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by removal of said structures or appliances to a proper condition under the supervision and to the satisfaction of the Commissioner of Public Works and in accordance with the City Municipal Code. Grantee shall restore the public way where disturbed by any installation activity by grantee without cost or expense to the City. In the event of the failure, neglect or refusal of said grantee to remove facilities or restore the public way where facilities are removed, the City of Chicago will have the right to determine the cost of said work and bill the grantee for such cost, and the City shall have the right, but not the obligation, to perform the work.

SECTION 9. The grantee shall, at its own expense, hold and save the City of Chicago harmless from any and all liability and expense, and provide insurance coverage to the sum of One Million Dollars (\$1,000,000.00), said liability and expense to include judgments, costs and damages for or associated with removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized, and from any and all damages hereto and on account of the location, construction, alteration, repair or maintenance of any public ways, including bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other public utilities. For the City to recover from the insurance company and grantee under this Section, it is not necessary that the City first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Public Works is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration and his decision as to the amount shall be final and binding. Grantee and the insurance company, upon receiving written notification from the Commissioner of Public Works of the cost of said removal and restoration shall immediately pay said amount upon demand. The grantee shall, at its own expense, also indemnify and hold harmless the City of Chicago and its officers, agents and employees from liability, whether for personal injury, property damage or loss or interruption of utility service occurring out of the reconstruction, installation, maintenance and other operations of the grantee and arising out of torts and including the passive negligence of the City of Chicago, providing insurance coverage to the sum of One Million Dollars (\$1,000,000.00). It shall be the responsibility of the grantee to submit to the City of Chicago, Office of the City Comptroller, Real Estate Division, prior to issuance of a permit for this privilege to use the City's public way a copy of proof of insurance ("certificate of insurance") in an amount not less than One Million Dollars (\$1,000,000.00) combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. Said certificates of insurance must name the City of Chicago as additional insured and also clearly indicate that the privilege being granted by this ordinance is covered by the insurance policy. Likewise, certificates evidencing renewal of insurance must be furnished to the Office of the City Comptroller, Department of Finance, Real Estate Division, no later than 30 days prior to the expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 10. The privilege granted herein shall be maintained and used in accordance with the ordinances of the City and the directions of the Commissioners of Public Works, Streets and Sanitation, and Inspectional Services.

SECTION 11. The permission and authority herein granted to use the City's public way may be revoked by the Mayor and the City Comptroller at any time in their discretion.

SECTION 12. The permission and authority herein granted shall not be exercised until a permit authorizing use of the City of Chicago's public way pursuant to the length of term specified in Section 2 has been issued to the grantee by the Office of the City Comptroller, Department of Finance, and thereafter only upon the faithful observance and performance of all the conditions and provisions of this ordinance, and until proof of insurance, as referenced in Section 9 herein, is submitted to the City.

SECTION 13. Prior to issuance of the permit provided in Section 12, the grantee shall file a written acceptance of this ordinance with the City Clerk, and proof of indemnification on behalf of the City of Chicago as herein required.

SECTION 14. This ordinance shall take effect and be in force from and after its passage.

142 East Ontario Associates.

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

SECTION 1. Permission and authority are hereby given and granted to 142 East Ontario Associates, upon the terms and subject to the conditions of this ordinance, to construct, maintain and use two (2) canopies over the public right-of-way in East Ontario Street attached to the building or structure located at 142 East Ontario Street. Said canopies shall be 17 feet, 17 feet in length and 8 feet and 8 feet in width for a total 136 square feet.

SECTION 2. Authority for this privilege shall remain in effect for _____ years from and after date of passage.

SECTION 3. Grantee shall not transfer through the sale, merger, consolidation, foreclosure, or through any other such manner, or sublease the rights or authority herein granted or any space that its facilities occupy or have occupied pursuant to this ordinance without the prior approval of the Chicago City Council.

SECTION 4. The location of said facilities, and the construction and installation thereof, or any change thereof including extension, reduction or removal of the grantee's structures on the public way shall be subject to the approval of the Commissioner of Public Works. Grantee is aware that in some cases related to grantee's proposed use of the public way approvals from other City Departments, such as Streets and Sanitation, may be required. Grantee shall keep the public way referenced in Section 1 of this ordinance safe for public travel and free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation. Grantee shall install its structures consistent with all

installation and construction standards established by the Department of Public Works. Grantee shall correct or substantially correct any default or non-conformance with the City's installation and construction standards within 30 days of receipt of written notification ("the 30 day correction period") from the Commissioner of Public Works. If the Commissioner of Public Works determines that grantee has not corrected or substantially corrected the default or non-conformance, the grantee shall pay the City of Chicago, Office of the City Comptroller, liquidated damages of One Thousand Dollars (\$1,000) per day each day the default continues to go uncorrected beyond the 30 day correction period. If after the lapse of the 30 day correction period, the Commissioner of Public Works determines that the grantee has substantially but not completely corrected the default or non-conformance, or determines that failure to correct substantially the default or non-conformance was due to a suppliers strike, acts of God, or force majeure, the grantee shall not be charged liquidated damages, provided that grantee submits a timetable within 5 days of the lapse of the 30 day correction period to the City specifying the anticipated date of completion. In an emergency, as determined by the Department of Public Works, the Commissioner shall have the right to order immediate correction of any default or non-conformance. If grantee has not substantially corrected the emergency within 5 days of the Commissioner's order, grantee shall be in default and shall pay the City liquidated damages of \$1,000 per day each day after the five day period that grantee fails to correct substantially the emergency. Grantee shall also abide by all current, applicable federal and state regulatory standards, including but not limited to Occupational Safety and Health Administration industrial standards, in any installation or construction activity.

SECTION 5. The City reserves the right to make physical on-site inspections of grantee's structures at the City's discretion.

SECTION 6. The grantee agrees to pay as compensation for the use of the public way of the City of Chicago as described in Section 1 of this ordinance the annual sum of Seven Hundred Sixty-two and no/100 Dollars (\$762.00) for the first twelve months that the grantee is authorized to use the public way and, for every twelve month period thereafter throughout the duration of this agreement pursuant to Section 2, grantee agrees to pay the previous year's annual sum plus an additional increment equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive the annual sum due in the current year.) Grantee agrees to pay its annual compensation in advance of each twelve month period. The first payment shall be made as of the date pursuant to Section 2 of this ordinance and before a permit shall be issued. Each succeeding payment shall be made on the same day and month annually thereafter. In the case of the termination of the use of the public way herein granted or if the grantee transfers title or vacates the premises, the grantee shall remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored in accordance with Section 8 of this ordinance. Further, renewal authority for the continued maintenance and use of the public way as herein described shall be obtained prior to the date of expiration of this ordinance.

SECTION 7. In the event that grantee fails to make payment on the date due, grantee shall pay interest compounded daily at the rate of 150% of the prime rate as recorded daily by the First National Bank of Chicago. Interest shall be due on the entire annual late

payment from the date on which payment was due until the date on which full payment is received.

SECTION 8. Authority for this privilege shall remain in effect pursuant to Section 2 of this ordinance. Upon termination of the privilege herein granted, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by removal of said structures or appliances to a proper condition under the supervision and to the satisfaction of the Commissioner of Public Works and in accordance with the City Municipal Code. Grantee shall restore the public way where disturbed by any installation activity by grantee without cost or expense to the City. In the event of the failure, neglect or refusal of said grantee to remove facilities or restore the public way where facilities are removed, the City of Chicago will have the right to determine the cost of said work and bill the grantee for such cost, and the City shall have the right, but not the obligation, to perform the work.

SECTION 9. The grantee shall, at its own expense, hold and save the City of Chicago harmless from any and all liability and expense, and provide insurance coverage to the sum of One Million Dollars (\$1,000,000.00), said liability and expense to include judgments, costs and damages for or associated with removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized, and from any and all damages hereto and on account of the location, construction, alteration, repair or maintenance of any public ways, including bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other public utilities. For the City to recover from the insurance company and grantee under this Section, it is not necessary that the City first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Public Works is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration and his decision as to the amount shall be final and binding. Grantee and the insurance company, upon receiving written notification from the Commissioner of Public Works of the cost of said removal and restoration shall immediately pay said amount upon demand. The grantee shall, at its own expense, also indemnify and hold harmless the City of Chicago and its officers, agents and employees from liability, whether for personal injury, property damage or loss or interruption of utility service occurring out of the reconstruction, installation, maintenance and other operations of the grantee and arising out of torts and including the passive negligence of the City of Chicago, providing insurance coverage to the sum of One Million Dollars (\$1,000,000.00). It shall be the responsibility of the grantee to submit to the City of Chicago, Office of the City Comptroller, Real Estate Division, prior to issuance of a permit for this privilege to use the City's public way a copy of proof of insurance ("certificate of insurance") in an amount not less than One Million Dollars (\$1,000,000.00) combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. Said certificates of insurance must name the City of Chicago as additional insured and also clearly indicate that the privilege being granted by this ordinance is covered by the insurance policy. Likewise, certificates evidencing renewal of insurance must be furnished to the Office of the City Comptroller, Department of Finance, Real Estate Division, no later than 30 days prior to the expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 10. The privilege granted herein shall be maintained and used in accordance with the ordinances of the City and the directions of the Commissioners of Public Works, Streets and Sanitation, and Inspectional Services.

SECTION 11. The permission and authority herein granted to use the City's public way may be revoked by the Mayor and the City Comptroller at any time in their discretion.

SECTION 12. The permission and authority herein granted shall not be exercised until a permit authorizing use of the City of Chicago's public way pursuant to the length of term specified in Section 2 has been issued to the grantee by the Office of the City Comptroller, Department of Finance, and thereafter only upon the faithful observance and performance of all the conditions and provisions of this ordinance, and until proof of insurance, as referenced in Section 9 herein, is submitted to the City.

SECTION 13. Prior to issuance of the permit provided in Section 12, the grantee shall file a written acceptance of this ordinance with the City Clerk, and proof of indemnification on behalf of the City of Chicago as herein required.

SECTION 14. This ordinance shall take effect and be in force from and after its passage.

Interstate Brands Corporation.

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

SECTION 1. Permission and authority are hereby given and granted to Interstate Brands Corporation, upon the terms and subject to the conditions of this ordinance, to maintain, and use as now constructed a reinforced concrete vault containing two (2) electrical conduits; one (1) four-inch aluminum floor line, one (1) four-inch aluminum return line and one (1) galvanized air line, under the parkway in front of and connecting with the basement of 5450 S. Wabash Avenue, the center line of said vault being approximately seventy (70) feet north of the north curb line of E. Garfield Blvd. and ten (10) feet east of the west property line of S. Wabash Ave., thirteen (13) feet in length, three (3) feet in width and two (2) feet in depth, together with a manhole three (3) feet by three (3) feet in size in the surface of said parkway; for a period of five (5) years from and after November 28, 1985.

The location of said privilege shall be as shown on prints hereto attached, which by reference is made a part of this ordinance. Said privilege shall be maintained and used in accordance with the ordinances of the City of Chicago and the directions of the Commissioner of Streets and Sanitation, the Commissioner of Inspectional Services and the Commissioner of Public Works. The grantee shall keep that portion of the public way over or under said privileges in good condition and repair, safe for public travel, free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation.

SECTION 2. The grantee agrees to pay to the City of Chicago as compensation to use the public way as herein granted the annual sum of Three Hundred Fifty-one Dollars

(\$351.00) for the first year the grantee is authorized to use the public way. For every year (12 month period) thereafter that the grantee is authorized to use the public way under this ordinance, grantee agrees to pay the previous year's annual sum plus an additional amount equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive that annual sum due in the current year.) Grantee agrees to pay its annual compensation in advance, the first payment to be made as of date stated in Section 1 and before a permit shall be issued, and each succeeding payment on the same day and month annually thereafter. In case of the termination of the privilege herein granted or if the grantee transfers title or vacates the premises, the grantee shall, nevertheless, remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored as herein required. Further, renewal authority for the continued maintenance and use of the public ways as herein described shall be obtained prior to the date of expiration of this ordinance.

SECTION 3. This ordinance is subject to amendment, modification or repeal, and permission and authority herein granted may be revoked by the Mayor and the City Comptroller in their discretion, at any time without the consent of said grantee. Upon termination of the privilege herein granted, by lapse of time or otherwise, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by said structures or appliances or by the removal thereof, to a proper condition under the supervision and to the satisfaction of the Commissioner of Streets and Sanitation and in accordance to the City Municipal Code. In the event of the failure, neglect or refusal of said grantee so to do, the City of Chicago will have the choice of either performing said work and charging the cost thereof to said grantee or determining what the cost of said work shall be and billing the grantee for said cost.

SECTION 4. The insurance company and the grantee, as provided in Section 5, will hold and save the City of Chicago harmless from any and all liability and expense, including judgments, costs and damages, for removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized and from any and all damages thereto on account of the location, construction, alteration, repair or maintenance of any public ways, bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other utilities. For the City of Chicago to recover from the insurance company and grantee under this section, it is not necessary that the City of Chicago first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Streets and Sanitation is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration. The grantee and the insurance company, upon receiving written notification from the Commissioner of Streets and Sanitation of the cost shall pay said amount. The decision of the Commissioner of Streets and Sanitation shall be final and binding. It shall be the responsibility of the grantee to furnish the City of Chicago, prior to issuance of permit for this privilege, a copy of proof of insurance (certificate of insurance) in an amount not less than \$1,000,000.00 combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. The grantee must furnish the City of Chicago a certificate of insurance which names the City of Chicago as additional insured and also clearly indicates that the privilege being granted by this ordinance is covered by the insurance policy. Certificates renewing

insurance must be furnished to the Department of Finance, Real Estate Division, no later than 30 days prior to expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 5. The permittee(s) shall also indemnify and hold harmless the City of Chicago for any personal injuries or deaths occurring out of the reconstruction, maintenance and operation of the (vaults, fire escapes, canopies, etc.) and arising out of and including the passive negligence of the City of Chicago.

SECTION 6. The permission and authority herein granted shall not be exercised until a permit authorizing same shall have been issued by the City Comptroller and upon the faithful observance and performance of all and singular the conditions and provisions of this ordinance, and conditioned further to indemnify, keep and save harmless the City of Chicago against all liabilities, judgments, costs, damages and other expenses which may in any way come against said City in consequences of the permission given by this ordinance, or which may accrue against, be charged to, or recovered from said City from, or by reason, or on account of, any act or thing done, or omitted, or neglected to be done by the grantee in and about the construction, reconstruction, maintenance, use and removal of said structures or appliances and the restoration of the public way as herein required. Said insurance coverage shall be continuing in effect until the structures or appliances herein authorized are removed and the public way is restored as herein required.

SECTION 7. The grantee will further be liable to the City of Chicago for the annual compensation for the use of the public way.

SECTION 8. This ordinance shall take effect and be in force from and after its passage; provided, said grantee file a written acceptance of this ordinance with the City Clerk, provided further, that proof of indemnification on behalf of the City of Chicago, as herein requested, and payment of the first year's compensation to be paid to the City Comptroller.

LaSalle Hubbard Corporation.

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

SECTION 1. Permission and authority are hereby given and granted to LaSalle Hubbard Corporation upon the terms and subject to the conditions of this ordinance, to install, maintain, and use a 3-manhole grease separator in the public right of way adjacent to its property located at 415 N. LaSalle Street. Said grease separator shall be located in the public way of W. Hubbard Street approximately one hundred ten (110) feet east of the N. LaSalle Street curb line. Dimensions of said grease separator shall be ten (10) feet in length, five (5) feet in width, and nine (9) feet in depth for a total of fifty (50) square feet. Each manhole cover shall be two (2) feet in diameter. Authority for the above named privilege is herein given and granted for a period of five (5) years from and after date of passage of this ordinance.

The location of said privilege shall be as shown on prints hereto attached, which by reference is made a part of this ordinance. Said privilege shall be maintained and used in accordance with the ordinances of the City of Chicago and the directions of the Commissioner of Streets and Sanitation, the Commissioner of Inspectional Services and the Commissioner of Public Works. The grantee shall keep that portion of the public way over or under said privileges in good condition and repair, safe for public travel, free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation.

SECTION 2. The grantee agrees to pay to the City of Chicago as compensation to use the public way as herein granted the annual sum of Two Hundred Fifty Dollars (\$250.00) for the first year the grantee is authorized to use the public way. For every year (12 month period) thereafter that the grantee is authorized to use the public way under this ordinance, grantee agrees to pay the previous year's annual sum plus an additional amount equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive the annual sum due in the current year.) Grantee agrees to pay its annual compensation in advance, the first payment to be made as of date stated in Section 1 and before a permit shall be issued, and each succeeding payment on the same day and month annually thereafter. In case of the termination of the privilege herein granted or the grantee transfers title or vacates the premises, the grantee shall, nevertheless, remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored as herein required. Further, renewal authority for the continued maintenance and use of the public ways as herein described shall be obtained prior to the date of expiration of this ordinance.

SECTION 3. This ordinance is subject to amendment, modification or repeal, and permission and authority herein granted may be revoked by the Mayor and the City Comptroller in their discretion, at any time without the consent of said grantee. Upon termination of the privilege herein granted, by lapse of time or otherwise, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by said structures or appliances or by the removal thereof, to a proper condition under the supervision and to the satisfaction of the Commissioner of Streets and Sanitation and in accordance to the City Municipal Code. In the event of the failure, neglect or refusal of said grantee so to do, the City of Chicago will have the choice of either performing said work and charging the cost thereof to said grantee or determining what the cost of said work shall be and billing the grantee for said cost.

SECTION 4. The insurance company and the grantee, as provided in Section 5, will hold and save the City of Chicago harmless from any and all liability and expense, including judgments, costs and damages, for removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized and from any and all damages thereto on account of the location, construction, alteration, repair or maintenance of any public ways, bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other utilities. For the City of Chicago to recover from the insurance company and grantee under this section, it is not necessary that the City of Chicago first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Streets and Sanitation is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration. The

grantee and the insurance company, upon receiving written notification from the Commissioner of Streets and Sanitation of the cost shall pay said amount. The decision of the Commissioner of Streets and Sanitation shall be final and binding. It shall be the responsibility of the grantee to furnish the City of Chicago, prior to issuance of permit for this privilege, a copy of proof of insurance (certificate of insurance) in an amount not less than \$1,000,000 combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. The grantee must furnish the City of Chicago a Certificate of Insurance which names the City of Chicago as additional insured and also clearly indicates that the privilege being granted by this ordinance is covered by the insurance policy. Certificates renewing insurance must be furnished to the Department of Finance, Real Estate Division, no later than 30 days prior to expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 5. The permittee(s) shall also indemnify and hold harmless the City of Chicago for any personal injuries or deaths occurring out of the reconstruction, maintenance and operation of the (vaults, fire escapes, canopies, etc.) and arising out of and including the passive negligence of the City of Chicago.

SECTION 6. The permission and authority herein granted shall not be exercised until a permit authorizing same shall have been issued by the City Comptroller and upon the faithful observance and performance of all and singular the conditions and provisions of this ordinance, and conditioned further to indemnify, keep and save harmless the City of Chicago against all liabilities, judgments, costs, damages and other expenses which may in any way come against said City in consequences of the permission given by this ordinance, or which may accrue against, be charged to, or recovered from said City from, or by reason, or on account of, any act or thing done, or omitted, or neglected to be done by the grantee in and about the construction, reconstruction, maintenance, use and removal of said structures or appliances and the restoration of the public way as herein required. Said insurance coverage shall be continuing in effect until the structures or appliances herein authorized are removed and the public way is restored as herein required.

SECTION 7. The grantee will further be liable to the City of Chicago for the annual compensation for the use of the public way.

SECTION 8. This ordinance shall take effect and be in force from and after its passage; provided, said grantee file a written acceptance of this ordinance with the City Clerk, provided further, that proof of indemnification on behalf of the City of Chicago, as herein requested, and payment of the first year's compensation to be paid to the City Comptroller.

Norwegian-American Hospital.

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

SECTION 1. Permission and authority are hereby given and granted to Norwegian-American Hospital, upon the terms and subject to the conditions of this ordinance to

construct, maintain, and use a one (1) inch conduit with copper cabling adjacent to its premises located at 1044 N. Francisco to be used for the purpose of closed circuit television and security alarms and described as follows. Said one (1) inch conduit shall be located under and across N. Richmond Street approximately forty (40) feet north of the north line of W. Thomas Street a distance of sixty-six (66) lineal feet. Thence running in an easterly direction into private property a distance of approximately one hundred twenty-four (124) feet. Thence under and across the north-south sixteen (16) foot public alley where conduit exits into private property. Said conduit then continues up privately owned power pole located approximately forty (40) feet north of the north line of W. Thomas Street and continues twenty (20) feet above and across W. Thomas Street a distance of sixty-six (66) lineal feet. Said conduit shall run a total distance of one hundred forty-eight (148) lineal feet. Authority for the above named privilege shall remain in effect for a period of five (5) years from and after date of passage of this ordinance.

The location of said privilege shall be as shown on prints hereto attached, which by reference is made a part of this ordinance. Said privilege shall be maintained and used in accordance with the ordinances of the City of Chicago and the directions of the Commissioner of Streets and Sanitation, the Commissioner of Inspectional Services and the Commissioner of Public Works. The grantee shall keep that portion of the public way over or under said privileges in good condition and repair, safe for public travel, free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation.

SECTION 2. The grantee agrees to pay to the City of Chicago as compensation to use the public way as herein granted the annual sum of Two Hundred Fifty Dollars (\$250.00) for the first year the grantee is authorized to use the public way. For every year (12 month period) thereafter that the grantee is authorized to use the public way under this ordinance, grantee agrees to pay the previous year's annual sum plus an additional amount equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive the annual sum due in the current year). Grantee agrees to pay its annual compensation in advance, the first payment to be made as of date stated in Section 1 and before a permit shall be issued, and each succeeding payment on the same day and month annually thereafter. In case of the termination of the privilege herein granted or if the grantee transfers title or vacates the premises, the grantee shall, nevertheless, remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored as herein required. Further, renewal authority for the continued maintenance and use of the public ways as herein described shall be obtained prior to date of expiration of this ordinance.

SECTION 3. This ordinance is subject to amendment, modification or repeal, and permission and authority herein granted may be revoked by the Mayor and the City Comptroller in their discretion, at any time without the consent of said grantee. Upon termination of the privilege herein granted, by lapse of time or otherwise, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by said structures or appliances or by the removal thereof, to a proper condition under the supervision and to the satisfaction of the Commissioner of Streets and Sanitation and in accordance to the City Municipal Code. In the event of the failure, neglect or refusal of said grantee so to do, the City of Chicago will have the choice of either performing said work and charging the cost

thereof to said grantee or determining what the cost of said work shall be and billing the grantee for said cost.

SECTION 4. The insurance company and the grantee, as provided in Section 5, will hold and save the City of Chicago harmless from any and all liability and expense, including judgments, costs and damages, for removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized and from any and all damages thereto on account of the location, construction, alteration, repair or maintenance of any public ways, bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other utilities. For the City of Chicago to recover from the insurance company and grantee under this section, it is not necessary that the City of Chicago first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Streets and Sanitation is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration. The grantee and the insurance company, upon receiving written notification from the Commissioner of Streets and Sanitation of the cost shall pay said amount. The decision of the Commissioner of Streets and Sanitation shall be final and binding. It shall be the responsibility of the grantee to furnish the City of Chicago, prior to issuance of permit, for this privilege, a copy of proof of insurance (certificate of insurance) in an amount not less than \$1,000,000 combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. The grantee must furnish the City of Chicago a certificate of insurance which names the City of Chicago as additional insured and also clearly indicates that the privilege being granted by this ordinance is covered by the insurance policy. Certificates renewing insurance must be furnished to the Department of Finance, Real Estate Division, no later than 30 days prior to expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 5. The permittee(s) shall also indemnify and hold harmless the City of Chicago for any personal injuries or deaths occurring out of the reconstruction, maintenance and operation of the (vaults, fire escapes, canopies, etc.) and arising out of and including the passive negligence of the City of Chicago.

SECTION 6. The permission and authority herein granted shall not be exercised until a permit authorizing same shall have been issued by the City Comptroller and upon the faithful observance and performance of all and singular the conditions and provisions of this ordinance, and conditioned further to indemnify, keep and save harmless the City of Chicago against all liabilities, judgments, costs, damages and expenses which may in any way come against said City in consequence of the permission given by this ordinance, or which may accrue against, be charged to, or recovered from said City from, or by reason, or on account of, any act or thing done, or omitted, or neglected to be done by the grantee in and about the construction, reconstruction, maintenance, use and removal of said structures or appliances and the restoration of the public way as herein required. Said insurance coverage shall be continuing in effect until the structures or appliances herein authorized are removed and the public way is restored as herein required.

SECTION 7. The grantee will further be liable to the City of Chicago for the annual compensation for the use of the public way.

SECTION 8. This ordinance shall take effect and be in force from and after its passage; provided said grantee file a written acceptance of this ordinance with the City Clerk, provided further, that proof of indemnification on behalf of the City of Chicago, as herein requested, and payment of the first year's compensation to be paid to the City Comptroller.

Superior Coffee and Foods.

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

SECTION 1. Permission and authority are hereby given and granted, upon the terms and subject to the conditions of this ordinance, to Superior Coffee and Foods, a Division of Sara Lee Corporation to maintain and use a one-story covered bridge or passageway over and across the northwesterly-southeasterly public alley between N. Elston Avenue and N. Lister Avenue, connecting the second floor of the premises 2278 N. Elston with the corresponding floor of premises 2249 N. Lister Avenue. Said bridge or passageway shall be not more than nine (9) feet in width nor sixteen (16) feet in length and shall be not less than fifteen (15) feet six (6) inches above the surface of the alley at said location. Authority herein granted shall exist for a period of five (5) years from and after March 30, 1986.

SECTION 2. Authority for this privilege shall remain in effect for _____ years from and after date of passage.

SECTION 3. Grantee shall not transfer through the sale, merger, consolidation, foreclosure, or through any other such manner, or sublease the rights or authority herein granted or any space that its facilities occupy or have occupied pursuant to this ordinance without the prior approval of the Chicago City Council.

SECTION 4. The location of said facilities, and the construction and installation thereof, or any change thereof including extension, reduction or removal of the grantee's structures on the public way shall be subject to the approval of the Commissioner of Public Works. Grantee is aware that in some cases related to grantee's proposed use of the public way approvals from other City Departments, such as Streets and Sanitation, may be required. Grantee shall keep the public way referenced in Section 1 of this ordinance safe for public travel and free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation. Grantee shall install its structures consistent with all installation and construction standards established by the Department of Public Works. Grantee shall correct or substantially correct any default or non-conformance with the City's installation and construction standards within 30 days of receipt of written notification ("the 30 day correction period") from the Commissioner of Public Works. If the Commissioner of Public Works determines that grantee has not corrected or substantially corrected the default or non-conformance, the grantee shall pay the City of Chicago, Office of the City Comptroller, liquidated damages of One Thousand Dollars (\$1,000) per day each day the default continues to go uncorrected beyond the 30 day correction period. If after the lapse of the 30 day correction period, the Commissioner of Public Works determines that the grantee has substantially but not completely corrected the default or non-conformance, or determines that failure to correct substantially the default or non-conformance was due to a suppliers strike, acts of God, or force majeure, the grantee shall not be charged

liquidated damages, provided that grantee submits a time table within 5 days of the lapse of the 30 day correction period to the City specifying the anticipated date of completion. In an emergency, as determined by the Department of Public Works, the Commissioner shall have the right to order immediate correction of any default or non-conformance. If grantee has not substantially corrected the emergency within 5 days of the Commissioner's order, grantee shall be in default and shall pay the City liquidated damages of \$1,000 per day each day after the five day period that grantee fails to correct substantially the emergency. Grantee shall also abide by all current, applicable federal and state regulatory standards, including but not limited to Occupational Safety and Health Administration industrial standards, in any installation or construction activity.

SECTION 5. The City reserves the right to make physical on-site inspections of grantee's structures at the City's discretion.

SECTION 6. The grantee agrees to pay as compensation for the use of the public way of the City of Chicago as described in Section 1 of this ordinance the annual sum of Sixty-seven and no/100 Dollars (\$67.00) for the first twelve months that the grantee is authorized to use the public way and, for every twelve month period thereafter throughout the duration of this agreement pursuant to Section 2, grantee agrees to pay the previous year's annual sum plus an additional increment equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive the annual sum due in the current year). Grantee agrees to pay its annual compensation in advance of each twelve month period. The first payment shall be made as of the date pursuant to Section 2 of this ordinance and before a permit shall be issued. Each succeeding payment shall be made on the same day and month annually thereafter. In case of the termination of the use of the public way herein granted or if the grantee transfers title or vacates the premises, the grantee shall remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored in accordance with Section 8 of this ordinance. Further, renewal authority for the continued maintenance and use of the public way as herein described shall be obtained prior to the date of expiration of this ordinance.

SECTION 7. In the event that grantee fails to make any payment on the date due, grantee shall pay interest compounded daily at the rate of 150% of the prime rate as recorded daily by the First National Bank of Chicago. Interest shall be due on the entire annual late payment from the date on which payment was due until the date on which full payment is received.

SECTION 8. Authority for this privilege shall remain in effect pursuant to Section 2 of this ordinance. Upon termination of the privilege herein granted, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by removal of said structures or appliances to a proper condition under the supervision and to the satisfaction of the Commissioner of Public Works and in accordance with the City Municipal Code. Grantee shall restore the public way where disturbed by any installation activity by grantee without cost or expense to the City. In the event of the failure, neglect or refusal of said grantee to remove facilities or restore the public way where facilities are removed, the City

of Chicago will have the right to determine the cost of said work and bill the grantee for such cost, and the City shall have the right, but not the obligation, to perform the work.

SECTION 9. The grantee shall, at its own expense, hold and save the City of Chicago harmless from any and all liability and expense, and provide insurance coverage to the sum of One Million Dollars (\$1,000,000.00), said liability and expense to include judgments, costs and damages for or associated with removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized, and from any and all damages hereto and on account of the location, construction, alteration, repair or maintenance of any public ways, including bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other public utilities. For the City to recover from the insurance company and grantee under this Section, it is not necessary that the City first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Public Works is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration and his decision as to the amount shall be final and binding. Grantee and the insurance company, upon receiving written notification from the Commissioner of Public Works of the cost of said removal and restoration shall immediately pay said amount upon demand. The grantee shall, at its own expense, also indemnify and hold harmless the City of Chicago and its officers, agents and employees from liability, whether for personal injury, property damage or loss or interruption of utility service occurring out of the reconstruction, installation, maintenance and other operations of the grantee and arising out of torts and including the passive negligence of the City of Chicago, providing insurance coverage to the sum of One Million Dollars (\$1,000,000.00). It shall be the responsibility of the grantee to submit to the City of Chicago, Office of the City Comptroller, Real Estate Division, prior to issuance of a permit for this privilege to use the City's public way a copy of proof of insurance ("certificate of insurance") in an amount not less than One Million Dollars (\$1,000,000.00) combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. Said certificate of insurance must name the City of Chicago as additional insured and also clearly indicate that the privilege being granted by this ordinance is covered by the insurance policy. Likewise, certificates evidencing renewal of insurance must be furnished to the Office of the City Comptroller, Department of Finance, Real Estate Division, no later than 30 days prior to expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 10. The privilege granted herein shall be maintained and used in accordance with the ordinances of the City and the directions of the Commissioners of Public Works, Streets and Sanitation, and Inspectional Services.

SECTION 11. The permission and authority herein granted to use the City's public way may be revoked by the Mayor and the City Comptroller at any time in their discretion.

SECTION 12. The permission and authority herein granted shall not be exercised until a permit authorizing use of the City of Chicago's public way pursuant to the length of term specified in Section 2 has been issued to the grantee by the Office of the City Comptroller, Department of Finance, and thereafter only upon the faithful observance and performance

of all the conditions and provisions of this ordinance, and until proof of insurance, as referenced in Section 9 herein, is submitted to the City.

SECTION 13. Prior to issuance of the permit provided in Section 12, the grantee shall file a written acceptance of this ordinance with the City Clerk, and proof of indemnification on behalf of the City of Chicago as herein required.

SECTION 14. This ordinance shall take effect and be in force from and after its passage.

Swedish Covenant Hospital.

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

SECTION 1. Permission and authority are hereby given and granted to Swedish Covenant Hospital, upon the terms and subject to the conditions of this ordinance, to maintain and use a pedestrian bridge over and across W. Winona connecting third floor of 8 story hospital addition, 5 story convalescent care and 5 story medical building, spanning diagonally across W. Winona and located approximately 197 feet east of center line of N. California, width six (6) feet, length eighty-two (82) feet, with street clearance not less than twenty-four (24) feet seven (7) inches, illuminated at all times: for a period of five (5) years from and after December 19, 1985.

The location of said privilege shall be as shown on prints hereto attached, which by reference is made a part of this ordinance. Said privilege shall be maintained and used in accordance with the ordinances of the City of Chicago and the directions of the Commissioner of Streets and Sanitation, the Commissioner of Inspectional Services and the Commissioner of Public Works. The grantee shall keep that portion of the public way over or under said privileges in good condition and repair, safe for public travel, free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation.

SECTION 2. The grantee agrees to pay to the City of Chicago as compensation to use the public way as herein granted the annual sum of Two Hundred Fifty Dollars (\$250.00) for the first year the grantee is authorized to use the public way. For every year (12 month period) thereafter that the grantee is authorized to use the public way under this ordinance, grantee agrees to pay the previous year's annual sum plus an additional amount equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive the annual sum due in the current year.) Grantee agrees to pay its annual compensation in advance, the first payment to be made as of date stated in Section 1 and before a permit shall be issued, and each succeeding payment on the same day and month annually thereafter. In case of the termination of the privilege herein granted or if the grantee transfers title or vacates the premises, the grantee shall, nevertheless, remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored as herein required. Further, renewal authority for the continued maintenance and use of the public ways as herein described shall be obtained prior to the date of expiration of this ordinance.

SECTION 3. This ordinance is subject to amendment, modification or repeal, and permission and authority herein granted may be revoked by the Mayor and the City Comptroller in their discretion, at any time without the consent of said grantee. Upon termination of the privilege herein granted, by lapse of time or otherwise, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by said structures or appliances or by the removal thereof, to a proper condition under the supervision and to the satisfaction of the Commissioner of Streets and Sanitation and in accordance to the City Municipal Code. In the event of the failure, neglect or refusal of said grantee so to do, the City of Chicago will have the choice of either performing said work and charging the cost thereof to said grantee or determining what the cost of said work shall be and billing the grantee for said cost.

SECTION 4. The insurance company and the grantee, as provided in Section 5, will hold and save the City of Chicago harmless from any and all liability and expense, including judgments, costs and damages, for removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized and from any and all damages thereto on account of the location, construction, alteration, repair or maintenance of any public ways, bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other utilities. For the City of Chicago to recover from the insurance company and grantee under this section, it is not necessary that the City of Chicago first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Streets and Sanitation is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration. The grantee and the insurance company, upon receiving written notification from the Commissioner of Streets and Sanitation of the cost shall pay said amount. The decision of the Commissioner of Streets and Sanitation shall be final and binding. It shall be the responsibility of the grantee to furnish the City of Chicago prior to issuance of permit, for this privilege, a copy of proof of insurance (certificate of insurance) in an amount not less than \$1,000,000 combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. The grantee must furnish the City of Chicago a certificate of insurance which names the City of Chicago as additional insured and also clearly indicates that the privilege being granted by this ordinance is covered by the insurance policy. Certificates renewing insurance must be furnished to the Department of Finance, Real Estate Division, no later than 30 days prior to expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 5. The permittee(s) shall also indemnify and hold harmless the City of Chicago for any personal injuries or deaths occurring out of the reconstruction, maintenance and operation of the (vaults, fire escapes, canopies, etc.) and arising out of and including the passive negligence of the City of Chicago.

SECTION 6. The permission and authority herein granted shall not be exercised until a permit authorizing same shall have been issued by the City Comptroller and upon the faithful observance and performance of all and singular the conditions and provisions of this ordinance, and conditioned further to indemnify, keep and save harmless the City of Chicago against all liabilities, judgments, costs, damages and other expenses which may in

any way come against said City in consequences of the permission given by this ordinance, or which may accrue against, be charged to or recovered from said City from or by reason or on account of any act or thing done or omitted or neglected to be done by the grantee in and about the construction, reconstruction, maintenance, use and removal of said structures or appliances and the restoration of the public way as herein required. Said insurance coverage shall be continuing in effect until the structures or appliances herein authorized are removed and the public way is restored as herein required.

SECTION 7. The grantee will further be liable to the City of Chicago for the annual compensation for the use of the public way.

SECTION 8. This ordinance shall take effect and be in force from and after its passage; provided said grantee file a written acceptance of this ordinance with the City Clerk, provided further, that proof of indemnification on behalf of the City of Chicago, as herein requested, and payment of the first year's compensation to be paid to the City Comptroller.

Transilwrap Company, Incorporated.

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

SECTION 1. Permission and authority are hereby given and granted to Transilwrap Company, Inc., upon the terms and subject to the conditions of this ordinance, to maintain and use as now constructed communication cables over the public right-of-way adjacent to its property located at 2615 N. Paulina Street. Said cables are to be held two (2) stories above the public right-of-way connecting the grantee's premises at 2600 N. Paulina Street with 2615 N. Paulina Street running for no more than a total distance of eighty-two (82) lineal feet. Said privilege shall exist by authority herein granted for a period of five (5) years from and after June 26, 1986.

The location of said privilege shall be as shown on prints hereto attached, which by reference is made a part of this ordinance. Said privilege shall be maintained and used in accordance with the ordinances of the City of Chicago and the directions of the Commissioner of Streets and Sanitation, the Commissioner of Inspectional Services and the Commissioner of Public Works. The grantee shall keep that portion of the public way over or under said privileges in good condition and repair, safe for public travel, free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation.

SECTION 2. The grantee agrees to pay to the City of Chicago as compensation to use the public way as herein granted the annual sum of Two Hundred Fifty Dollars (\$250.00) for the first year the grantee is authorized to use the public way. For every year (12 month period) thereafter that the grantee is authorized to use the public way under this ordinance, grantee agrees to pay the previous year's annual sum plus an additional amount equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive the annual sum due in the current year). Grantee agrees to pay its annual compensation in advance, the first payment to be made as of date stated in Section 1 and before a permit shall be issued, and each succeeding payment on the same day and month annually thereafter. In case of the termination of the privilege herein

granted or if the grantee transfers title or vacates the premises, the grantee shall, nevertheless, remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored as herein required. Further, renewal authority for the continued maintenance and use of the public ways as herein described shall be obtained prior to date of expiration of this ordinance.

SECTION 3. This ordinance is subject to amendment, modification or repeal, and permission and authority herein granted may be revoked by the Mayor and the City Comptroller in their discretion, at any time without the consent of said grantee. Upon termination of the privilege herein granted, by lapse of time or otherwise, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by said structures or appliances or by the removal thereof, to a proper condition under the supervision and to the satisfaction of the Commissioner of Streets and Sanitation and in accordance to the City Municipal Code. In the event of the failure, neglect or refusal of said grantee so to do, the City of Chicago will have the choice of either performing said work and charging the cost thereof to said grantee or determining what the cost of said work shall be and billing the grantee for said cost.

SECTION 4. The insurance company and the grantee, as provided in Section 5, will hold and save the City of Chicago harmless from any and all liability and expense, including judgments, costs and damages, for removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized and from any and all damages thereto on account of the location, construction, alteration, repair or maintenance of any public ways, bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other utilities. For the City of Chicago to recover from the insurance company and grantee under this section, it is not necessary that the City of Chicago first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Streets and Sanitation is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration. The grantee and the insurance company, upon receiving written notification from the Commissioner of Streets and Sanitation of the cost shall pay said amount. The decision of the Commissioner of Streets and Sanitation shall be final and binding. It shall be the responsibility of the grantee to furnish the City of Chicago, prior to issuance of permit for this privilege, a copy of proof of insurance (certificate of insurance) in an amount not less than \$1,000,000 combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. The grantee must furnish the City of Chicago a certificate of insurance which names the City of Chicago as additional insured and also clearly indicates that the privilege being granted by this ordinance is covered by the insurance policy. Certificates renewing insurance must be furnished to the Department of Finance, Real Estate Division, no later than 30 days prior to expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 5. The permittee(s) shall also indemnify and hold harmless the City of Chicago for any personal injuries or deaths occurring out of the reconstruction,

maintenance and operation of the (vaults, fire escapes, canopies, etc.) and arising out of and including the passive negligence of the City of Chicago.

SECTION 6. The permission and authority herein granted shall not be exercised until a permit authorizing same shall have been issued by the City Comptroller and upon the faithful observance and performance of all and singular the conditions and provisions of this ordinance, and conditioned further to indemnify, keep and save harmless the City of Chicago against all liabilities, judgments, costs, damages and expenses which may in any way come against said City in consequences of the permission given by this ordinance, or which may accrue against, be charged to, or recovered from said City from, or by reason, or on account of, any act or thing done, or omitted, or neglected to be done by the grantee in and about the construction, reconstruction, maintenance, use and removal of said structures or appliances and the restoration of the public way as herein required. Said insurance coverage shall be continuing in effect until the structures or appliances herein authorized are removed and the public way is restored as herein required.

SECTION 7. The grantee will further be liable to the City of Chicago for the annual compensation for the use of the public way.

SECTION 8. This ordinance shall take effect and be in force from and after its passage; provided, however, that said grantee file a written acceptance of this ordinance with the City Clerk, provided further, that proof of indemnification on behalf of the City of Chicago, as herein requested, and payment of the first year's compensation to be paid to the City Comptroller.

University of Chicago.

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

SECTION 1. Permission and authority are hereby given and granted to University of Chicago, upon the terms and subject to the conditions of this ordinance to maintain and use as now constructed a vault to be used for storage under the surface of S. Ellis Avenue in front of premises at 5604 -- 5626 S. Ellis Avenue. Said vault shall be seventy-one (71) feet in length, thirty-four point five (34.5) feet in width and fifteen (15) feet depth at 1st and 2nd levels for a total of 4899 square footage. Authority herein granted for a period of five years from and after December 1, 1985.

The location of said privilege shall be as shown on prints hereto attached, which by reference is made a part of this ordinance. Said privilege shall be maintained and used in accordance with the ordinances of the City of Chicago and the directions of the Commissioner of Streets and Sanitation, the Commissioner of Inspectional Services and the Commissioner of Public Works. The grantee shall keep that portion of the public way over or under said privileges in good condition and repair, safe for public travel, free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation.

SECTION 2. The grantee agrees to pay to the City of Chicago as compensation to use the public way as herein granted the annual sum of Two Hundred Fifty (\$250.00) Dollars for

the first year the grantee is authorized to use the public way. For every year (12 month period) thereafter that the grantee is authorized to use the public way under this ordinance, grantee agrees to pay the previous year's annual sum plus an additional amount equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive the annual sum due in the current year.) Grantee agrees to pay its annual compensation in advance, the first payment to be made as of date stated in Section 1 and before a permit shall be issued, and each succeeding payment on the same day and month annually thereafter. In case of the termination of the privilege herein granted or the grantee transfers title or vacates the premises, the grantee shall, nevertheless, remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored as herein required. Further, renewal authority for the continued maintenance and use of the public ways as herein described shall be obtained prior to the date of expiration of this ordinance.

SECTION 3. This ordinance is subject to amendment, modification or repeal, and permission and authority herein granted may be revoked by the Mayor and the City Comptroller in their discretion, at any time without the consent of said grantee. Upon termination of the privilege herein granted, by lapse of time or otherwise, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by said structures or appliances or by the removal thereof, to a proper condition under the supervision and to the satisfaction of the Commissioner of Streets and Sanitation and in accordance to the City Municipal Code. In the event of the failure, neglect or refusal of said grantee so to do, the City of Chicago will have the choice of either performing said work and charging the cost thereof to said grantee or determining what the cost of said work shall be and billing the grantee for said cost.

SECTION 4. The insurance company and the grantee, as provided in Section 5, will hold and save the City of Chicago harmless from any and all liability and expense, including judgments, costs and damages, for removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized and from any and all damages thereto on account of the location, construction, alteration, repair or maintenance of any public ways, bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other utilities. For the City of Chicago to recover from the insurance company and grantee under this section, it is not necessary that the City of Chicago first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Streets and Sanitation is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration. The grantee and the insurance company, upon receiving written notification from the Commissioner of Streets and Sanitation of the cost shall pay said amount. The decision of the Commissioner of Streets and Sanitation shall be final and binding. It shall be the responsibility of the grantee to furnish the City of Chicago prior to issuance of permit for this privilege, a copy of proof of insurance (certificate of insurance) in an amount not less than \$1,000,000 combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. The grantee must furnish the City of Chicago a certificate of insurance which names the City of Chicago as additional insured and also clearly indicates that the privilege being granted by this ordinance is covered by the insurance policy. Certificates renewing

insurance must be furnished to the Department of Finance, Real Estate Division, no later than 30 days prior to expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 5. The permittee(s) shall also indemnify and hold harmless the City of Chicago for any personal injuries or deaths occurring out of the reconstruction, maintenance and operation of the (vaults, fire escapes, canopies, etc.) and arising out of and including the passive negligence of the City of Chicago.

SECTION 6. The permission and authority herein granted shall not be exercised until a permit authorizing same shall have been issued by the City Comptroller and upon the faithful observance and performance of all and singular the conditions and provisions of this ordinance, and conditioned further to indemnify, keep and save harmless the City of Chicago against all liabilities, judgments, costs, damages and other expenses which may in any way come against said City in consequences of the permission given by this ordinance, or which may accrue against, be charged to, or recovered from said City from or by reason or on account of any act or thing done or omitted or neglected to be done by the grantee in and about the construction, reconstruction, maintenance, use and removal of said structures or appliances and the restoration of the public way as herein required. Said insurance coverage shall be continuing in effect until the structures or appliances herein authorized are removed and the public way is restored as herein required.

SECTION 7. The grantee will further be liable to the City of Chicago for the annual compensation for the use of the public way.

SECTION 8. This ordinance shall take effect and be in force from and after its passage; provided said grantee file a written acceptance of this ordinance with the City Clerk, provided further, that proof of indemnification on behalf of the City of Chicago, as herein requested, and payment of the first year's compensation to be paid to the City Comptroller.

University of Chicago.

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

SECTION 1. Permission and authority are hereby given and granted to the University of Chicago, a corporation, upon the terms and subject to the conditions of this ordinance, to maintain and use as now installed, an eighteen (18") inch cast iron conduit under and across E. 57th Street at a point thirty- eight (38') feet west of the west property line of S. Ingleside Avenue. Said conduit to be used for the purpose of conveying steam between the buildings of the University located on both sides of E. 57th Street. Authority for the above named privilege to remain in effect for a period of five (5) years from and after June 28, 1986.

The location of said privilege shall be as shown on prints hereto attached, which by reference is made a part of this ordinance. Said privilege shall be maintained and used in accordance with the ordinances of the City of Chicago and the directions of the

Commissioner of Streets and Sanitation, the Commissioner of Inspectional Services and the Commissioner of Public Works. The grantee shall keep that portion of the public way over or under said privileges in good condition and repair, safe for public travel, free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation.

SECTION 2. The grantee agrees to pay to the City of Chicago as compensation to use the public way as herein granted the annual sum of Two Hundred Fifty Dollars (\$250.00) for the first year the grantee is authorized to use the public way. For every year (12 month period) thereafter that the grantee is authorized to use the public way under this ordinance, grantee agrees to pay the previous year's annual sum plus an additional amount equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive the annual sum due in the current year.) Grantee agrees to pay its annual compensation in advance, the first payment to be made as of date stated in Section 1 and before a permit shall be issued, and each succeeding payment on the same day and month annually thereafter. In case of the termination of the privilege herein granted or if the grantee transfers title or vacates the premises, the grantee shall, nevertheless, remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored as herein required. Further, renewal authority for the continued maintenance and use of the public ways as herein described shall be obtained prior to the date of expiration of this ordinance.

SECTION 3. This ordinance is subject to amendment, modification or repeal, and permission and authority herein granted may be revoked by the Mayor and the City Comptroller in their discretion, at any time without the consent of said grantee. Upon termination of the privilege herein granted, by lapse of time or otherwise, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by said structures or appliances or by the removal thereof, to a proper condition under the supervision and to the satisfaction of the Commissioner of Streets and Sanitation and in accordance to the City Municipal Code. In the event of the failure, neglect or refusal of said grantee so to do, the City of Chicago will have the choice of either performing said work and charging the cost thereof to said grantee or determining what the cost of said work shall be and billing the grantee for said cost.

SECTION 4. The insurance company and the grantee, as provided in Section 5, will hold and save the City of Chicago harmless from any and all liability and expense, including judgments, costs and damages, for removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized and from any and all damages thereto on account of the location, construction, alteration, repair or maintenance of any public ways, bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other utilities. For the City of Chicago to recover from the insurance company and grantee under this section, it is not necessary that the City of Chicago first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Streets and Sanitation is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration. The grantee and the insurance company, upon receiving written notification from the Commissioner of Streets and Sanitation of the cost shall pay said amount. The decision of the Commissioner of Streets and Sanitation shall be final and binding. It shall be the

responsibility of the grantee to furnish the City of Chicago, prior to issuance of permit, for this privilege, a copy of proof of insurance (certificate of insurance) in an amount not less than \$1,000,000 combined single limit with said insurance covering all liability, both public liability and property damage, that may result from the granting of said privilege. The grantee must furnish the City of Chicago a certificate of insurance which names the City of Chicago as additional insured and also clearly indicates that the privilege being granted by this ordinance is covered by the insurance policy. Certificates renewing insurance must be furnished to the Department of Finance, Real Estate Division, no later than 30 days prior to expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 5. The permittee(s) shall also indemnify and hold harmless the City of Chicago for any personal injuries or deaths occurring out of the reconstruction, maintenance and operation of the (vaults, fire escapes, canopies, etc.) and arising out of and including the passive negligence of the City of Chicago.

SECTION 6. The permission and authority herein granted shall not be exercised until a permit authorizing same shall have been issued by the City Comptroller and upon the faithful observance and performance of all and singular the conditions and provisions of this ordinance, and conditioned further to indemnify, keep and save harmless the City of Chicago against all liabilities, judgments, costs, damages and other expenses which may in any way come against said City in consequences of the permission given by this ordinance, or which may accrue against, be charged to or recovered from said City from or by reason or on account of any act or thing done or omitted or neglected to be done by the grantee in and about the construction, reconstruction, maintenance, use and removal of said structures or appliances and the restoration of the public way as herein required. Said insurance coverage shall be continuing in effect until the structures or appliances herein authorized are removed and the public way is restored as herein required.

SECTION 7. The grantee will further be liable to the City of Chicago for the annual compensation for the use of the public way.

SECTION 8. This ordinance shall take effect and be in force from and after its passage; provided said grantee file a written acceptance of this ordinance with the City Clerk, provided further, that proof of indemnification on behalf of the City of Chicago, as herein requested, and payment of the first year's compensation to be paid to the City Comptroller.

University of Chicago.

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

SECTION 1. Permission and authority are hereby given and granted to University of Chicago, upon the terms and subject to the conditions of this ordinance, to maintain, and use as now constructed a steam tunnel four (4) feet six (6) inches in width, six (6) feet in height, and one hundred eighty-six (186) feet in length for a total of 837 square feet, under the sidewalk on the west side of S. Ellis Avenue between E. 58th Street and E. 59th Street

used for the purpose of connecting the Argonne Cancer Research Hospital with the existing tunnel crossing S. Ellis Avenue. Authority herein granted for a period of five years from and after December 1, 1985.

The location of said privilege shall be as shown on prints hereto attached, which by reference is made a part of this ordinance. Said privilege shall be maintained and used in accordance with the ordinances of the City of Chicago and the directions of the Commissioner of Streets and Sanitation, the Commissioner of Inspectional Services, and the Commissioner of Public Works. The grantee shall keep that portion of the public way over or under said privileges in good condition and repair, safe for public travel, free from snow, ice and debris to the satisfaction of the Commissioner of Streets and Sanitation.

SECTION 2. The grantee agrees to pay to the City of Chicago as compensation to use the public way as herein granted the annual sum of Two Hundred Fifty Dollars (\$250.00) for the first year the grantee is authorized to use the public way. For every year (12 month period) thereafter that the grantee is authorized to use the public way under this ordinance, grantee agrees to pay the previous year's annual sum plus an additional amount equal to 4 percent of that previous year's sum. (That is, the previous year's sum shall be multiplied by 1.04 to derive that annual sum due in the current year.) Grantee agrees to pay its annual compensation in advance, the first payment to be made as of date stated in Section 1 and before a permit shall be issued, and each succeeding payment on the same day and month annually thereafter. In case of the termination of the privilege herein granted or if the grantee transfers title or vacates the premises, the grantee shall, nevertheless, remain liable to the City of Chicago for the annual compensation which shall have become due and payable under the provisions hereof, until the structures and appliances herein authorized are removed and the public way is restored as herein required. Further, renewal authority for the continued maintenance and use of the public ways as herein described shall be obtained prior to the date of expiration of this ordinance.

SECTION 3. This ordinance is subject to amendment, modification or repeal, and permission and authority herein granted may be revoked by the Mayor and the City Comptroller in their discretion, at any time without the consent of said grantee. Upon termination of the privilege herein granted, by lapse of time or otherwise, the grantee, without cost or expense to the City of Chicago, shall remove the structures and appliances herein authorized and restore the public way where disturbed by said structures or appliances or by the removal thereof, to a proper condition under the supervision and to the satisfaction of the Commissioner of Streets and Sanitation and in accordance to the City Municipal Code. In the event of the failure, neglect or refusal of said grantee so to do, the City of Chicago will have the choice of either performing said work and charging the cost thereof to said grantee or determining what the cost of said work shall be and billing the grantee for said cost.

SECTION 4. The insurance company and the grantee, as provided in Section 5, will hold and save the City of Chicago harmless from any and all liability and expense, including judgments, costs and damages, for removal, relocation, alteration, repair, maintenance and restoration of the structures or appliances herein authorized and from any and all damages thereto on account of the location, construction, alteration, repair or maintenance of any public ways, bridges, subways, tunnels, vaults, sewers, water mains, conduits, pipes, poles and other utilities. For the City of Chicago to recover from the insurance company and

grantee under this section, it is not necessary that the City of Chicago first make said removal, relocation, alteration, repair, maintenance or restoration. The Commissioner of Streets and Sanitation is hereby authorized to determine what cost would be involved to perform said removal, relocation, alteration, repair, maintenance or restoration. The grantee and the insurance company, upon receiving written notification from the Commissioner of Streets and Sanitation of the cost shall pay said amount. The decision of the Commissioner of Streets and Sanitation shall be final and binding. It shall be the responsibility of the grantee to furnish the City of Chicago, prior to issuance of permit for this privilege, a copy of proof of insurance (certificate of insurance) in an amount not less than \$1,000,000 combined single limit with said insurance covering all liability, both Public Liability and Property Damage, that may result from the granting of said privilege. The grantee must furnish the City of Chicago a Certificate of Insurance which names the City of Chicago as additional insured and also clearly indicates that the privilege being granted by this ordinance is covered by the insurance policy. Certificates renewing insurance must be furnished to the Department of Finance, Real Estate Division, no later than 30 days prior to expiration of policy. The aforementioned insurance coverage shall be maintained at all times by the grantee until the structures or appliances described in this ordinance are removed and the public way is restored as herein required.

SECTION 5. The Permittee(s) shall also indemnify and hold harmless the City of Chicago for any personal injuries or deaths occurring out of the reconstruction, maintenance and operation of the (vaults, fire escapes, canopies, etc.) and arising out of and including the passive negligence of the City of Chicago.

SECTION 6. The permission and authority herein granted shall not be exercised until a permit authorizing same shall have been issued by the City Comptroller and upon the faithful observance and performance of all and singular the conditions and provisions of this ordinance, and conditioned further to indemnify, keep and save harmless the City of Chicago against all liabilities, judgments, costs, damages and other expenses which may in any way come against said City in consequences of the permission given by this ordinance, or which may accrue against, be charged to, or recovered from said City from or by reason, or on account of, any act or thing done, or omitted, or neglected to be done by the grantee in and about the construction, reconstruction, maintenance, use and removal of said structures or appliances and the restoration of the public way as herein required. Said insurance coverage shall be continuing in effect until the structures or appliances herein authorized are removed and the public way is restored as herein required.

SECTION 7. The grantee will further be liable to the City of Chicago for the annual compensation for the use of the public way.

SECTION 8. This ordinance shall take effect and be in force from and after its passage; provided, said grantee file a written acceptance of this ordinance with the City Clerk, provided further, that proof of indemnification on behalf of the City of Chicago, as herein requested, and payment of the first year's compensation to be paid to the City Comptroller.

AUTHORITY GRANTED TO VACATE PORTIONS OF SOUTH
HERMITAGE AVENUE AND SOUTH WOOD STREET
TOGETHER WITH PUBLIC ALLEYS AT
SPECIFIED LOCATIONS.

The Committee on Streets and Alleys submitted a report recommending that the City Council pass the following proposed ordinance:

WHEREAS, The City Council of the City of Chicago, after due investigation and consideration, has determined that the nature and extent of the public use and the public interest to be subserved is such as to warrant the vacation of part of public streets and public alleys described in the following ordinance; now, therefore,

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

SECTION 1. That all that part of S. Hermitage Avenue lying east of the east line of Lots 1, 3, 4, 7, 8, 11, 12, 15 and 16 and east of a line drawn from the southeast corner of Lot 7 to the northeast corner of Lot 8 all in Block 3; lying west of the west line of Lots 22, 23, 24, 25, 26 and 31 and west of a line drawn from the southwest corner of Lot 31 to the northwest corner of Lot 26 all in Block 4; lying south of a line drawn from the northeast corner of Lot 1 in Block 3 to the northwest corner of Lot 31 in Block 4; and lying north of the westwardly extension of the south line of Lot 22 in Block 4, all in Ashland Addition to Chicago, being the S.E. 1/4 of the N.E. 1/4 and of a fraction in the southwest corner of the N.E. 1/4 of Section 18, Township 39 North, Range 14 East of the Third Principal Meridian;

Also

all that part of S. Wood Street lying west of the west line of Lots 24 to 29, both inclusive, in Block 3 in Ashland Addition to Chicago aforementioned, and west of the west line of Lot 2 in Owner's Resubdivision of Lots 5, 6, 7, 8 and 9 in Beckett's Subdivision of Lots 10, 13, 14, 17, 18, 19, 20, and 21 in Block 3 in Ashland Addition to Chicago aforementioned; lying east of the east line of Lot B in Ashland's 2nd Addition to Chicago, being a Subdivision of the W. 1/2 of the N.E. 1/4 of Section 18, Township 39 North, Range 14 East of the Third Principal Meridian; lying south of a line drawn from the north corner of Lot B in Ashland's 2nd Addition to Chicago aforementioned to the intersection of the west and northwest lines of Lot 2 in Owner's Resubdivision aforementioned; and lying north of a line drawn from the southeast corner of Lot B in Ashland's 2nd Addition to Chicago aforementioned to the southwest corner of Lot 29 in Block 3 in Ashland Addition to Chicago aforementioned;

Also

all of the north-south, east-west, northeasterly-southwesterly, and northwesterly-southeasterly public alleys lying south of the south line of Lot 7; lying southwesterly of the southwesterly line of Lot 6; lying north of the north line of Lot 8; lying northeasterly of the northeasterly line of Lot 9; lying west and northwesterly of the west and northwesterly lines of Lots 8, 11, 12, 15, 16, 22, 23, 26, 27, and 30; lying east, southeasterly and north of the east, southeasterly and north lines of Lots 9, 24, 26, 28, and 29, all in Block 3 in Ashland's Addition to Chicago aforementioned; lying southeasterly of the southeasterly

line of Lots 1, 2, 3, and 4 in Beckett's Subdivision aforementioned; and lying southeasterly, east and south of the southeasterly, east and south lines of Lots 1 and 2 in Owner's Resubdivision aforementioned; said part of public streets and public alleys herein vacated being further described as the north 260.5 feet, more or less, of that part of S. Hermitage Avenue lying south of W. Jackson Boulevard; that part of S. Wood Street lying between the southeasterly line of W. Ogden Avenue and the north line of W. Van Buren Street, together with all of the north-south, east-west, northeasterly-southwesterly, and northwesterly-southeasterly public alleys in the block bounded by W. Jackson Boulevard, W. Van Buren Street, W. Ogden Avenue, S. Wood Street and S. Hermitage Avenue as colored in red and indicated by the words "To Be Vacated" on the drawing hereto attached, which drawing for greater certainty, is hereby made a part of this ordinance, be and the same are hereby vacated and closed, inasmuch as the same are no longer required for public use and the public interest will be subserved by such vacations.

SECTION 2. The City of Chicago hereby reserves as a right of way for an existing water main and appurtenances thereto, and for the installation of any additional water mains or other municipally-owned service facilities now located or which in the future may be located in the east 33 feet of that part of S. Wood Street as herein vacated, and for the maintenance, renewal, and reconstruction of such facilities, with the right of ingress and egress at all times upon reasonable notice. It is further provided that no buildings or other structures shall be erected on the said right of way herein reserved or other use made of said area, which in the judgment of the municipal officials having control of the aforesaid service facilities would interfere with the use, maintenance, renewal, or reconstruction of said facilities, or the construction of additional municipally-owned service facilities. The City of Chicago hereby reserves for the benefit of Commonwealth Edison Company, their successors or assigns, an easement to operate, maintain, construct, replace, and renew overhead poles, wires, and associated equipment, and underground conduit, cables and associated equipment for the transmission and distribution of electric energy under, over, and along all of the public streets and public alleys as herein vacated with the right of ingress and egress.

SECTION 3. Compensation for the vacations herein provided for was paid by Rush-Presbyterian St. Lukes Medical Center pursuant to the Redevelopment Agreement duly approved by the City Council on August 31, 1983. Rush-Presbyterian St. Lukes Medical Center shall deposit in the City Treasury of the City of Chicago a sum sufficient to defray the costs of removing paving and curb returns and constructing sidewalk and curb across the entrances to the public streets and public alleys hereby vacated, similar to the sidewalk and curb in W. Jackson Boulevard, W. Van Buren Street, and W. Ogden Avenue. The precise amount of the sum so deposited shall be ascertained by the Commissioner of Public Works after such investigation as is requisite.

SECTION 4. The vacations herein provided for are made upon the express condition that within (6) months after the passage of this ordinance, Rush-Presbyterian St. Lukes Medical Center shall file or cause to be filed for record in the Office of the Recorder of Deeds of Cook County, Illinois, a certified copy of this ordinance, together with an attached drawing approved by the Superintendent of Maps.

SECTION 5. This ordinance shall take effect and be in force from and after its passage.

[Drawing attached to this ordinance printed on
page 38499 of this Journal.]

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

Nays -- None.

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

PUBLIC ALLEY VACATED IN AREA BOUNDED BY NORTH
PAULINA STREET, NORTH ASHLAND AVENUE, NORTH
MILWAUKEE AVENUE AND WEST
DIVISION STREET.

The Committee on Streets and Alleys submitted a report recommending that the City Council pass the following proposed ordinance:

WHEREAS, The City Council of the City of Chicago, after due investigation and consideration, has determined that the nature and extent of the public use and the public interest to be subserved is such as to warrant the vacation of parts of public alleys described in the following ordinance; now, therefore,

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

SECTION 1. That all that part of the east-west, southeasterly-northwesterly and northeasterly-southwesterly public alley lying southeasterly of the southeasterly line of Lots 27 and 30; lying southeasterly, southerly and southwesterly of the southeasterly, southerly and southwesterly lines of Lot 31; lying south of the south line of Lot 34; lying north and northwesterly of the north and northwesterly lines of Lot 35 all in

J. E. Thompson's Addition to Chicago in the E. 1/2 of the N.E. 1/4 of Section 6,
Township 39 North, Range 14 East of the Third Principal Meridian;

lying northwesterly of the northwesterly line of Lot 31 and northwesterly and north of the northwesterly and north lines of Lot 32 in

(Continued on page 38500)

"A"

Ashland Add. to Chicago, being the S.E. 1/4 of NE. 1/4 and of a fraction in the S.W. Cor. of NE 1/4 of N.E. 1/4 Sec. 18-39-14

"B"

Vacated by Ordinance passed July 31-1882

"C"

Beckett's Sub of Lots 10, 13, 14, 17, 18, 19, 20 & 21 in Blk 3 of Ashland Add. etc. (See "A")

 $\cdot^H D^H$

Owner's Resub. of lots 5, 6, 7, 8 and 9 in Becketts Sub. of lots 10, 13, 14, 17, 18, 19, 20, & 21 in Blk. 3 in Ashland Add. etc. (See "A")

"E"

*Vacated by Ordinance Passed May 15, 1985.
Rec. May 24, 1985*

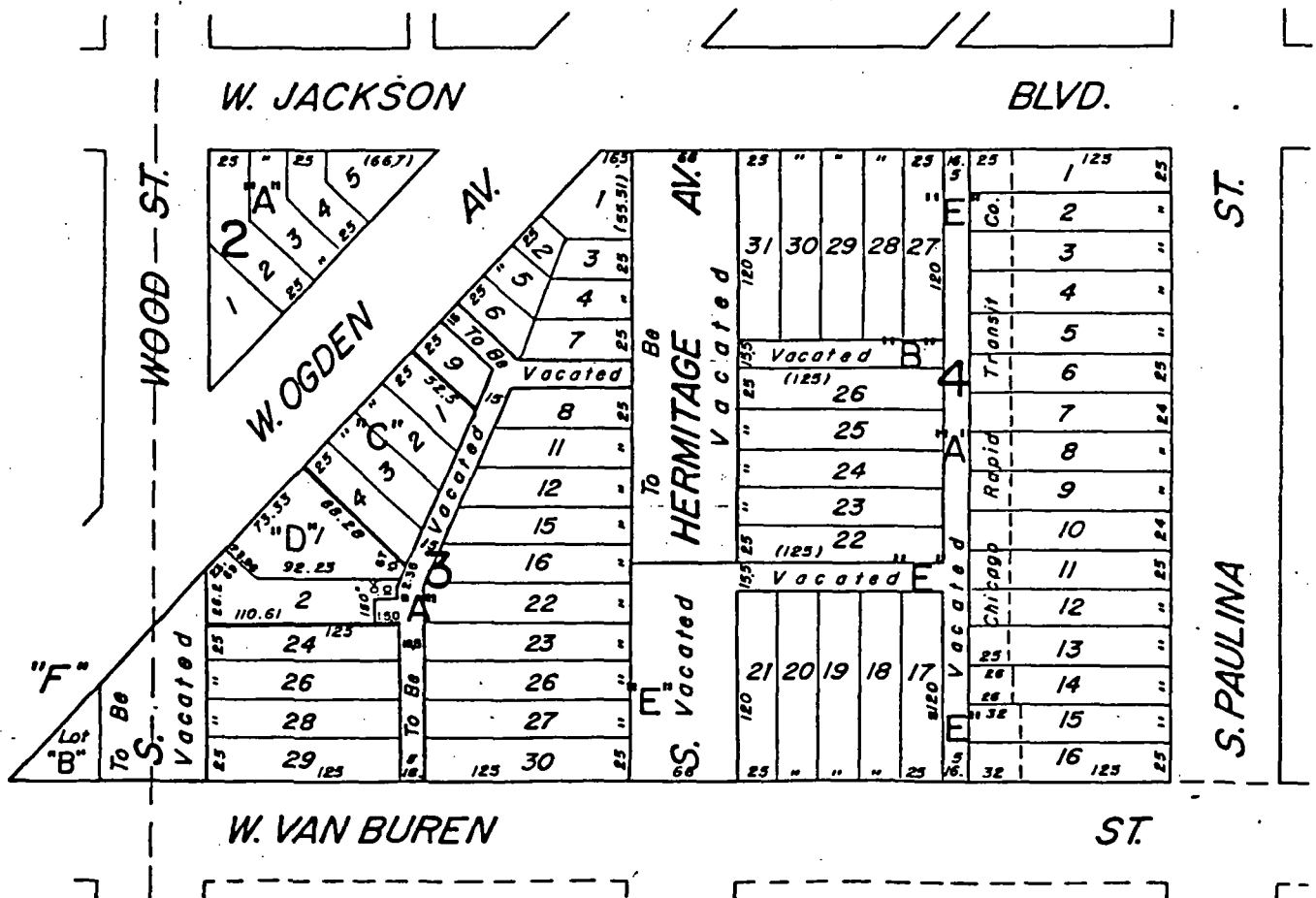
Doc. 85035453

"F"

*Ashlands 2nd Addition to Chicago, being a Subdivision of W.1/2 N.E.1/4
Section 18-39-14. Doc. 85-035453*

Doc. 85-035453

DR. No. 18-27-86-1033



(Continued from page 38498)

J. P. Fish's Subdivision of Lots 1 and 2 in Assessor's Division in the S.E. corner of the N.E. 1/4 of Section 6, Township 39 North, Range 14 East of the Third Principal Meridian;

lying east of the northwardly extension of the west line of Lot 35 in J. E. Thompson's Addition aforementioned; and lying west of the northwardly extension of the east line of Lot 32 in J. P. Fish's Subdivision aforementioned, said parts of public alleys herein vacated being further described as part of the east-west, southeasterly-northwesterly and northeasterly-southwesterly public alleys lying between a line 27.24 feet west of the west line of the north-south 20 foot public alley which runs north from W. Division Street and a line 138.24 feet west of the west line of said alley all in the block bounded by N. Paulina Street, N. Ashland Avenue, N. Milwaukee Avenue, and W. Division Street as colored in red and indicated by the words "To Be Vacated" on the drawing hereto attached, which drawing for greater certainty, is hereby made a part of this ordinance, be and the same are hereby vacated and closed, inasmuch as the same are no longer required for public use and the public interest will be subserved by such vacations.

SECTION 2. The City of Chicago hereby reserves for the benefit of Commonwealth Edison Company and Illinois Bell Telephone Company, their successors or assigns, an easement to operate, maintain, construct, replace, and renew overhead poles, wires, and associated equipment and underground conduit, cables, and associated equipment for the transmission and distribution of electrical energy and telephonic and associated services under, over, and along all of the parts of public alleys as herein vacated, with the right of ingress and egress.

SECTION 3. The vacations herein provided for are made upon the express condition that within 120 days after the passage of this ordinance, LaSalle National Bank, as Trustee, Trust No. 105174, and Ashland Management Agency, Inc., shall pay or cause to be paid to the City of Chicago as compensation for the benefits which will accrue to owner of the property abutting said parts of public alleys hereby vacated, the sum of Sixteen Thousand and no/100 Dollars (\$16,000.00), which sum in the judgment of this body will be equal to such benefits.

SECTION 4. The vacations herein provided for are made upon the express condition that within 120 days after the passage of this ordinance, the LaSalle National Bank, as Trustee, Trust No. 105174, and Ashland Management Agency, Inc., shall file or caused to be filed for record in the Office of the Recorder of Deeds of Cook County, Illinois, a certified copy of this ordinance, together with an attached drawing approved by the Superintendent of Maps.

SECTION 5. This ordinance shall take effect and be in force from and after its passage.

[Drawing attached to this ordinance printed
on page 38501 of this Journal.]

"A"

J.E. Thompson's Add. to Chicago in the E. 1/2 NE. 1/4
Sec. 6-39-14.

"B"

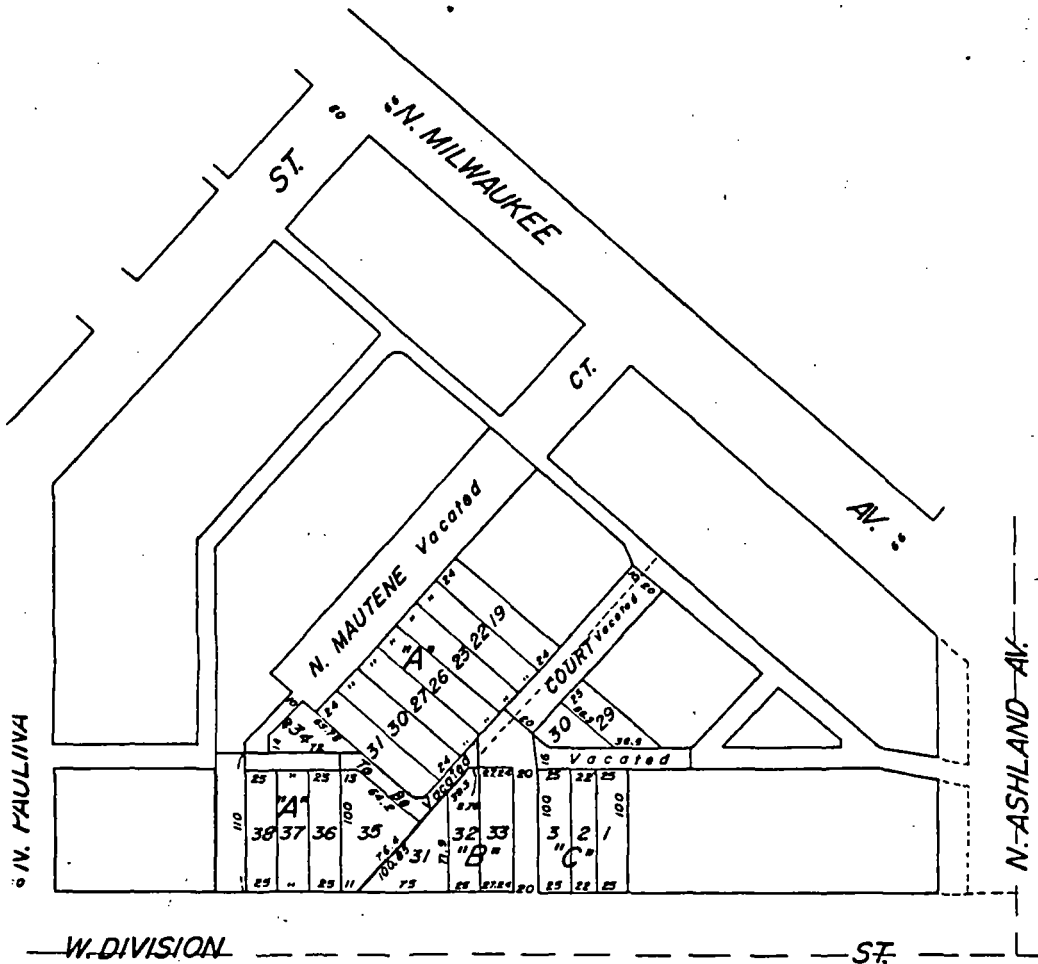
J.P. Fish's Sub. of Lots 1 & 2 in Assessors Div. in
the S.E. corner of NE. 1/4 of Sec. 6-39-14.

"C"

Henry Fetz' Resub. of Lots 35, 36 & 37 in J.P. Fish's
Sub. of Lots 1 & 2 of Assessors Div. in S.E. corner
of the NE. 1/4 Sec. 6-39-14.



DR. No. 6-32-85-996



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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuller, Volini, Orr, Stone -- 49.

Nays -- None.

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

AUTHORITY GRANTED TO VACATE AND DEDICATE PORTIONS
OF PUBLIC ALLEY IN AREA BOUNDED BY WEST
AINSLIE STREET, NORTH PULASKI ROAD,
WEST LAWRENCE AVENUE AND NORTH
KEYSTONE AVENUE.

The Committee on Streets and Alleys submitted a report recommending that the City Council pass the following proposed ordinance:

WHEREAS, The City Council of the City of Chicago, after due investigation and consideration, has determined that the nature and extent of the public use and the public interest to be subserved is such as to warrant the vacation of public alley and part of public alley described in the following ordinance; now, therefore,

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

SECTION 1. That all that part of the north-south public alley lying west of the west line of Lots 8, 9, 12, 13, 16 and 17; lying east of the east line of Lots 7, 10, 11, 14, 15 and 18; lying south of the eastwardly extension of the south line of the north 21 feet of Lot 7; and lying north of a line drawn from the southwest corner of Lot 17 to the southeast corner of Lot 18 all in Block 4 in Secrist's Subdivision of the E. 1/2 of the S.E. 1/4 of the S.E. 1/4 of Section 10, Township 40 North, Range 13 East of the Third Principal Meridian;

Also

all that part of the east-west 16-foot public alley lying south of the south line of Lot 18 and south of a line drawn from the southwest corner of Lot 17 to the southeast corner of Lot 18; lying north of the North line of Lots 19, 20, and 21, both inclusive; lying west of the southerly extension of the west line of Lot 17; and lying east of a line drawn from the southwest corner of Lot 18 to the northwest corner of Lot 19 in Block 4 in Secrist's Subdivision aforementioned; said public alley and part of public alley herein vacated being further described as the south 279 feet of the north-south 16-foot public alley, together with all of the remaining east-west 16-foot public alley in the block bounded by W. Ainslie

Avenue, W. Lawrence Avenue, N. Keystone Avenue and N. Pulaski Road as colored in red and indicated by the words "To Be Vacated" on the drawing hereto attached, which drawing for greater certainty, is hereby made a part of this ordinance, be and the same are hereby vacated and closed, inasmuch as the same are no longer required for public use and the public interest will be subserved by such vacations.

SECTION 2. The City of Chicago hereby reserves for the benefit of Commonwealth Edison Company and Illinois Bell Telephone Company, their successors or assigns, an easement to operate, maintain, construct, replace, and renew overhead poles, wires, and associated equipment and underground conduit, cables, and associated equipment for the transmission and distribution of electrical energy and telephonic and associated services under, over, and along the public alley and part of public alley as herein vacated, with the right of ingress and egress.

SECTION 3. The Dominick's Finer Foods, Inc., shall dedicate or cause to be dedicated to the public and open up for public use as an alley the following described property:

The South 16 feet of the North 21 feet of Lot 7 in Block 4 in Secrist's Subdivision of the E. 1/2 of the S.E. 1/4 of the S.E. 1/4 of Section 10, Township 40 North, Range 13 East of the Third Principal Meridian

as colored in yellow and indicated by the words "To Be Dedicated" on the aforementioned drawing.

SECTION 4. The vacations herein provided for are made upon the express condition that within 90 days after the passage of this ordinance, Dominick's Finer Foods, Inc., shall pay or cause to be paid to the City of Chicago as compensation for the benefits which will accrue to the owner of the property abutting the west 1/2 of the north-south public alley hereby vacated adjoining lots 7, 10 and 11 the sum of Ten Thousand and no/100 Dollars (\$10,000.00), which sum in the judgment of this body will be equal to such benefits: the City of Chicago (Department of Economic Development) being the owner of all of the remaining property adjoining the north-south and east-west public alleys to be vacated and further, Dominick's Finer Foods, Inc., shall within 90 days after the passage of this ordinance, deposit in the City Treasury of the City of Chicago a sum sufficient to defray the costs of removing paving and curb returns and constructing sidewalk and curb across the entrance to the public alley hereby vacated, similar to the sidewalk and curb in N. Keystone Avenue and constructing paving and curbs in and to the alley to be dedicated. The precise amount of the sum so deposited shall be ascertained by the Commissioner of Public Works after such investigation as is requisite.

SECTION 5. The vacations herein provided for are made upon the express condition that within 90 days after the passage of this ordinance, the Dominick's Finer Foods, Inc. shall file or cause to be filed for record in the Office of the Recorder of Deeds of Cook County, Illinois, a certified copy of this ordinance, together with a plat properly executed and acknowledged, showing the vacations and dedication herein provided for.

SECTION 6. This ordinance shall take effect and be in force from and after its passage.

[Drawing attached to this ordinance is printed on page 38505
of this Journal.]

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

PERMISSION GRANTED TO COMMONWEALTH EDISON COMPANY
TO BLOCK OFF PORTION OF WEST ADAMS STREET
IN CONJUNCTION WITH P.O.W.-M.I.A.
FLAG CEREMONY.

The Committee on Streets and Alleys submitted a report recommending that the City Council pass the following proposed order:

Ordered, That the Commissioner of Public Works is hereby authorized and directed to grant permission to Commonwealth Edison Company, 72 West Adams Street, to block off the north sidewalk and north curb lane of West Adams Street from the west entrance to the building at 72 West Adams Street to a point 120 feet east thereof on Monday, November 10, 1986, in conjunction with a P.O.W.- M.I.A. flag ceremony conducted by the Commonwealth Edison Company and Commonwealth Edison Post 118 of the American Legion Department of Illinois, beginning at 10:00 A.M. inside the lobby of the building and proceed outside at about 10:15 A.M. and conclude approximately at 10:45 A.M.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

(Continued on page 38506)

"A"

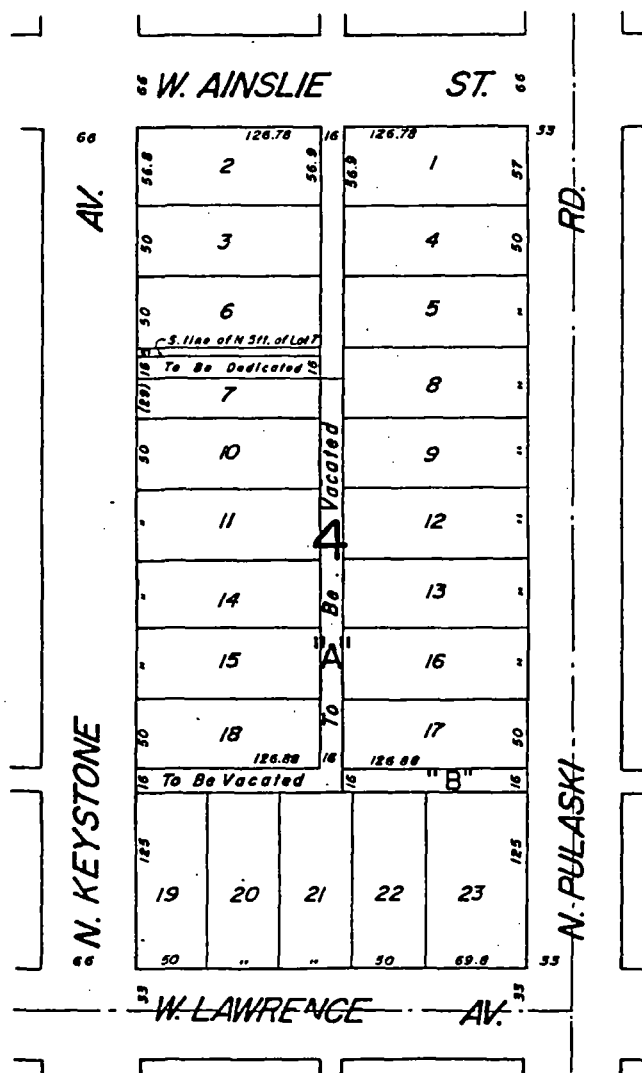
Secrist's Sub. of the E. 1/2 of the S. E. 1/4 of the SE. 1/4 of Sec. 10-40-13

"B"

*Vacated by Ordinance Passed March 25, 1964.
Rec. April 20, 1964.*

Doc.19104381

DR. No. 10-39-85-973 Rev. April 10, 1986



(Continued from page 38504)

Nays -- None.

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

AUTHORITY GRANTED TO WABASH JEWELERS MALL TO PLANT
TREES IN FRONT OF 21 NORTH WABASH AVENUE.

The Committee on Streets and Alleys submitted a report recommending that the City Council pass the following proposed order:

Ordered, That the Commissioner of Public Works is hereby authorized and directed to grant permission to the Wabash Jewelers Mall, c/o Mary Ann Smith, 21 North Wabash Avenue, to plant trees in front of 21 North Wabash Avenue.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

PERMISSION GRANTED TO SOUTH CHICAGO DEVELOPMENT
COMMISSION FOR INSTALLATION OF IDENTIFICATION
SIGNS IN SPECIAL SERVICE AREA ALONG
SOUTH COMMERCIAL AVENUE, EAST
91ST AND EAST 92ND
STREETS.

The Committee on Streets and Alleys submitted a report recommending that the City Council pass the following proposed order:

Ordered, That the Committee on Streets and Alleys memorialize the Department of Economic Development of the City of Chicago, to grant permission to the South Chicago Development Commission, 9204 South Commercial Avenue (subject to approval of application submitted for participation in the Department of Economic Development Street Signage Program), for the installation of identification signs in the Special Service Area

along South Commercial Avenue between East 87th and East 93rd Streets and on East 91st and East 92nd Streets between South Houston Avenue and South Exchange Avenue.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

AUTHORITY GRANTED FOR INSTALLATION OF "GUARD RAIL"
ON WEST FOSTER AVENUE TO ALLOW FOR DRIVEWAYS
AND SIDEWALKS FOR SAINT EUGENE CHURCH
AND SCHOOL.

The Committee on Streets and Alleys submitted a report recommending that the City Council pass the following proposed order:

Ordered, That the Commissioner of Public Works is hereby authorized and directed to give consideration to the installation of a "Guard Rail" on West Foster Avenue (north side) from North Canfield Avenue to a point 400 feet west thereof, to allow for driveways and sidewalks for St. Eugene Church and School.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

AUTHORITY GRANTED TO WAIVE PROVISIONS OF MUNICIPAL
CODE CHAPTER 33, SECTION 33-19.1 REQUIRING
BARRIERS AS PREREQUISITE TO PROHIBIT
INGRESS AND/OR EGRESS TO
PARKING FACILITIES.

The Committee on Streets and Alleys submitted separate reports recommending that the City Council pass two proposed orders waiving the provisions of Chapter 33, Section 33-19.1 of the Municipal Code of Chicago requiring barriers as a prerequisite for parking facilities.

On motion of Alderman Cullerton, the said proposed orders were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

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

8533 -- 8539 South State Street.

Ordered, That the Commissioner of Public Works is hereby authorized and directed to waive the provisions of Chapter 33, Section 19.1 of the Municipal Code of Chicago requiring barriers as a prerequisite to prohibit ingress and/or egress to parking facilities, etc., for Chatham Auto, located at 8533 through 8539 South State Street (north-south alley).

*730 -- 750 West Diversey Avenue/2817 --
2819 North Halsted Street.*

Ordered, That the Commissioner of Public Works is hereby authorized and directed to waive the provisions of Chapter 33, Section 19.1 of the Municipal Code of Chicago requiring barriers as a prerequisite to prohibit ingress/egress to parking facilities, etc. for the establishment located at 730 -- 750 West Diversey Avenue/2817 -- 2819 North Halsted Street.

AUTHORITY GRANTED FOR ALLEY IMPROVEMENTS BY
SPECIAL ASSESSMENT.

The Committee on Streets and Alleys, to which had been referred thirty proposed ordinances recommended by the Board of Local Improvements for alley improvements, submitted separate reports recommending that the City Council pass said proposed ordinances transmitted therewith.

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

Yeas -- Aldermen Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

Nays -- None.

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

The following are descriptive summaries of the said improvement ordinances as passed:

*Alleys Between East 76th Street, South South Chicago Avenue,
South Dante Avenue And South Dorchester Avenue.*

An ordinance for constructing a ten (10) inch tile pipe sewer and a twelve (12) inch tile pipe sewer with two (2) new concrete manholes and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of portland cement concrete and otherwise improving the roadways of the alleys between East 76th Street, South South Chicago Avenue, South Dante Avenue and South Dorchester Avenue; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between East 82nd Street, East 83rd Street, South Crandon
Avenue And South Luella Avenue.*

An ordinance for constructing a ten (10) inch tile pipe sewer with two (2) new concrete manholes and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between East 82nd Street, East 83rd Street, South Crandon Avenue and South Luella Avenue; also that part of the north and south roadway from a line parallel with and eleven (11) feet south of the north line of East 83rd Street to the north line of East 83rd Street; also that part of the east and west roadway from a line parallel with and twenty (20) feet east of the west line of South Crandon Avenue to the west line of South Crandon Avenue; in the City of Chicago, County of Cook and State of Illinois.

Alleys Between East 82nd Street, East 83rd Street, South Yates Avenue And South Oglesby Avenue.

An ordinance for constructing a ten (10) inch tile pipe sewer with three (3) new concrete manholes and three (3) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between East 82nd Street, East 83rd Street, South Yates Avenue and South Oglesby Avenue; also that part of the north and south roadway from a line parallel with and twenty (20) feet north of the south line of East 82nd Street to the south line of East 82nd Street; also that part of the east and west roadway from a line parallel with and twenty (20) feet west of the east line of South Oglesby Avenue to the east line of South Oglesby Avenue; also that part of the east and west roadway from a line parallel with and sixteen (16) feet east of the west line of South Yates Avenue; in the City of Chicago, County of Cook and State of Illinois.

Alley Between East 89th Street, East 90th Street, South Cornell Avenue And South Stony Island Avenue.

An ordinance for constructing a ten (10) inch tile pipe sewer with two (2) new concrete manholes and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadway of the alley between East 89th Street, East 90th Street, South Cornell Avenue and South Stony Island Avenue; also that part of the roadway from a line parallel with and seventeen (17) feet north of the south line of East 89th Street to the south line of East 89th Street; in the City of Chicago, County of Cook and State of Illinois.

Alley Between East 89th Street, East 90th Street, South East End Avenue And South Cornell Avenue.

An ordinance for constructing a ten (10) inch tile pipe sewer with two (2) new concrete manholes and three (3) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadway of the alley between East 89th Street, East 90th Street, South East End Avenue and South Cornell Avenue; also that part of the roadway from a line parallel with and seventeen (17) feet north of the south line of East 89th Street to the south line of East 89th Street; also that part of the roadway from a line parallel with and seventeen (17) feet south of the north line of East 90th Street to the north line of East 90th Street; in the City of Chicago, County of Cook and State of Illinois.

Alleys Between East 107th Street, East 108th Street, South Calumet Avenue And South Forest Avenue.

An ordinance for constructing a ten (10) inch tile pipe sewer with two (2) new concrete manholes and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between East 107th Street, East 108th Street, South Calumet Avenue and South Forest Avenue; also that part of the north and south roadway from a line parallel with and eighteen (18) feet south of the north line of East 108th Street to the north line of East 108th Street; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between East 109th Street, East 110th Place, South
Eberhart Avenue And South Vernon Avenue.*

An ordinance for constructing a ten (10) inch tile pipe sewer and a ten (10) inch ductile iron pipe sewer with three (3) new concrete manholes and five (5) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between East 109th Street East 110th Place, South Eberhart Avenue and South Vernon Avenue; in the City of Chicago, County of Cook and State of Illinois.

*Alley Between East 110th Street, East 110th Place, South
Vernon Avenue And South Martin Luther King Jr.
Drive.*

An ordinance for constructing a ten (10) inch tile pipe sewer with two (2) new concrete manholes and one (1) new concrete catchbasin complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadway of the alley between East 110th Street, East 110th Place, South Vernon Avenue and South Martin Luther King Jr. Drive; also that part of the roadway from a line parallel with and nine (9) feet south of the north line of East 110th Place to the north line of East 110th Place; in the City of Chicago, County of Cook and State of Illinois.

*Alley Between West 122nd Street, West 123rd Street,
South Morgan Street And South Carpenter
Street.*

An ordinance for constructing a ten (10) inch tile pipe sewer with two (2) new concrete manholes and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadway of the alley between West 122nd Street, West 123rd Street, South Morgan Street and South Carpenter Street; also that part of the north and south roadway from a line parallel with and eighteen (18) feet north of the south line of West 122nd Street to the south line of West 122nd Street; also that part of the north and south roadway from a line parallel with and eighteen (18) feet south of the north line of West 123rd Street to the north line of West 123rd Street; in the City of Chicago, County of Cook and State of Illinois.

*Alley Between West 125th Street, West 126th Street,
South Stewart Avenue And South Eggleston
Avenue.*

An ordinance for grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadway of the alley between West 125th Street, West 126th Street, South Stewart Avenue and South Eggleston Avenue; also that part of the north and south roadway from a line parallel with and eighteen (18) feet north of the south line of West 125th Street to the south line of West 125th Street; also that part of the north and south roadway from a line parallel with and twenty (20) feet south of the north line of West 126th Street to the north line of West 126th Street; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between West 127th Street, West Vermont Street,
South Green Street And South Peoria Street.*

An ordinance for constructing a ten (10) inch tile pipe sewer with one (1) new concrete manhole and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between West 127th Street, West Vermont Street, South Green Street and South Peoria Street; also that part of the north and south roadway from a line parallel with and twenty-nine (29) feet north of the south line of West 107th Street to the south line of West 107th Street; also that part of the northeasterly-southwesterly roadway from a line parallel with and eighteen (18) feet northeasterly of the west line of South Green Street to the west line of South Green Street; also that part of the northeasterly-southwesterly roadway from a line parallel with and eighteen (18) feet southwesterly of the east line of South Peoria Street to the east line of South Peoria Street; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between West 128th Place, West 129th Place,
South Parnell Avenue And South Wallace
Street.*

An ordinance for constructing a ten (10) inch tile pipe sewer with three (3) new concrete manholes and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between West 128th Place, West 129th Place, South Parnell Avenue and South Wallace Street; also that part of the east and west roadway from a line parallel with and twenty (20) feet west of the east line of South Wallace Street to the east line of South Wallace Street; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between East 92nd Street, East 93rd Street,
South Clyde Avenue And South Chappel
Avenue.*

An ordinance for constructing a ten (10) inch and twelve (12) inch tile pipe sewer with two (2) new concrete manholes and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between East 92nd Street, East 93rd Street, South Clyde Avenue and South Chappel Avenue; also that part of the north and south roadway from a line parallel with and fourteen (14) feet north of the south line of East 92nd Street to the south line of East 92nd Street; also that part of the east and west roadway from a line parallel with and seventeen (17) feet west of the east line of South Chappel Avenue to the east line of South Chappel Avenue; also that part of the east and west roadway from a line parallel with and nineteen (19) feet east of the west line of South Clyde Avenue to the west line of South Clyde Avenue; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between South Archer Avenue, South Bonaparte
Avenue, South Arch Avenue And South
Lock Street.*

An ordinance for constructing a ten (10) inch tile pipe sewer with one (1) new concrete manhole and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between South Archer Avenue, South Bonaparte Avenue, South Arch Avenue and South Lock Street; also that part of the northeasterly and southwesterly alley from a line parallel with and twelve (12) feet northeasterly of the southwesterly line of South Arch Avenue to the southwesterly line of South Arch Avenue; also that part of the northeasterly and southwesterly alley from a line parallel with and fifteen (15) feet southwesterly of the northeasterly line of South Lock Street to the northeasterly line of South Lock Street; also that part of the northwesterly and southeasterly alley from a line parallel with and thirteen (13) feet southeasterly of the northwesterly line of South Bonaparte Avenue to the northwesterly line of South Bonaparte Avenue; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between South Archer Avenue, West 41st Street,
South Montgomery Avenue And South California
Avenue.*

An ordinance for constructing a ten (10) inch tile pipe sewer with one (1) new concrete manhole and three (3) new concrete catchbasins complete -- grading; paving with eight (8) inches of Portland Cement Concrete and otherwise improving the north and south and east and west alleys first east of South California Avenue in the block bounded by South Archer Avenue, West 41st Street, South Montgomery Avenue and South California Avenue; in the City of Chicago, County of Cook and State of Illinois.

*Alley Between West 45th Street, West 46th Street,
South Knox Avenue And South
Kilpatrick Avenue.*

An ordinance for constructing a ten (10) inch tile pipe sewer with three (3) new concrete manholes and four (4) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadway of the alley West 45th Street, West 46th Street, South Knox Avenue and South Kilpatrick Avenue; in the City of Chicago, County of Cook and State of Illinois.

*Alley Between West 49th Street, West 50th Street,
South Marshfield Avenue And South
Paulina Street.*

An ordinance for grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving a fifteen foot four inch (15' 4") alley roadway from a point four hundred thirty-two (432) feet north of the north line of West 50th Street to a point five hundred twenty-eight (528) feet north of the north line of West 50th Street; in the block bounded by West 49th Street, West 50th Street, South Marshfield Avenue and South Paulina Street; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between West 71st Street, West 72nd Street,
South Seeley Avenue And South Hoyne
Avenue.*

An ordinance for constructing a ten (10) inch tile pipe sewer with two (2) new concrete manholes and five (5) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between West 71st Street, West 72nd Street, South Seeley Avenue and South Hoyne Avenue; in the City of Chicago, County of Cook and State of Illinois.

*Alley Between West 86th Street, West 86th Place, South
Lawndale Avenue And South Hamlin Avenue.*

An ordinance for constructing a ten (10) inch tile pipe sewer with two (2) new concrete manholes and three (3) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadway of the alley between West 86th Street, West 86th Place, South Lawndale Avenue and South Hamlin Avenue; also that part of the roadway from a line parallel with and twenty (20) feet west of the east line of South Hamlin Avenue to the east line of South Hamlin Avenue; in the City of Chicago, County of Cook and State of Illinois.

*Alley Between West 110th Street, West 111th Street, South
Fairfield Avenue And South California Avenue.*

An ordinance for constructing a ten (10) inch tile pipe sewer with two (2) new concrete manholes and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadway of the alley between West 110th Street, West 111th Street, South Fairfield Avenue and South California Avenue; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between West 87th Street, West 88th Street, South
Bishop Street And South Laflin Street.*

An ordinance for constructing a ten (10) inch tile pipe sewer with two (2) new concrete manholes and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between West 87th Street, West 88th Street, South Bishop Street and South Laflin Street; also that part of the north and south roadway from a line parallel with and eighteen (18) feet south of the north line of West 88th Street to the north line of West 88th Street; also that part of the east and west roadway from a line parallel with and eighteen (18) feet east of the west line of South Bishop Street to the west line of South Bishop Street; also that part of the east and west roadway from a line parallel with and eighteen (18) feet west of the east line of South Laflin Street to the east line of South Laflin Street; in the City of Chicago, County of Cook and State of Illinois.

*Alley Between West 88th Street, West 89th Street, South
Halsted Street And South Genoa Avenue.*

An ordinance for constructing a ten (10) inch tile pipe sewer with one (1) new concrete manhole and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the north and south alley first west of South Halsted Street in the block bounded by West 88th Street, West 89th Street, South Halsted Street and South Genoa Avenue; also that part of the north and south roadway from a line parallel with and twenty (20) feet north of the south line of West 88th Street to the south line of West 88th Street; in the City of Chicago, County of Cook and State of Illinois.

*Alley Between West 97th Street, West 98th Street, South
Morgan Street And South Carpenter Street.*

An ordinance for constructing a ten (10) inch tile pipe sewer with two (2) new concrete manholes and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadway of the alley between West 97th Street, West 98th Street, South Morgan Street and South Carpenter Street; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between South Archer Avenue, West 52nd Street,
South Kilbourn Avenue And South Kolmar Avenue.*

An ordinance for constructing a ten (10) inch tile pipe sewer with one (1) new concrete manhole and one (1) new concrete catchbasin complete -- grading, paving with (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between South Archer Avenue, West 52nd Street, South Kilbourn Avenue and South Kolmar Avenue; also that part of the north and south roadway from a line parallel with and eighteen (18) feet south of the north line of West 52nd Street to the north line of West 52nd Street; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between West 103rd Street, West 104th Street,
South Sangamon Street And South Morgan Street.*

An ordinance for constructing a ten (10) inch tile pipe sewer with two (2) new concrete manholes and four (4) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between West 103rd Street, West 104th Street, South Sangamon Street and South Morgan Street; also that part of the east and west roadway from a line parallel with and eighteen (18) feet west of the east line of South Morgan Street to the east line of South Morgan Street; in the City of Chicago, County of Cook and State of Illinois.

*Alley Between West 109th Street, West 109th Place,
South Throop Street And South Loomis Street.*

An ordinance for constructing a ten (10) inch tile pipe sewer with one (1) new concrete manhole and two (2) new concrete catchbasins complete -- grading, paving with (8) inches of Portland Cement Concrete and otherwise improving the roadway of the alley between West 109th Street, West 109th Place, South Throop Street and South Loomis Street; also that part of the roadway from a line parallel with and eighteen (18) feet east of the west line of South Throop Street to the west line of South Throop Street; also that part of the roadway from a line parallel with and eighteen (18) feet west of the east line of South Loomis Street to the east line of South Loomis Street; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between West 116th Street, West 116th Place,
South Union Avenue And South Halsted Street.*

An ordinance for grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between West 116th Street, West 116th Place, South Union Avenue and South Halsted Street; also that part of the north and south roadway from a line parallel with and eighteen (18) feet south of the north line of West 116th Place to the north line of West 116th Place; also that part of the north and south roadway from a line parallel with and eighteen (18) feet north of the south line of West 116th Street to the south line of West 116th Street; also that part of the east and west roadway from a line parallel with and eighteen (18) feet east of the west line of South Union Avenue to the west line of South Union Avenue; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between West 117th Street, West 118th Street,
South Harvard Avenue And South Stewart
Avenue.*

An ordinance for constructing a ten (10) inch tile pipe sewer with two (2) new concrete manholes and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between West 117th Street, West 118th Street, South Harvard Avenue and South Stewart Avenue; also that part of the first east and west roadway north of West 118th Street from a line parallel with and nineteen (19) feet east of the west line of South Harvard Avenue to the west line of South Harvard Avenue; also that part of the second east and west roadway north of West 118th Street from a line parallel with and nineteen (19) feet east of the west line of South Harvard Avenue to the west line of South Harvard Avenue; also that part of the first east and west roadway north of West 118th Street from a line parallel with and twenty (20) feet west of the east line of South Stewart Avenue to the east line of South Stewart Avenue; also that part of the second east and west roadway north of West 118th Street from a line parallel with and twenty (20) feet west of the east line of South Stewart Avenue to the east line of South Stewart Avenue; in the City of Chicago, County of Cook and State of Illinois.

*Alleys Between West Cornelia Avenue, West Forest
Preserve Avenue, North Pittsburgh Avenue And
North Plainfield Avenue.*

An ordinance for constructing a ten (10) inch tile pipe sewer with one (1) new concrete manhole and two (2) new concrete catchbasins complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys

between West Cornelia Avenue, West Forest Preserve Avenue, North Pittsburgh Avenue and North Plainfield Avenue; in the City of Chicago, County of Cook and State of Illinois.

Alleys Between West Devon Avenue, West Palatine Avenue, North Nagle Avenue And North Neenah Avenue.

An ordinance for constructing a ten (10) inch tile pipe sewer with one (1) new concrete catchbasin complete -- grading, paving with eight (8) inches of Portland Cement Concrete and otherwise improving the roadways of the alleys between West Devon Avenue, West Palatine Avenue, North Nagle Avenue and North Neenah Avenue; also that part of the east and west roadway from a line parallel with the eighteen (18) feet west of the east line of North Neenah Avenue to the east line of North Neenah Avenue; in the City of Chicago, County of Cook and State of Illinois.

COMMITTEE ON TRAFFIC CONTROL AND SAFETY.

**LOADING ZONES ESTABLISHED AND AMENDED ON
PORTIONS OF SPECIFIED STREETS.**

The Committee on Traffic Control and Safety submitted two proposed ordinances (under separate committee reports) recommending that the City Council pass said proposed ordinances transmitted therewith (as substitutes for proposed ordinances previously referred to the committee) in reference to loading zones.

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

Yeas -- Aldermen Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

Nays -- None.

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

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

Loading Zones Established.

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

SECTION 1. That in accordance with the provisions of Section 27-410 of the Municipal Code of Chicago, the following locations are hereby designated as loading zones for the distances specified, during the hours designated:

Public Way	Distance and Hours
North Ashland Avenue (West side)	From a point 265 feet north of West Cornelia Avenue, to a point 25 feet north thereof -- 8:00 A.M. to 6:00 P.M. -- Monday through Saturday;
South Ashland Avenue (East side)	From a point 108 feet south of West 18th Street, to a point 37 feet south thereof -- at all times;
South Baltimore Avenue (East side)	From a point 199 feet north of East 135th Street, to a point 25 feet north thereof -- at all times -- (handicapped loading zone);
West Belmont Avenue (North side)	From a point 80 feet west of North Lakewood Avenue, to a point 60 feet west thereof -- 7:00 A.M. to 7:00 P.M. -- Monday through Saturday;
West Belmont Avenue (North side)	From a point 230 feet west of North Narragansett Avenue, to a point 25 feet west thereof -- 8:00 A.M. to 8:00 P.M. -- Monday through Saturday;
North Central Park Avenue (West side)	From a point 72 feet south of West Diversey Avenue, to a point 25 feet south thereof;
North Cicero Avenue (East side)	From a point 128 feet south of West Barry Avenue, to a point 25 feet south thereof -- 4:00 P.M. to 12:00 Midnight -- no exceptions;
South Cottage Grove Avenue	At 6344 -- no exceptions;
South Ewing Avenue (West side)	From a point 155 feet south of East 107th Street, to a point 25 feet south thereof;

Public Way

Distance and Hours

South Federal Street
(East side)

From a point 100 feet south of the property line of West Congress Parkway, to a point 40 feet south thereof -- at all times;

North Garland Court
(West side)

From a point 146 feet north of East Washington Street, to a point 47 feet north thereof -- at all times;

North Halsted Street
(West side)

From a point 250 feet north of West Armitage Avenue, to a point 40 feet north thereof -- 5:00 P.M. to midnight;

West Lawrence Avenue
(North side)

From a point 62 feet east of North Harding Avenue, to a point 23 feet east thereof -- 9:00 A.M. to 11:00 P.M.;

West Madison Street
(North side)

From a point 185 feet west of North Desplaines Street, to a point 25 feet west thereof;

North Manila Avenue
(East side)

From a point 30 feet south of North Milwaukee, to a point 25 feet south thereof -- 7:00 A.M. to 6:00 P.M. -- Monday through Saturday;

West Randolph Street
(North side)

Service drive from a point 30 feet east of North Green Street, to a point 45 feet east thereof -- at all times -- no exceptions;

North Rush Street
(West side)

From a point 20 feet south of East Ontario Street, to a point 55 feet south thereof;

North Sheffield Avenue
(West side)

From a point 320 feet north of West Belmont Avenue, to a point 35 feet north thereof -- 8:00 A.M. to 6:00 P.M. -- Monday through Saturday;

West Van Buren Street
(North side)

From a point 35 feet east of South LaSalle Street, to a point 43 feet east thereof -- at all times -- no exceptions;

South Wacker Drive
(West side)

From a point 20 feet south of West Jackson Boulevard, to a point 25 feet

Public Way	Distance and Hours
	south thereof -- 300 South Wacker Drive - - at all times -- (handicapped loading zone);
West Washington Street (North side)	From a point 30 feet west of North State Street, to a point 57 feet west thereof -- at all times -- no exceptions;
West Wilson Avenue (South side)	From a point 180 feet east of North Sheridan Road, to a point 45 feet east thereof -- 8:00 A.M. to 6:00 P.M. -- Monday through Saturday;
West 35th Street (North side)	At 1608 -- 10:00 A.M. to 4:00 P.M. -- 6-days -- Monday through Saturday;
East 45th Street (North side)	From a point 170 feet east of South Martin Luther King (east service drive), to a point 25 feet east thereof -- 8:00 A.M. to 6:00 P.M. -- Monday through Friday;
West 55th Street (North side)	From South Merrimac Avenue to South Mobile Avenue (Handicapped Purpose Only) Monday through Friday -- 8:00 A.M. to 7:00 P.M. -- Saturdays -- 8:00 A.M. to 3:00 P.M.;
East 74th Street (North side)	From a point 20 feet west of South Jeffery Boulevard, to a point 26 feet west thereof -- at all times -- no exceptions;
West 79th Street	At 814 -- 8:00 A.M. to 11:00 P.M. -- no exceptions;
West 101st Place (North side)	From a point 40 feet west of South Longwood Drive, to a point 25 feet west thereof -- Handicapped -- Sundays only;

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

Loading Zones Amended.

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

SECTION 1. That an ordinance heretofore passed by the City Council establishing loading zones on portions of designated sundry streets during specified hours, be and the same is hereby amended by striking therefrom, the following:

"West Fullerton Avenue
(South side)

From a point 174 feet east of North
Kimball Avenue, to a point 19 feet east
thereof -- 9:00 A.M. to 4:30 P.M. --
Monday through Friday"

by striking the above and inserting in lieu thereof:

West Fullerton Avenue
(South side)

From a point 174 feet east of North
Kimball Avenue, to a point 67 feet east
thereof -- 9:00 A.M. to 6:00 P.M. --
Monday through Saturday.

SECTION 2. That the ordinance heretofore passed by the City Council establishing loading zones at designated locations during specified hours, be and same is hereby amended by repealing the following: "2650 North Lakeview Avenue".

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

VEHICULAR TRAFFIC MOVEMENTS RESTRICTED AND AMENDED ON PORTIONS OF SUNDRY STREETS.

The Committee on Traffic Control and Safety submitted two proposed ordinances (under separate committee reports) recommending that the City Council pass said proposed ordinances transmitted therewith (as substitutes for proposed ordinances previously referred to the committee).

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

Yeas -- Aldermen Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

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

*Vehicular Traffic Movement Restricted To Single
Direction.*

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

SECTION 1. Pursuant to Section 27-403 of the Municipal Code of Chicago, the operator of a vehicle shall operate such vehicle only in the direction specified below on the public ways between the limits indicated:

Public Way	Limits and Direction
West Dakin Street	North Seminary Avenue to North Broadway -- easterly;
South Federal Street	Between West Congress Parkway and West Harrison Street -- southerly;
First East-West	Alley north of West Grand Avenue between North Major Avenue and North Menard Avenue -- westerly;
South Keeler Avenue	From 3100 to 3300 north -- southerly;
North Kildare Avenue	3900 block from West Byron Street to West Irving Park Road -- northerly;
South Komensky Avenue	From West 64th Street to West 63rd Street -- northerly;
First East-West	Alley north of West North Avenue between North Luna Avenue and North Long Avenue -- easterly;
Alley between	North Ridgeway Avenue and North Hamlin Avenue from West Cornelia Avenue to West Roscoe Street -- southerly;
West Roscoe Street	North Laramie Avenue to North Cicero Avenue -- easterly;
For Northbound	Traffic in alley of Stony Island Avenue/Blackstone 8600 to 8700 -- erection of one-way sign;
West 32nd Street	From 4200 west to 4400 west -- easterly;
West 33rd Street	From 4200 west to 4134 west -- easterly;

Public Way

Limits and Direction

West 70th Street

From South Hoyne Avenue to South
Damen Avenue -- easterly.

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

Amendment Of One-Way Traffic Restrictions.

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

SECTION 1. Amend ordinance passed 10-9-85, page 20511, which reads South Emerald Avenue from West 127th Street to West 129th Place striking West 127th Street and inserting in lieu thereof West 122nd Street -- southerly;

SECTION 2. Amend ordinance previously passed 4-25-85, pages 15826--15827, which reads as South Laflin Street from West 79th Street to West 76th Street -- northerly by striking from West 79th Street to West 76th Street -- northerly and inserting in lieu thereof from West 76th Street to West 79th Street -- southerly;

SECTION 3. Amend ordinance passed 11-28-79, page 660, which reads North Miltmore Avenue between North Elston Avenue and North Leonard Avenue -- northerly, by striking -- northerly;

SECTION 4. Amend ordinance passed 2-26-86, pages 28162--28163, which reads North Nottingham Avenue from West Talcott Avenue to West Hobart Avenue --northerly, by striking -- northerly;

SECTION 5. Amend ordinance passed 10-9-85, page 20512, which reads South Union Avenue from West 129th Place to West 127th Street by striking West 127th Street and inserting in lieu thereof West 122nd Street -- northerly;

SECTION 6. Ordered, that the Commissioner of Public Works is hereby authorized and directed to give consideration to the reversal of "one-way" signs from eastbound to westbound on East 86th Place from 1600 east to 1700 east;

SECTION 7. That an ordinance passed by the City Council on April 22, 1953, page 4640 of the Journal of Proceedings on said date, restricting the movement of traffic to a single direction only on portions of sundry streets, be and the same is hereby amended as it relates to the following:

"North Kilbourn Avenue from West Irving Park Road to North Milwaukee Avenue -- southerly" by striking: "West Irving Park Road" and inserting in lieu thereof "North Kilbourn Avenue from West Dakin Avenue to North Milwaukee Avenue -- southerly".

SECTION 8. This ordinance shall take effect and be in force hereinafter its passage and publication.

PARKING METER ZONES ESTABLISHED AND AMENDED
ON PORTIONS OF DESIGNATED STREETS.

The Committee on Traffic Control and Safety submitted two proposed ordinances (under separate committee reports) recommending that the City Council pass said proposed ordinances transmitted therewith (as substitutes for proposed ordinances previously referred to the committee) in reference to parking meter zones.

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

Yeas -- Aldermen Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

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

Parking Meter Zones Established.

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

SECTION 1. Pursuant to Section 27-415 of the Municipal Code of Chicago, the Commissioner of Public Works is hereby authorized and directed to establish Parking Meter Area as follows:

Street	Limits
South Dearborn Street (Both sides)	Between West Congress Parkway and West Harrison Street -- 30-minute meters -- 7:00 A.M. to 6:00 P.M. -- Monday through Saturday -- 25 cents for each 15 minutes.

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

Parking Meter Zones Amended.

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

SECTION 1. Removal of meter located in front of 814 West 79th Street -- Meter 418-3006.

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

REGULATIONS PRESCRIBED AND AMENDED IN REFERENCE
TO PARKING OF VEHICLES ON SUNDRY STREETS.

The Committee on Traffic Control and Safety submitted seven proposed ordinances (under separate committee reports) recommending that the City Council pass said proposed ordinances transmitted therewith (as substitutes for proposed ordinances previously referred to the committee) in reference to the parking of vehicles.

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

Yeas -- Aldermen Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

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

Prohibition Against Parking Of Vehicles At All Times.

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

SECTION 1. Pursuant to Section 27-413 of the Municipal Code of Chicago, the operator of a vehicle shall not park such vehicle at any time upon the following public ways in the areas indicated:

Public Way	Area
South Aberdeen Street (West side)	From a point 100 feet north of West 58th Street, to a point 25 feet north thereof -- (5748 South Aberdeen Street -- Handicapped Permit 1522);
West Ainslie Street	From a point 125 feet west North

Public Way	Area
(North side)	Hermitage Avenue, to a point 25 feet west thereof -- (1754 West Ainslie Street - Handicapped Permit 1504);
South Albany Avenue (East side)	From a point 261 feet north of West 59th Street to a point 25 feet north thereof -- (5833 South Albany Avenue -- Handicapped Permit 1468);
North Artesian Avenue (East side)	From a point 125 feet south of West Albion Avenue, to a point 25 feet south thereof -- (6547 North Artesian Avenue -- Handicapped Permit 1546);
West Arthington Avenue (North side)	From a point 76 feet east of South Pulaski Road, to a point 25 feet east thereof -- (3940 West Arthington Avenue -- Handicapped Permit 1465);
South Avers Avenue (West side)	From a point 207 feet south of West 23rd Street, to a point 25 feet south thereof -- (2328 South Avers Avenue -- Handicapped Permit 1443);
West Briar Place (South side)	From a point 412 feet west of North Sheridan Road, to a point 23 feet west thereof -- (455 West Briar Place -- Handicapped Permit 1385);
West Bryn Mawr Avenue (North side)	From North Cumberland Avenue east, to a point 355 feet east thereof -- city limits;
West Byron Street (South side)	From a point 20 feet east of North Laramie Avenue, to a point 25 feet east thereof -- (3853 North Laramie Avenue -- Handicapped Permit 1431);
West Byron Street (South side)	From a point 70 feet west of North Kilpatrick Avenue, to a point 25 feet west thereof -- (4707 West Byron Street -- Handicapped Permit 1451);
South Buffalo Avenue (West side)	From a point 326 feet south of East 109th Street, to a point 25 feet south thereof -- (10932 South Buffalo Avenue -- Handicapped Permit 1473);

Public Way

Area

South California Avenue
(West side)

From a point 195 feet north of West 46th Street, to a point 23 feet north thereof -- (4538 South California Avenue -- Handicapped Permit 1444);

South Carpenter Street
(West side)

From a point 221 feet south of West 87th Street, to a point 20 feet south thereof -- (8724 South Carpenter Street -- Handicapped Permit 1434);

North Central Park Avenue
(West side)

From a point 266 feet north of West Peterson Avenue, to a point 19 feet north thereof -- (6030 North Central Park Avenue -- Handicapped Permit 1542);

North Christiana Avenue
(East side)

From a point 60 feet south of West Grace Street, to a point 25 feet south thereof -- (3753 North Christiana Avenue -- Handicapped Permit 1535);

South Colfax Avenue
(West side)

From a point 102 feet north of East 79th Street, to a point 50 feet north thereof;

West Cornelia Avenue
(North side)

From a point 409 feet east of North Laverne Avenue, to a point 25 feet east thereof -- (4916 West Cornelia Avenue -- Handicapped Permit 1540);

West Cortland Street
(South side)

From a point 211 feet west of North Damen Avenue, to a point 25 feet west thereof -- (2023 West Cortland Street -- Handicapped Permit 1489);

West Cortland Street
(South side)

From a point 308 feet west of North Damen Avenue, to a point 23 feet west thereof (2033 West Cortland Street -- Handicapped Permit 1488);

West Crystal Street
(North side)

From a point 153 feet east of North Damen Avenue, to a point 20 feet east thereof -- (1930 West Crystal Street -- Handicapped Permit 1483);

Public Way	Area
North Damen Avenue (West side)	From a point 67 feet south of West Albion Avenue, to a point 25 feet south thereof;
South Dearborn Street (West side)	From a point 30 feet south of the property line of West Congress Parkway, to a point 166 feet south thereof;
West Diversey Parkway (South side)	From a point 25 feet east of North Bosworth Avenue, to a point 140 feet east thereof;
South Dorchester Avenue (West side)	From a point 25 feet north of East 80th Street, to a point 25 feet north thereof -- (7958 South Dorchester Avenue -- Handicapped Permit 1436);
North Drake Avenue (East side)	From a point 145 feet north of West Bryn Mawr Avenue, to a point 25 feet north thereof -- (5615 North Drake Avenue -- Handicapped Permit 1541);
South Essex Avenue (West side)	From a point 284 feet north of East 78th Street, to a point 16 feet north thereof -- (7730 South Essex Avenue -- Handicapped Permit 1471);
South Evans Avenue (East side)	From a point 150 feet south of East 79th Street, to a point 25 feet south thereof -- (7915 South Evans Avenue -- Handicapped Permit 1469);
North Fairfield Avenue (East side)	From a point 230 feet north of West Cortland Street, to a point 25 feet north thereof -- (1925 North Fairfield Avenue -- Handicapped Permit 1414);
South Fairfield Avenue (East side)	From a point 54 feet north of West 54th Street, to a point 25 feet north thereof -- (5353 South Fairfield Avenue -- Handicapped Permit 1458);
West Farragut Avenue (North side)	From a point 155 feet west of North Francisco Avenue, to a point 25 feet west thereof -- (2916 West Farragut Avenue -- Handicapped Permit 1416);

Public Way

Area

West Farragut Avenue
(South side)

From a point 10 feet west of North
Harlem Avenue, to a point 45 feet west
thereof;

South Financial Place
(Both sides)

From the south property line of West
Polk Street, to a point 100 feet south
thereof;

West Fitch Avenue
(South side)

From a point 14 feet east of North
California Avenue, to a point 25 feet east
thereof -- (2755 West Fitch Avenue --
Handicapped Permit 1509);

South Green Street
(West side)

From a point 82 feet south of West
77th Street, to a point 25 feet south
thereof -- (7708 South Green Street - -
Handicapped Permit 1456);

North Hamlin Avenue
(West side)

From a point 30 feet south of West
Belden Avenue, to a point 25 feet south
thereof -- (2254 North Hamlin Avenue --
Handicapped Permit 1424);

North Hamlin Avenue
(West side)

From a point 2,120 feet south of
West Fullerton Avenue, to a point 25 feet
south thereof -- (2334 North Hamlin
Avenue -- Handicapped Permit 1492);

South Hamlin Avenue
(West side)

From a point 345 feet south of West
Cermak Road, to a point 25 feet south
thereof -- (2234 South Hamlin Avenue --
Handicapped Permit 1466);

South Haskings Avenue
(South side)

From North Hermitage Avenue, to
West Juneway Terrace;

West Henderson Street
(South side)

From a point 90 feet west of North
Kildare Avenue, to a point 25 feet west
thereof -- (4307 West Henderson Street --
Handicapped Permit 1568);

North Hermitage Avenue
(East side)

From West Jonquil Terrace, to a
point 60 feet north thereof;

West Homer Street
(North side)

From a point 280 feet west of North
Hoyne Avenue, to a point 22 feet west

Public Way

Area

thereof -- (2130 West Homer Street -- Handicapped Permit 1557);

West Jackson Boulevard
(North side)

From a point 28 feet east of South Racine Avenue, to a point 25 feet east thereof;

West Jerome Avenue
(South side)

From a point 250 feet west of North Sacramento Avenue, to a point 25 feet west thereof -- (3027 West Jerome Avenue -- Handicapped Permit 1565);

West Juneway Terrace
(North side)

From the first alley east of North Hermitage Avenue, to a point 70 feet east thereof;

West Kamerling Avenue
(North side)

From a point 265 feet west of North Pulaski Road, to a point 25 feet west thereof -- (4026 West Kamerling Avenue -- Handicapped Permit 1487);

North Karlov Avenue
(West side)

From a point 195 feet south of West Fullerton Avenue, to a point 25 feet south thereof -- (2336 North Karlov Avenue -- Handicapped Permit 1491);

South Keating Avenue
(West side)

From a point 165 feet north of West 63rd Street, to a point 25 feet north thereof -- (6240 South Keating Avenue -- Handicapped Permit 1521);

North Kilpatrick Avenue
(East side)

From West Lawrence Avenue, to the first alley north thereof;

South Laflin Street
(Both sides for 116 feet)

From West Harrison Street, to the first alley south thereof;

North Lamon Avenue
(East side)

From a point 30 feet south of West Crystal Street, to a point 25 feet south thereof -- (1225 North Lamon Avenue -- Handicapped Permit 1442);

South Langley Avenue
(West side)

From a point 105 feet south of East 112th Street, to a point 20 feet south thereof -- (11212 South Langley Avenue -- Handicapped Permit 1472);

Public Way	Area
South LaSalle Street (Both sides)	From the south property line of West Polk Street, to a point 100 feet south thereof;
North Latrobe Avenue (West side)	From a point 165 feet north of West Belden Avenue, to a point 25 feet north thereof -- (2316 North Latrobe Avenue -- Handicapped Permit 1514);
South Leavitt Street (East side)	From a point 252 feet south of West 33rd Street, to a point 21 feet south thereof -- (3327 South Leavitt Street -- Handicapped Permit 1288);
North Lockwood Avenue (East side)	From a point 185 feet south of West Augusta Boulevard, to a point 25 feet south thereof -- (941 North Lockwood Avenue -- Handicapped Permit 1498);
South Lotus Avenue (West side)	From a point 225 feet south of West 54th Street, to a point 25 feet south thereof -- (5420 South Lotus Avenue -- Handicapped Permit 1528);
North Lowell Avenue (East side)	From a point 380 feet south of West Grace Street, to a point 25 feet south thereof -- (3721 North Lowell Avenue -- Handicapped Permit 1437);
West Lunt Avenue (South side)	From a point 87 feet west of North Ravenswood Avenue, to a point 25 feet west thereof -- (1807 West Lunt Avenue -- Handicapped Permit 1419);
North Magnolia Avenue (East side)	From a point 135 feet south of West Belden Avenue, to a point 25 feet south thereof -- (2245 North Magnolia Avenue -- Handicapped Permit 1378);
North Major Avenue (East side)	From a point 360 feet north of West George Street, to a point 25 feet north thereof -- (2937 North Major Avenue -- Handicapped Permit 1493);
South Major Avenue (West side)	From a point 315 feet south of West 62nd Street, to a point 25 feet south

Public Way

Area

thereof -- (6232 South Major Avenue -- Handicapped Permit 1448);

North Maplewood Avenue
(East side)

From a point 264 feet south of West Arthur Avenue, to a point 25 feet south thereof -- (6433 North Maplewood Avenue -- Handicapped Permit 1517);

South Maplewood Avenue
(West side)

From a point 152 feet south of West 35th Street, to a point 24 feet south thereof -- (3516 South Maplewood Avenue -- Handicapped Permit 1476);

North Marine Drive
(East side)

From West Montrose Avenue to North Lake Shore Drive exit ramp, approximately 100 feet north of Montrose Avenue;

South Mason Avenue
(East side)

From a point 185 feet south of West 60th Street, to a point 25 feet south thereof -- (6019 South Mason Avenue -- Handicapped Permit 1461);

North Massasoit Avenue
(East side)

From a point 212 feet north of West Augusta Boulevard, to a point 25 feet north thereof -- (1023 North Massasoit Avenue -- Handicapped Permit 1422);

North Menard Avenue
(West side)

From a point 155 feet south of West Wellington Avenue, to a point 25 feet south thereof -- (2942 North Menard Avenue -- Handicapped Permit 1538);

West Monroe Street
(North side)

From a point 105 feet east of South Karlov Avenue, to a point 25 feet east thereof -- (4048 West Monroe Street -- Handicapped Permit 1484);

North Mont Clare Avenue
(East side)

From a point 125 feet south of West Diversey Avenue, to a point 25 feet south thereof -- (2745 North Mont Clare Avenue -- Handicapped Permit 1494);

North Mohawk Street
(West side)

From a point 125 feet south of West North Avenue, to a point 25 feet south thereof -- (1546 North Mohawk Street -- Handicapped Permit 1505);

Public Way

Area

North Mozart Street
(East side)

From a point 500 feet south of West Diversey Avenue, to a point 25 feet south thereof -- (2713 North Mozart Street -- Handicapped Permit 1490);

North Mozart Street
(East side)

From a point 171 feet south of West Avondale Avenue, to a point 25 feet south thereof -- (2825 North Mozart Street -- Handicapped Permit 1421);

South Mozart Street
(West side)

From a point 192 feet north of West 42nd Street, to a point 25 feet north thereof -- (4136 South Mozart Street -- Handicapped Permit 1462);

South Mozart Street
(West side)

From a point 217 feet north of West 54th Street, to a point 25 feet north thereof -- (5336 South Mozart Street -- Handicapped Permit 1426);

North Mulligan Avenue
(East side)

From a point 150 feet south of West Wellington Avenue, to a point 25 feet south thereof -- (2943 North Mulligan Avenue -- Handicapped Permit 1515);

West Newport Avenue
(South side)

From a point 194 feet west of North Cicero Avenue, to a point 25 feet west thereof -- (4821 West Newport Avenue -- Handicapped Permit 1516);

South Normal Avenue

South Archer Avenue to West 24th Place;

West Ohio Street
(North side)

From a point 225 feet east of North Leclaire Avenue, to a point 25 feet east thereof -- (5034 West Ohio Street -- Handicapped Permit 1430);

West Palmer Street
(North side)

From a point 173 feet west of North Oakley Avenue, to a point 20 feet west thereof -- (2326 West Palmer Street -- Handicapped Permit 1532);

South Parkside Avenue
(East side)

From a point 165 feet south of West 62nd Street, to a point 25 feet south thereof -- (6217 South Parkside Avenue -- Handicapped Permit 1520);

Public Way

Area

South Parnell Avenue
(East side)

From a point 158 feet north of West 64th Street, to a point 25 feet north thereof -- (6345 South Parnell Avenue -- Handicapped Permit 1523);

South Parnell Avenue
(East side)

From a point 326 feet south of West 70th Street, to a point 25 feet south thereof -- (7035 South Parnell Avenue -- Handicapped Permit 1526);

North Pontiac Avenue
(East side)

From a point 40 feet south of West Irving Park Road, to a point 25 feet south thereof -- (3957 North Pontiac Avenue -- Handicapped Permit 1495);

West Quincy Street
(North side)

From a point 122 feet east of South Lotus Avenue, to a point 25 feet east thereof -- (5440 West Quincy Street -- Handicapped Permit 1423);

West Race Avenue
(South side)

From a point 173 feet east of North Long Avenue, to a point 25 feet east thereof -- (5347 West Race Avenue -- Handicapped Permit 1403);

South Racine Avenue
(East side)

From a point 73 feet south of West 31st Place, to a point 23 feet south thereof -- (3141 South Racine Avenue -- Handicapped Permit 1457);

North Ridgeway Avenue
(East side)

From a point 184 feet north of West Ainslie Street, to a point 25 feet north thereof -- (4919 North Ridgeway Avenue -- Handicapped Permit 1502);

South Rockwell Street
(East side)

From West 23rd Place to West 24th Street, and (west side) from West 23rd Place to the first alley south thereof;

North Rutherford Avenue
(West side)

From a point 530 feet north of West Cortland Street, to a point 25 feet north thereof -- (1952 North Rutherford Avenue -- Handicapped Permit 1496);

South Sacramento Avenue
(West side)

From a point 75 feet north of West Pershing Road, to a point 25 feet north

Public Way

Area

South Sangamon Street
(West side)

thereof -- (3848 South Sacramento Avenue -- Handicapped Permit 1478);

From a point 322 feet north of West 62nd Street, to a point 23 feet north thereof -- (6126 South Sangamon Street -- Handicapped Permit 1524);

North Southport Avenue
(West side)

From a point 95 feet north of West Nelson Street, to a point 25 feet north thereof -- (3042 North Southport Avenue -- Handicapped Permit 1440);

South Spaulding Avenue
(West side)

From a point 25 feet north of West 65th Street, to a point 25 feet north thereof -- (3300 West 65th Street -- Handicapped Permit 1413);

North Springfield Avenue
(West side)

At 2222 -- driveway;

South Springfield Avenue
(East side)

From a point 90 feet south of West 32nd Street, to a point 25 feet south thereof -- (3211 South Springfield Avenue -- Handicapped Permit 1467);

West Summerdale Avenue
(North side)

From a point 10 feet east of North Leavitt Avenue, to a point 25 feet east thereof -- (2156 West Summerdale Avenue -- Handicapped Permit 1503);

West Sunnyside Avenue
(South side)

From a point 75 feet east of North Clark Street, to a point 25 feet east thereof -- (1419 West Sunnyside Avenue -- Handicapped Permit 1425);

North Tripp Avenue
(East side)

From a point 438 feet south of West Cortland Street, to a point 25 feet south thereof -- (1811 North Tripp Avenue -- Handicapped Permit 1429);

North Troy Street
(East side)

From a point 75 feet north of West Lawrence Avenue to the first alley north thereof;

Public Way	Area
South Union Avenue (West side)	From a point 417 feet north of West 76th Street, to a point 25 feet north thereof -- (7516 South Union Avenue -- Handicapped Permit 1479);
South Vernon Avenue (East side)	From a point 120 feet north of East 81st Street, to a point 25 feet north thereof -- (8045 South Vernon Avenue -- Handicapped Permit 1446);
South Wabash Avenue (West side)	From a point 20 feet north of East 68th Street, to a point 78 feet north thereof;
North Western Avenue (East side)	At 4055 -- driveway;
North Western Avenue (East side)	From a point 20 feet north of West Irving Park Road, to a point 325 feet north thereof;
North Wisner Avenue	From a point 200 feet south west of Kimball Avenue; to a point 25 feet southwest thereof -- (2964 North Wisner Avenue -- Handicapped Permit 1452);
South Wolcott Avenue (East side)	From a point 252 feet north of West 36th Street, to a point 25 feet north thereof -- (3525 South Wolcott Avenue -- Handicapped Permit 1445);
West Wrightwood Avenue (West side)	From a point 120 feet south of North Lavergne Avenue, to a point 25 feet south thereof -- 4947 West Wrightwood Avenue -- Handicapped Permit 1486);
South Yale Avenue (East side)	From a point 160 feet south of West 102nd Street, to a point 25 feet south thereof -- (10219 South Yale Avenue -- Handicapped Permit 1527);
West 19th Street (South side)	From a point 186 feet west of South Paulina Street, to a point 23 feet west thereof;
West 19th Street	From a point 327 feet west of South

Public Way

Area

(North side)

Laflin Street, to a point 25 feet west thereof -- (1532 West 19th Street -- Handicapped Permit 1482);

West 21st Street
(North side)

From a point 80 feet west of South Kildare Avenue, to a point 25 feet west thereof -- (4306 West 21st Street -- Handicapped Permit 1433);

West 36th Place
(North side)

From a point 247 feet west of South Rockwell Street, to a point 24 feet west thereof -- (2624 West 36th Place -- Handicapped Permit 1512);

West 38th Street
(South side)

From a point 57 feet west of South Francisco Avenue, to a point 24 feet west thereof -- (2907 West 38th Street -- Handicapped Permit 1477);

West 40th Street
(North side)

From a point 105 feet west of South Maplewood Avenue, to a point 17 feet west thereof -- (2522 West 40th Street -- Handicapped Permit 1513);

East 41st Street
(North side)

From a point 100 feet east of South Cottage Grove Avenue, to a point 20 feet east thereof -- (810 East 41st Street -- Handicapped Permit 1447);

West 48th Street
(South side)

From a point 45 feet west of South Wood Street, to a point 25 feet west thereof -- (1805 West 48th Street -- Handicapped Permit 1409);

East 52nd Street
(South side)

From a point 95 feet west of South Dorchester Avenue, to a point 25 feet west thereof -- driveway;

West 53rd Street
(South side)

From a point 20 feet west of South Spaulding Avenue, to a point 25 feet west thereof -- (3303 West 53rd Street -- Handicapped Permit 1550);

West 59th Place
(South side)

From a point 150 feet east of St. Louis Avenue, to a point 25 feet east thereof -- (3443 West 59th Place -- Handicapped Permit 1519);

Public Way	Area
West 60th Place (South side)	From a point 34 feet east of South Central Park Avenue, to a point 25 feet east thereof -- (3553 West 60th Place -- Handicapped Permit 1551);
West 63rd Street (South side)	From a point 104 feet east of South Central Park Avenue, to a point 274 feet east thereof -- Monday thru Saturday;
West 67th Place (North side)	From a point 150 feet west of South Hoyne Avenue, to a point 25 feet west thereof -- (2116 West 67th Place -- Handicapped Permit 1464);
West 72nd Street (North side)	From a point 40 feet west of South Loomis Street, to a point 25 feet west thereof -- (1404 West 72nd Street -- Handicapped Permit 1525);
West 79th Street (Both sides)	From South Perry Avenue to South Harvard Avenue;
East 95th Street (North side)	From a point 75 feet west of South Prairie Avenue, to a point 25 feet west thereof -- (216 East 95th Street -- Handicapped Permit 1470);
West 108th Place (North side)	From a point 350 feet east of South Wentworth Avenue, to a point 25 feet east thereof -- (124 West 108th Place -- Handicapped Permit 1415).

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

Amendment Of Parking Prohibition At All Times.

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

SECTION 1. That an ordinance passed by the City Council on February 26, 1986, page 28169 of the Journal of Proceedings prohibiting the parking at any time upon the public way in the areas indicated, be and the same is hereby amended by striking

"North Artesian Avenue

From a point 260 feet south of West

(East side)

Peterson Avenue, to a point 253 feet south thereof -- (5933 North Artesian Avenue) -- Handicapped Permit 1244."

SECTION 2. That an ordinance heretofore passed by the City Council, prohibiting the parking of vehicles -- at all times -- (except for handicapped) at 5036 North Lowell Avenue, be and the same is hereby repealed.

SECTION 3. That an ordinance heretofore passed by the City Council, prohibiting the parking of vehicles at all times in front of 420 East 45th Street, be and the same is hereby repealed.

SECTION 4. This ordinance shall take effect and be in force hereinafter its passage and publication.

*Prohibition Against Parking Of Vehicles During
Specified Hours.*

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

SECTION 1. Pursuant to Section 27-414 of Municipal Code of Chicago, the operator of a vehicle shall not park such vehicle upon the following public ways in the areas indicated, during the hours specified:

Public Way	Limits and Time
Archer Avenue (Both sides)	From South Kenneth Avenue to South Kilbourn Avenue -- 12 Midnight to 7:00 A.M. -- trucks only -- no exceptions;
North Ashland Avenue (West side)	From West North Avenue to North Milwaukee Avenue -- 7:00 A.M. to 9:00 A.M. -- Tuesdays and Thursdays -- (for street sweeping);
West Devon Avenue (North side)	From North Lehigh Avenue to North Caldwell Avenue -- 4:00 P.M. to 6:00 P.M. -- Monday through Friday;
West Devon Avenue (South side)	From North Lehigh Avenue to North Caldwell Avenue -- 7:00 A.M. to 9:00 A.M. -- Monday through Friday;
South Lamon Avenue (Both sides)	From West 63rd Street to first alley south thereof -- 8:00 A.M. to 10:00 A.M. -- 5-days -- Monday through Friday;

Public Way

Limits and Time

South Merrimac Avenue
(Both sides)

From West 60th Street to the first
alley north thereof -- 8:00 A.M. to 5:00
P.M. -- Monday through Friday;

West Moffat Street
(North side)

From a point 100 feet east of North
Campbell Avenue, to a point 28 feet east
thereof -- 8:00 A.M. to 4:00 P.M. -- no
exceptions;

North Pulaski Road
(East side)

From West Peterson Avenue to West
Devon Avenue -- 4:00 P.M. to 6:00 P.M. --
Monday through Friday;

North Pulaski Road
(West side)

From West Peterson Avenue to West
Devon Avenue -- 7:00 A.M. to 9:00 A.M. --
Monday through Friday;

West School Street
(Both sides)

From North Oconto Avenue to the
first alley east thereof -- 10:00 P.M. to
8:00 A.M. -- no exceptions;

West 60th Street
(North side)

From South Merrimac Avenue to
South Mobile Avenue -- 8:00 A.M. to 5:00
P.M. -- Monday through Friday;

East 107th Street
(North side)

From South Champlain Avenue to
South Cottage Grove Avenue -- 8:00 A.M.
to 6:00 P.M. -- Monday through Saturday;

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

*Amendment Of Parking Prohibition During
Specified Hours.*

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

SECTION 1. That an ordinance passed by the City Council on March 9, 1983, page 16380 of the Journal of Proceedings of said date, prohibiting the parking of vehicles on portions of designated streets during specified hours be and the same is hereby amended by striking therefrom the following: "West Bryn Mawr Avenue (both sides) between North Harlem Avenue and North Odell Avenue -- 7:00 A.M. to 4:00 P.M. -- Monday through

Friday" and inserting in lieu thereof: West Bryn Mawr Avenue (south side) between North Harlem Avenue and North Odell Avenue -- 7:00 A.M. to 4:00 P.M. -- Monday through Friday.

SECTION 2. That an ordinance passed by the City Council on March 10, 1954, printed on page 7033 of the Journal of Proceedings of said date, prohibiting the parking of vehicles during specified hours on portions of designated streets be and the same is hereby amended by striking therefrom the following: "South Throop Street (both sides) from West Cermak Road to the bridge south thereof -- 7:00 A.M. to 9:00 A.M. and 4:00 P.M. to 6:00 P.M. -- except Saturday, Sunday and holidays".

SECTION 3. That an ordinance passed March 6, 1963, page 9056 of the Journal of Proceedings of said date, prohibiting the parking of vehicles during "rush hours" on portions of sundry streets, be and the same is hereby amended by striking therefrom the following: "West 37th Street (both sides) from South Damen Avenue to South Wolcott Street (south side) -- 7:00 A.M. to 9:00 A.M. (north side) -- 4:00 P.M. to 6:00 P.M. -- except Saturday, Sunday and holidays".

SECTION 4. That an ordinance passed December 29, 1966, page 8316 of the Journal of Proceedings of said date, prohibiting the parking of vehicles during specified hours on portions of sundry streets, be and the same is hereby amended by striking therefrom the following: "West 45th Place, from a point 182 feet east of South Western Boulevard, to a point 50 feet east thereof -- 8:00 A.M. to 5:00 P.M. -- except on Saturday, Sunday and holidays", striking: "8:00 A.M. to 5:00 P.M. -- except on Saturday, Sunday and holidays", and inserting in lieu thereof: tow-away zone at all times.

SECTION 5. Amend ordinance passed April 27, 1960, page 2513, by striking: "East 43rd Street (south side) from South King Drive to South Lake Park" and inserting in lieu thereof: South King Drive to South Cottage Grove and South Drexel Boulevard to South Lake Park Avenue -- 4:00 P.M. to 6:00 P.M. -- Monday through Friday.

SECTION 6. That an ordinance passed April 30, 1986, page 30395 of the Journal of Proceedings of said date, prohibiting the parking of vehicles during specified hours on portions of sundry streets be and the same is hereby amended as it relates to the following: "West 77th Street (both sides) from 3900 to 3814 and from 3901 to 3935 -- 7:00 A.M. to 9:00 A.M. -- Monday through Friday", striking "3814" and inserting in lieu thereof: "3914".

SECTION 7. This ordinance shall take effect and be in force hereinafter its passage and publication.

Residential Permit Parking Zones Established.

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

SECTION 1. Pursuant to Section 27-317 of the Municipal Code of Chicago, a portion of the below named street is hereby designated as Residential Permit Parking, for the following location:

Street	Limits
North Bernard Street (Both sides)	From West Byron Street to the 1st alley north of Elston Avenue -- at all times -- Zone 90;
South Chappel Avenue (West side)	From East 86th Street to the first alley north of East 87th Street -- at all times -- Zone 91;
North Knox Avenue (Both sides)	From West Sunnyside Avenue to West Wilson Avenue -- at all times -- Zone 60;
North Nottingham Avenue (Both sides)	From Talcott Avenue to Hobart Avenue;
South McVicker Avenue (Both sides)	From the 1st alley south of Archer Avenue to West 55th Street -- at all times -- Zone 29;
South Merrimac Avenue (Both sides)	From West 55th Street to 420 feet south of West 55th Street -- extension -- 8:00 A.M. through 5:00 P.M. -- Monday through Friday -- Zone 7;
South Millard Avenue (West side)	From West 54th Street to the 1st alley north of West 55th Street -- extension -- 4:00 P.M. to 6:00 A.M. -- Sunday through Saturday -- Zone 23;
North Spaulding Avenue (Both sides)	From West Byron Street to the 1st alley south of West Irving Park Road -- 7:00 A.M. to 4:00 P.M. -- Sunday through Saturday -- Zone 390;
North Winchester Avenue (Both sides)	From West Wabansia Avenue to the 1st alley north of West North Avenue -- at all times -- Zone 89;
West 48th Street (South side)	From South LaCrosse Avenue to the first alley east thereof -- extension -- at all times -- Zone 58;
West 53rd Street (Both sides)	From South Keating Avenue to the first alley east -- extension -- 8:00 A.M. to 5:00 P.M. -- Monday through Friday -- Zone 4.

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

Establishment Of Service Drive/Diagonal Parking.

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

SECTION 1. Pursuant to Section 27-306 of the Municipal Code of Chicago, a portion of the below named street is hereby designated as a Service Drive, and further pursuant to said Section Diagonal parking is hereby permitted in said newly designated location.

Street	Limits
West Gregory Street (Both sides)	Between North Oakview Avenue and North Delphia Avenue;
Kilpatrick Avenue	From West Lawrence Avenue to the 1st alley north thereof -- (2-Way);
South Laflin Street	From West Harrison Street to the 1st alley south thereof -- at all times;
North Oakview Avenue (East side)	Between West Catalpa Avenue and West Bryn Mawr Avenue;
West 57th Street	At 4500.

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

Residential Permit Parking Zones Repealed.

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

SECTION 1. Repeal ordinance passed 10-9-85, pg. 20528, which reads South Harding Avenue from West 102nd Street to West 102nd Place -- at all times -- 7 -- days a week.

SECTION 2. Repeal ordinance passed 2-26-86, pg. 28184 to 28187 on North Oshkosh Avenue (both sides) in the 6600 through 6700 blocks -- Permit Zone 50.

SECTION 3. This ordinance shall take effect and be in force hereinafter its passage and publication.

Diagonal Parking Established.

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

SECTION 1. Pursuant to Section 27-306 of the Municipal Code of Chicago, a portion of the below named street is hereby designated as Diagonal Parking, for the following location:

Street	Limits
West Albion Avenue (South side)	Between North Milwaukee Avenue and the 1st alley west thereof.

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

PARKING LIMITATIONS ESTABLISHED ON PORTIONS OF
SUNDRY STREETS.

The Committee on Traffic Control and Safety submitted a report recommending that the City Council pass a proposed ordinance (as a substitute for proposed ordinances previously referred to the committee) in reference to parking limitations.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

Nays -- None.

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

The following is said ordinance as passed:

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

SECTION 1. Pursuant to Section 27-414 of the Municipal Code of Chicago, the operator of a vehicle shall not park such vehicle upon the following public ways in the areas indicated, during the hours specified:

Public Way**Limits and Time**

North Elston Avenue
(West side)

From a point 20 feet south of North Central Park Avenue, to a point 55 feet south thereof -- 30 minutes -- 9:00 A.M. to 6:00 P.M. -- Monday through Saturday;

South Financial Place
(Both sides)

From a point 100 feet south of the south property line of West Polk Street to West Taylor Street -- 1 hour -- 9:00 A.M. to 4:00 P.M. -- Monday through Friday;

North Kenneth Avenue
(West side)

From a point 30 feet north of West Diversey Avenue to the first alley north thereof -- 1 hour -- 9:00 A.M. to 6:00 P.M. -- Monday through Saturday;

North Kilpatrick Avenue
(Both sides)

From the first alley north of West Lawrence Avenue, to the first alley south of North Elston Avenue -- 2 hour limit -- 9:00 A.M. to 4:00 P.M. -- Monday through Friday;

South LaSalle Street
(Both sides)

From a point 100 feet south of the south property line of West Polk Street to South Taylor Street -- 1 hour -- 9:00 A.M. to 4:00 P.M. -- Monday to Friday;

West Taylor Street
(Both sides)

From South Wells to South Clark Streets -- 1 hour -- 9:00 A.M. to 4:00 P.M. -- Monday through Friday;

South State Street
(East side)

From a point 108 feet north of 71st Street, to a point 70 feet north thereof -- 1 hour -- no exceptions;

Southeast corner

Of 46th Place and South Wallace Street on 46th Place from Wallace Street, to the first alley east and on Wallace Street from 46th Place to 50 feet south -- 1 hour -- 9:00 A.M. to 9:00 P.M. -- no exceptions.

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

PORTION OF SOUTH WOLCOTT AVENUE CLOSED TO
TRAFFIC FOR SCHOOL PURPOSES.

The Committee on Traffic Control and Safety submitted a report recommending that the City Council pass the following proposed ordinance transmitted therewith (as a substitute for a proposed order previously referred to the committee on August 28, 1986):

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

SECTION 1. That the Commissioner of Public Works is hereby authorized and directed to give consideration to the close to traffic signs at the following locations:

Street	Limits
South Wolcott Avenue	Between West Cermak Road and West 22nd Place -- 7:00 A.M. to 8:00 A.M. and 2:00 P.M. to 3:00 P.M., on school days for school purposes.

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

SPEED LIMITATIONS ESTABLISHED ON PORTIONS OF
SUNDRY STREETS.

The Committee on Traffic Control and Safety submitted a report recommending that the City Council pass the following proposed ordinance transmitted therewith (as a substitute for proposed ordinances previously referred to the committee on June 6, 25 and July 9, 1986):

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

SECTION 1. Pursuant to Section 27-212 of the Municipal Code of Chicago, it shall be unlawful for the operator of any vehicle to operate such vehicle at a greater speed than is indicated upon the streets or other public ways designated within the limits specified:

Streets	Limits and Speed
South Buffalo Avenue (Both sides)	From East 87th Street to East 89th Street -- 25 m.p.h.;
South Burley Avenue (Both sides)	From East 87th Street to East 89th Street -- 25 m.p.h.;
North Latrobe Avenue	From 100 to 400 North -- 25 m.p.h.;
North Massasoit Avenue	1100 North -- 25 m.p.h.;
North Menard Avenue	1500 -- 25 m.p.h.;
South Perry Avenue	West 75th Street to West 76th Street -- 15 m.p.h.

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

Nays -- None.

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

TRAFFIC LANE TOW-AWAY ZONES ESTABLISHED ON PORTIONS OF SPECIFIED STREETS.

The Committee on Traffic Control and Safety submitted a report recommending that the City Council pass the following proposed ordinance transmitted therewith (as a substitute for proposed ordinances previously referred to the committee on (June 6, June 25, July 29 and August 28, 1986):

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

SECTION 1. Pursuant to Section 27-414 of the Municipal Code of Chicago, the following location is hereby designated as a Traffic Lane Tow-Away Zone between the limits and during the times standing or parking of any vehicle shall be considered a definite hazard to the normal movement of traffic. The Commissioner of Public Works hereby authorized and directed to install traffic signs designated the hour of prohibition along said route:

Public Way	Limits and Time
West Carroll Street	Below viaduct No. 1000;
North Cleveland Avenue (Both sides)	From North Lincoln Avenue, to a point 20 feet south thereof -- at all times;
West Dickens Avenue (South side)	From North Lincoln Avenue, to a point 50 feet west thereof -- at all times;
West Diversey Parkway (South side)	From a point 20 feet east of North Burling Street, to a point 20 feet west of North Burling Street -- at all times -- no exceptions;
East Lake Shore Drive (South side)	From a point 285 feet east of North Michigan Avenue, to a point 61 feet east thereof -- at all times;
North LaSalle Street (West side)	From a point 139 feet south of West Schiller Street, to a point 33 feet south thereof -- at all times;
North Lincoln Avenue (West side)	From West Dickens Avenue, to a point 20 feet south thereof -- at all times;
North Pine Grove Avenue (West side)	From a point 55 feet south of West Irving Park Road, to a point 105 feet south thereof;
North Ravenswood Avenue (East leg)	From a point 75 feet north of West Irving Park Road, to a point 25 feet north thereof;
North Sandburg Terrace (West side)	North Clark Street from a point 206 feet south of West Goethe Street, to a point 44 feet south thereof -- at all times;
West Wrightwood Avenue (South side)	From a point 80 feet west of North Lakeview Avenue, to a point 150 feet west thereof -- at all times.

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

Nays -- None.

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

PERMISSION GRANTED TO CHINATOWN CHAMBER OF
COMMERCE TO ERECT BUSINESS SIGNS AT
SPECIFIED LOCATIONS.

The Committee on Traffic Control and Safety submitted a report recommending that the City Council pass the following proposed ordinance transmitted therewith (as a substitute for proposed ordinances previously referred to the committee on January 9, 1985):

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

SECTION 1. That the Commissioner of Public Works is hereby authorized and directed to grant permission to Chicago's Chinatown Chamber of Commerce, 2217 South Wentworth Avenue, for the erection of ten (10) business area signs in public ways designated below:

Locations Of Chinatown Chamber Of Commerce Signs.

Northeast corner of West Cermak Road and South Archer Avenue;

West Cermak Road (south side middle of the block) between South Wentworth and South Princeton Avenues;

Northwest corner of South Clark Street and South Archer Avenue;

Northwest corner of South Clark Street and West Cermak Road;

Northeast corner of South Wentworth Avenue and South Archer Avenue;

Northwest corner of South Wentworth Avenue and West Cermak Road;

Southwest corner of West 23rd Street and South Canal Street;

Southwest corner of West 23rd Street and South Wentworth Avenue;

Northwest corner of West 24th Street and South Wentworth Avenue;

Northeast corner of West 26th Street and South Wentworth Avenue.

SECTION 2. That this ordinance shall take effect and be in force from and after its passage and publication.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

INSTALLATION OF "THRU TRAFFIC PROHIBITED" SIGNS AT SPECIFIED LOCATIONS.

The Committee on Traffic Control and Safety submitted a report recommending that the City Council pass the following proposed order transmitted therewith (as a substitute for proposed orders previously referred to the committee) in reference to the erection of "Thru Traffic Prohibited" signs.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

The following is said order as passed:

Ordered. That the Commissioner of Public Works is hereby authorized and directed to give consideration to installation of Through Traffic Prohibited signs on portions of sundry streets as follows:

Street	Limit
At the north end	Of the "T" alley at West 63rd Place and the south end at South Latrobe Avenue;
First north-south	Alley between South Nashville Avenue and South Neenah Avenue and West 61st Street and West 62nd Street;
"T" alley	Between South Oak Park Avenue and South Rutherford Avenue and West 62nd Street to West 63rd Street;
First north-south	Alley between South Oak Park Avenue and South Rutherford Avenue and West 60th Street and West 61st Street.

COMMISSIONER OF PUBLIC WORKS AUTHORIZED TO ERECT
TRAFFIC WARNING SIGNS AND TRAFFIC CONTROL
SIGNALS ON PORTIONS OF
SUNDRY STREETS.

The Committee on Traffic Control and Safety submitted a report recommending that the City Council pass the following proposed order transmitted therewith (as a substitute for proposed orders previously referred to the committee) in reference to the erection of traffic warning signs:

Ordered. That the Commissioner of Public Works be and he is authorized and directed to erect traffic warning signs on the following streets, of the types specified:

Street	Type of Sign
Northeast corner of West Addison Street and North Cumberland Avenue	"No Turn on Red" signs;
Stopping South Albany Avenue for West 104th Street	"Stop" signs;
Stopping South Artesian Avenue for West 107th Street	"Stop" signs;

Street	Type of Sign
West Arthur Avenue and North Damen Avenue stopping Arthur Avenue eastbound	"Stop" signs;
North Ashland Avenue and West Birchwood Avenue	"Stop" signs;
Stopping West Belden Avenue at Mango Avenue	"Stop" signs;
North Bell Avenue and West Belle Plaine Avenue	"4-Way Stop" signs;
North Bell Avenue and West Byron Street	"4-Way Stop" signs;
West Belle Plaine Avenue and North Central Park Avenue	"4-Way Stop" signs;
Stopping South Berkeley Avenue for East 44th Street	"Stop" signs;
Stopping West Bloomingdale Avenue for North Lotus Avenue	"Stop" signs;
Stopping West Byron Street at North Claremont Avenue	"Stop" signs;
Stopping South California Avenue for West 107th Street	"Stop" signs;
Stopping South Calumet Avenue for East 105th Street	"Stop" signs;
South Canal Street and Jackson Boulevard	"No Turn on Red" signs;
South Carondelet Avenue and East 132nd Street	"All-Way Stop" signs;
West Carmen Avenue for North Lowell Avenue	"Stop" signs;
For east-westbound	"Stop" signs;

Street	Type of Sign
traffic on West Catalpa Avenue at North Christiana Avenue	
North Central Park Avenue at West Cullom Avenue	"All-Way Stop" signs;
For north and southbound traffic at the intersection of South Cicero and South Archer Avenues	"Left-Turn" signs;
Stopping Columbus Avenue for Lakewood Avenue	"1-Way Stop" sign;
South Commercial Avenue South Muskegon Avenue and East 104th Street	"All-Way Stop" signs;
West Cornelia Avenue and North Octavia Avenue	"All-Way Stop" signs;
West Cornelia Avenue and North Pine Grove Avenue	"All-Way Stop" signs;
For east-westbound traffic on West Cortland Street at North Nordica Avenue	"All-Way Stop" signs;
North Dakin Street and North Seminary Avenue	"All-Way Stop" signs;
South Dauphin Avenue at East 103rd Street for north-bound traffic	"No Left-Turn" signs;
Stopping South East End at East 83rd Place	"Stop" signs;
Stopping West Eddy Street at Karlov Avenue	"Stop" signs;
Stopping South Eggleston Avenue for West 117th Street	"Stop" signs;
Stopping South Fairfield Avenue for West 107th Street	"Stop" signs;

Street	Type of Sign
Stopping South Fairfield Avenue for West 65th Street	"Stop" signs;
Stopping West Flourney Street for South Kildare Avenue	"1-Way Stop" sign;
North Francisco Avenue and West Fargo Avenue stopping Francisco Avenue traffic	"Stop" signs;
Stopping South Francisco Avenue for West 65th Street	"Stop" signs;
Stopping South Francisco Avenue for West 66th Street	"Stop" signs;
Stopping West George Street for North Hamlin Avenue	"1-Way Stop" signs;
Stopping West Grace Street for West Marmora Avenue	"Stop" signs;
West Granville Avenue and North Lakewood Avenue	"All-Way Stop" signs;
Stopping northbound South Harding Avenue at West 51st Street	"Stop" signs;
Stopping West Hirsch Street for North Massasoit Street	"Stop" signs;
Stopping North Howe Street for West Willow Street	"Stop" signs;
Stopping South Hoyne Avenue for West 53rd Place	"2-Way Stop" signs;
Stopping West Huron Street at North Waller Avenue	"Stop" signs;
Stopping West Hutchinson Street at North Lakewood Avenue	"Stop" signs;
Stopping South Indiana Avenue	"Stop" signs;

Street	Type of Sign
for East 119th Street	
South Justine Street for West 52nd Street	"Stop" signs;
Stopping southbound South Keating Avenue for West 66th Street	"Stop" signs;
South Keeley Street (one-way southerly) at the intersection of South Lyman Street	"Stop" signs;
Stopping South Kilbourn for West 52nd Street	"Stop" signs;
North Kostner Avenue and West School Street stopping southbound Kostner	"Stop" signs;
North Lakewood Avenue and West Roscoe Street	"All-Way Stop" signs;
Stopping North Laverne Avenue for West Barry Avenue	"2-Way Stop" signs;
Stopping North Lawndale Avenue for West Sunnyside Avenue	"1-Way Stop" signs;
South Lawndale Avenue and West 54th Street	"All-Way Stop" signs;
West Leland Avenue and North Leavitt Street	"All-Way Stop" signs;
Corners of West LeMoyne Street and North Menard Avenue	"All-Way Stop" signs;
Stopping North Lockwood for West School Street	"2-Way Stop" signs;
Stopping North Long Avenue	"Stop" signs;

Street	Type of Sign
at West Potomac Avenue	
Stopping South Lowe Avenue for West 78th Street	"Stop" signs;
Stopping North Lowell Avenue at West Grace Street	"Stop" signs;
Stopping South Luella Avenue for East 91st Street	"Stop" signs;
Stopping South Maplewood Avenue for West 60th Street	"Stop" signs;
Stopping South Maplewood Avenue for West 107th Street	"Stop" signs;
South Martin Luther King Drive and East 23rd Street (street level)	"4-Way Stop" signs;
Stopping North Mason Avenue for West Miami Avenue	"Stop" signs;
Stopping North Melvina Avenue for West Byron Street	"2-Way Stop" signs;
North Melvina Avenue and West Wabansia Avenue	"All-Way Stop" signs;
North Menard Avenue and West Berteau Avenue	"All-Way Stop" signs;
North Monticello Avenue at West Roscoe Street stopping Monticello Avenue traffic northbound	"Stop" signs;
Stopping North Monticello Avenue for West Sunnyside	"1-Way Stop" signs;
North Monticello Avenue and West School Street stopping Monticello traffic	"Stop" signs;
Stopping South Morgan Street	"Stop" signs;

Street	Type of Sign
for West 108th Street	
Stopping South Morgan Street for West 109th Place	"Stop" signs;
Stopping South Newcastle Avenue at 56th Street	"Stop" signs;
Stopping North New England Avenue at Barry Avenue	"Stop" signs;
North New England Avenue at West George Street	"Stop" signs;
North Nordica Avenue at West Armitage Avenue.	"3-Way Stop" signs;
North Nottingham Avenue and West Waveland Avenue	"All-Way Stop" signs;
North Oakley Avenue and West Belle Plaine Avenue	"4-Way Stop" signs;
Stopping South Oak Park Avenue at West 58th Street	"Stop" signs;
Stopping North Oleander Avenue at West Waveland Avenue	"Stop" signs;
Stopping North Opal Avenue for West School Street	"1-Way Stop" signs;
Stopping North Parkside Avenue at Wabansia Avenue	"Stop" signs;
West Patterson Avenue and North Leclaire Avenue stopping Patterson Avenue traffic	"Stop" signs;
Stopping North Pine Avenue for West Potomac Avenue	"1-Way Stop" signs;
South Prairie Avenue and East 118th Street	"All-Way Stop" signs;

Street	Type of Sign
South Rhodes Avenue and East 105th Street	"All-Way Stop" signs;
North Ridge Avenue eastbound into West Peterson Avenue	"No Left Turn" signs;
Stopping North Richmond Street at Fletcher Street	"Stop" signs;
Southbound traffic on North Ridgeway Avenue at West Berteau Avenue	"Stop" signs;
Stopping South Rockwell Street for West 107th Street	"Stop" signs;
West Roscoe Street at North Ozark Avenue	"3-Way Stop" signs;
West Rosemont Avenue and North Campbell Avenue	"Stop" signs;
West Rosemont Avenue and North Maplewood Avenue stopping Rosemont traffic	"Stop" signs;
North St. Clair Street and East Huron Street	"All-Way Stop" signs;
South St. Lawrence (one-way street/northerly) at the intersection of East 62nd Street	"Stop" signs;
Stopping North St. Louis Avenue at Altgeld Street	"Stop" signs;
Stopping South Sacramento Avenue for West 54th Street	"Stop" signs;
Stopping northbound South Sacramento Avenue for West 64th Street	"Stop" signs;
Stopping South Sayre Avenue	"Stop" signs;

Street	Type of Sign
for West 58th Street	
Stopping West Schubert Avenue for North Hamlin Avenue	"Stop" signs;
West Schubert Avenue and North Sayre Avenue	"3-Way Stop" signs;
Stopping South Springfield Avenue for West 104th Street	"Stop" signs;
South Stewart Avenue and West 120th Street	"All-Way Stop" signs;
West Strong Street and North Mobile Avenue	"All-Way Stop" signs;
North Talman Avenue and West Arthur Avenue stopping Talman Avenue traffic	"Stop" signs;
South Talman Avenue and West 81st Street stopping north and south traffic on Talman Avenue	"2-Way Stop" signs;
Stopping West Thomas Street for North Monitor Avenue	"Stop" signs;
For north and southbound traffic on South Throop Street at South Lyman Street	"Stop" signs;
South Union Avenue and and West 48th Place stopping north and south traffic	"2-Way Stop" signs;
Northeast corner of West Wabansia Avenue and North Lorel Avenue for westbound traffic	"Stop" signs;
South Wallace Street and West 30th Street stopping north and south traffic on	"Stop" signs;

Street	Type of Sign
Wallace Street	
Stopping North Waller Avenue for West Erie Street	"1-Way Stop" signs;
Stopping West Warwick Avenue for Melvina Avenue	"Stop" signs;
South Washtenaw Avenue for West 107th Street	"Stop" signs;
Stopping West Waveland Avenue at North Oleander Avenue	"Stop" signs;
West Waveland Avenue at North Odell Avenue	"All-Way Stop" signs;
Stopping Wilson Avenue for Lavergne Avenue	"4-Way Stop" signs;
West Wellington Avenue and North New England Avenue	"3-Way Stop" signs;
South Wentworth Avenue and West 125th Street	"All-Way Stop" signs;
Stopping North Whipple Street at Wellington Avenue	"Stop" signs;
Stopping South Wood Street at 65th Street	"Stop" signs;
West 14th Place and South Jefferson Street	"All-Way Stop" signs;
West 23rd Street and South St. Louis Street	"All-Way Stop" signs;
West 28th Street and South Drake Avenue stopping east and west traffic on 28th	"2-Way Stop" signs;
Stopping West 30th Street for South Trumbull Avenue	"2-Way Stop" signs;
West 30th Street and	"All-Way Stop" signs;

Street	Type of Sign
South Komensky Street	
West 31st Place and South May Street stopping east/west traffic on 31st Place	"2-Way Stop" signs;
West 32nd Street and South Canal Street stopping east and west traffic on West 32nd Street	"2-Way Stop" signs;
West 40th Street and South Albany Avenue	"Stop" signs;
West 42nd Place and South Normal Avenue stopping east and west traffic	"2-Way Stop" signs;
West 42nd Street and South Washtenaw Avenue stopping east and west traffic on 42nd	"2-Way Stop" signs;
West 45th Street and South Normal Avenue stopping east and west traffic on 45th Street	"2-Way Stop" signs;
For eastbound traffic at the intersection of West 47th Street and South Cicero Avenue	"Yellow Left Turn Arrow";
East 49th Street and South Dorchester Avenue	"All-Way Stop" signs;
Stopping West 49th Street for South Kildare Avenue	"Stop" signs;
Stopping West 49th Street at South Kilpatrick Avenue	"Stop" signs;
Stopping West 52nd Street at South Keeler Avenue	"Stop" signs;

<i>Street</i>	<i>Type of Sign</i>
East 54th Place and South Blackstone Avenue	"All-Way Stop" signs;
Stopping West 54th Place at South Meade Avenue	"Stop" signs;
Stopping West 56th Place at South Hamlin Avenue	"Stop" signs;
Stopping West 56th Street at New England Avenue	"Stop" signs;
Stopping West 60th Street at South Melvina Avenue	"Stop" signs;
Stopping westbound West 61st Place for South Springfield Avenue and stopping north and south South Springfield Avenue for West 61st Place	"Stop" signs;
Stopping West 61st Street for South Sangamon Street	"Stop" signs;
Stopping East 64th Street for South Dante Avenue	"Stop" signs;
Stopping eastbound West 64th Street for South Keating Avenue	"Stop" signs;
Stopping east and westbound traffic on West 64th Street for South Lavergne Avenue	"Stop" signs;
Stopping West 64th Street at South Mobile Avenue	"Stop" signs;
Stopping east and west 65th Street for South Carpenter Street and South Carpenter Street (southbound) for West 65th Street	"Stop" signs;
Stopping West 65th Street for South Laflin Street	"Stop" signs;

Street	Type of Sign
Stopping West 66th Street for South Laflin Street	"Stop" signs;
Stopping West 68th Street for South Green Street	"Stop" signs;
Stopping East 70th Place for South Crandon Avenue	"Stop" signs;
Corner of West 70th and South Aberdeen Street controlling traffic on southwest corner of West 70th and South Aberdeen	"Stop" signs;
East 70th Street and South Chappel Avenue	"All-Way Stop" signs;
East 73rd Street and South Kimbark Avenue	"All-Way Stop" signs;
Stopping West 77th Street for South May Street	"Stop" signs;
On all four corners of East 83rd Street and South Cottage Grove Avenue	"No Turn on Red" signs;
East 91st Street and South Mackinaw Avenue	"All-Way Stop" signs;
Stopping East 104th for South Calumet Avenue	"Stop" signs;
Stopping East 104th Street for South Eberhart Avenue	"Stop" signs;
West 104th Street and South Springfield Avenue	"All-Way Stop" signs;
Stopping East 105th Street for South Avenue "J"	"Stop" signs;
Stopping West 107th Place for South Morgan Street	"Stop" signs;
West School Street and North Orange Avenue	"3-Way Stop" signs.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

INSTALLATION OF MISCELLANEOUS SIGNS ON PORTIONS OF SPECIFIED STREETS.

The Committee on Traffic Control and Safety submitted a report recommending that the City Council pass the following proposed order transmitted therewith (as a substitute for proposed orders previously referred to the committee on January 9, 1985, June 6, June 25, July 9 and July 29, 1986):

Ordered, That the Commissioner of Public Works is hereby authorized and directed to give consideration to the erection of the following miscellaneous signs on portions of sundry streets, as follows:

Location	Type of Sign
Under the John F. Kennedy Expressway from the east boundaries of Campbell and Schubert to the west boundaries of Campbell and Logan Boulevard	Close-up tunnel to pedestrian traffic;
At the entrance to the first alley east of North Neva Avenue on the north side of West Barry Avenue	"No Outlet" signs;
On North Parkside Avenue at the first alley south of West Belmont Avenue	"School Children Playing" signs;
West Granville Avenue and North Pulaski Road	"Do Not Block Intersection" signs.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schalter, Volini, Orr, Stone -- 49.

Nays -- None.

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

WEIGHT LIMITATION ESTABLISHED ON PORTIONS OF
SPECIFIED STREETS.

The Committee on Traffic Control and Safety submitted a report recommending that the City Council pass the following proposed ordinance transmitted therewith (as a substitute for proposed ordinances previously referred to the committee on June 25 and July 29, 1986):

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

SECTION 1. Pursuant to Section 27-418 of the Municipal Code of Chicago the maximum weight permitted to be carried by any truck or commercial vehicle upon the following public ways between the limits indicated (except for the purposes or delivering or picking up material or merchandise) shall be as follows:

Public Way	Limits and Maximum Load
South Champlain Avenue	East 60th Street to East 67th Street -- 5 Tons;
South Eberhart Avenue	East 60th Street to East 67th Street -- 5 Tons;
South Evans Avenue	East 61st Street to East 67th Street -- 5 Tons;
West Fletcher Street	From 3000 to 3100 -- 5 Tons;
South Langley Avenue	East 60th Street to East 67th Street -- 5 Tons;
North Paulina Street	From West Montrose Avenue to West Wilson Avenue -- 5 Tons;

Public Way	Limits and Maximum Load
South Rhodes Avenue	East 60th Street to East 67th Street - - 5 Tons;
South St. Lawrence Avenue	East 60th Street to East 67th Street - - 5 Tons;
South Vernon Avenue	East 60th Street to East 67th Street - - 5 Tons;
West 39th Place	From South Rockwell Street to South Campbell Avenue -- 5 Tons;
East 60th Street	South King Drive to South Cottage Grove Avenue -- 5 Tons;
East 62nd Street	South King Drive to South Cottage Grove Avenue -- 5 Tons;
East 64th Street	South King Drive to South Cottage Grove Avenue -- 5 Tons;
East 65th Street	South King Drive to South Cottage Grove Avenue -- 5 Tons;
East 66th Street	South King Drive to South Cottage Grove Avenue -- 5 Tons.

SECTION 2. This ordinance shall take effect and be in force hereinafter its passage and publication.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

*Failed To Pass -- VARIOUS TRAFFIC REGULATIONS,
TRAFFIC SIGNS, ETC.*

(Adverse Committee Recommendations).

The Committee on Traffic Control and Safety submitted a report recommending that the City Council do not pass sundry proposed ordinances and proposed orders (transmitted with the committee's report) relating to traffic regulations, traffic signs, etc.

Alderman Laurino moved to *Concur In* the committee's recommendations. The question in reference to each proposed ordinance or proposed order thereupon became: "*Shall the proposed ordinances or proposed orders Pass, notwithstanding the committee's adverse recommendations?*" and the several questions being so put, each of the said proposed ordinances and proposed orders *Failed to Pass*, by yeas and nays as follows:

Yeas -- None.

Nays -- Aldermen Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

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

The committee report listing said ordinances and orders which failed to pass, reads as follows:

CHICAGO, December 10, 1986.

To the President and Members of the City Council:

Your Committee on Traffic Control and Safety, begs leave to recommend that Your Honorable Body do not pass sundry proposed ordinances and orders submitted herewith, which were referred to your committee (November 28, December 21, 1984, January 4, 20, May 15, August 7, September 24, November 26, December 30, 1985, January 16, 30, February 4, 13, 26, March 25, April 16, 23, May 14, 30, June 6, 25, July 9, 29 and August 28, 1986) concerning traffic regulations and traffic signs, etc. as follows:

Parking Prohibited At All Times:

West Division Street

At No. 2437 (at either side of driveway);

North Hermitage Avenue
(East side)

From a point 30 feet south of the
intersection of North Haskins Avenue, to
a point 90 feet north thereof;

North Hermitage Avenue

From a point 30 feet north of North

(West side)	Haskins Avenue, to a point 30 feet south of Haskins Avenue;
South Indiana Avenue	From alley line south to East 87th Street and East 87th Street from South Indiana Avenue, to a point approximately 150 feet west thereof;
West Jonquil Terrace (Both sides)	From North Paulina Street, to a point 30 feet west thereof;
South Lyman Avenue	At 3079;
West Newport Avenue (North side)	At 4016;
North Paulina Street (Both sides)	From West Juneway Terrace, to a point 30 feet south thereof;
North Sawyer Avenue (East side)	From North Milwaukee Avenue, to a point north thereof;
North Spaulding Avenue (East side)	4001 alongside of 3260 West Irving Park Road;
South Troy Street (East side)	At 2547;
South Vernon Avenue (East side)	At 8045;
Wells Street (East side)	From 45th Street to 100 feet south of 45th Street;
North Willet Court	At 2532;
South Wolcott Avenue (East side)	At 3525;
South Wood Street (East side)	At 7743;
45th Street (South side)	From Wells Street to 140 feet east of Wells Street;

45th Place
(North side)

From Wentworth Avenue to Wells
Street;

East 89th Street
(Both sides)

From South Langley Avenue, to a
to a point 20 feet east/west thereof;

Southeast/west corners of
West 103rd Street

And South Avers Avenue, 20 feet to
corner.

Parking Limited During Specified Hours:

West Belmont Avenue

At 7011 -- 1-hour -- 9:00 A.M. to 5:00
P.M. -- no exceptions.

Loading Zones:

West Altgeld Street
(South side)

At 2355 -- 9:00 A.M. to 5:00 P.M. --
Monday through Saturday;

West Belmont Avenue

At 5104 -- 8:00 A.M. to 4:00 P.M. --
Monday through Friday;

North Broadway Avenue

At 3920 -- 3922 -- 9:00 A.M. to 10:00 P.M.
-- Monday through Saturday;

North Broadway Avenue

At 3607 (from a point 32 1/2 feet north of
West Addison Street, to a point 47 feet
north thereof);

North Clark Street

At 4430 (from a point 47 feet north of the
driveway, to a point 24 feet south of the
driveway) -- 7:00 A.M. to 7:00 P.M. -- no
exceptions;

North Clark Street
(East side)

At 3133 -- 9:00 A.M. to 12 Midnight
-- 7 days;

West Irving Park Road

At 1159, 90 feet lineal space;

North Karlov Avenue
(West side)

At 1900;

North Milwaukee Avenue
(West side)

At 3618 -- 8:00 A.M. to 4:00 P.M. --
Monday through Saturday;

West Wilson Avenue

From the east boundary of the bus

(South side)

stop at North Ashland Avenue to the first alley east thereof, approximately 58 feet -
- 12 Noon to 12 Midnight -- Monday through Saturday;

West 63rd Street

At 3206 -- 9:00 A.M. to 7:00 P.M. -- Monday through Saturday.

Miscellaneous:

East corner of the intersection

Of West Irving Park Road and North Pioneer Avenue -- caution-slow sign;

The mouth of the north/south alley on

West Pratt Avenue bounded by North Western Avenue, West North Avenue and North Artesian Avenue -- no through traffic sign.

Residential Parking Signs:

North Lieb Avenue
(Both sides)

At 5400 block;

North Monticello Avenue
(East side)

From 3649 to 3655.

Weight Limitations:

South Dauphin Avenue

From East 103rd Street to East 107th Street -- 5 tons;

Southeast corner of
North Oak Park Avenue

And West Wabansia Avenue -- 5 tons;

West 124th Street

From South Wentworth Avenue to South Normal Avenue -- 5 tons;

Traffic Warning Signs:

(July 29, 1986) "Stop" sign, North/southbound traffic on South Calumet Avenue at the intersection of East 105th Street;

(December 30, 1985) "Automatic Traffic Control" signals, West Chicago Avenue and North Franklin Street;

(March 25, 1986) "Automatic Traffic Control" signals, West Cornelia Avenue and North Oak Park Avenue;

(July 29, 1986) "No Left Turn" sign, Northbound traffic for South Dauphin Avenue at the intersection of East 103rd Street;

(July 29, 1986) "Stop" sign, North/southbound traffic on South Eberhart at the intersection of East 105th Street;

(November 28, 1984) "Automatic Traffic Control" signals, West Hiawatha Avenue and North Cicero Avenue;

(May 15, 1985) "Automatic Traffic Control" signals, South King Drive and East 64th Street;

(July 29, 1986) "4-Way Stop" sign, North Leavitt Street and West Leland Avenue;

(July 29, 1986) "Stop" sign, 1542 North Menard Avenue (west/east);

(May 30, 1986) "Stop" sign, 1540 North Parkside and Waller;

(May 30, 1986) "Stop" sign, 1539 North Parkside and Central Avenues;

(July 29, 1986) "Stop" sign, South Prairie Avenue at intersection of East 118th Street;

(July 29, 1986) "Stop" sign, North/southbound traffic on South Rhodes Avenue at intersection of East 105th Street;

(January 16, 1986) Traffic Control Signals, 53rd Street and South Dorchester, controlling traffic going east/west on 53rd Street;

(July 29, 1986) "Stop" sign, East/westbound traffic on East 71st Place at the intersection of South Blackstone Avenue;

(February 4, 1986) "3-Way Stop" sign, West 76th Street and South Union Avenue;

(June 25, 1986) "2-Way Stop" sign, West 76th Street and Laflin Street (stopping east/west traffic);

(May 14, 1986) "Stop" sign East/westbound traffic on East 81st Street at the intersection of South St. Lawrence Avenue;

(June 25, 1986) "Automatic Traffic Control" signalized and Overhead Mastarms for signals, West 83rd Street and South Western Avenue;

(May 14, 1986) "No Turn On Red" -- 7:00 A.M. to 7:00 P.M. -- East 83rd Street and South Cottage Grove Avenue;

(August 28, 1986) "Stop" sign, Eastbound traffic on the alley bounded by East 94th Street, South King Drive, South State Street and East 95th Street;

(July 29, 1986) "3-Way Stop" sign, East 104th Street and South Calumet Avenue;

(July 29, 1986) "4-Way Stop" sign, West 125th Street and South Wentworth Avenue.

Traffic Lane Tow Away Zone:

West Burton Place
(North side)

From North Clark Street, to the first
alley east thereof -- at all times;

Northeast corner of

North Kenmore Avenue to West
Wellington Avenue.

Single Direction Signs:

West Roscoe Street

From North Kilbourn Avenue to North
Cicero Avenue -- westerly.

No Outlet Signs:

North Campbell Avenue

At 1700;

North Fairfield Avenue

At 1700;

North Francisco Avenue

At 1700;

North Maplewood Avenue

At 1700;

North Mozart Street

At 1700;

North Richmond Street

At 1700;

North Rockwell Street

At 1700;

North Talman Avenue

At 1700.

Do Not Enter Signs:

First east/west alley

North of West Fullerton Avenue, at 2542
North Lotus Avenue;

North Kilbourn Avenue

And the south side of West Fullerton
Avenue.

Amend Signal Direction Sign:

Amend ordinance by striking West Palmer Street from North Mango Avenue to North
Major Avenue -- easterly;

Amend ordinance by striking North Sawyer Avenue from North Milwaukee Avenue to the
first alley north thereof -- northerly.

Amend Parking Prohibited At All Times:

Amend ordinance by striking West 63rd Street (north side) from South Kedzie Avenue to a point 125 feet west thereof.

This recommendation was concurred in by the members of the committee with no dissenting vote.

Respectfully submitted,
(Signed) ANTHONY C. LAURINO,
Chairman.

COMMITTEE ON ZONING.

**CHICAGO ZONING ORDINANCE AMENDED TO RECLASSIFY
PARTICULAR AREAS.**

The Committee on Zoning submitted the following report:

CHICAGO, December 16, 1986.

To the President and Members of the City Council:

Your Committee on Zoning begs leave to recommend that Your Honorable Body *Pass* the proposed ordinances transmitted herewith (referred to your committee on June 6, August 28 and October 30, 1986) to amend the Chicago Zoning Ordinance for the purpose of reclassifying particular areas.

This recommendation was concurred in by 7 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) TERRY M. GABINSKI,
Chairman.

On motion of Alderman Langford, the committee's recommendation was *Concurred In* and each of the said proposed ordinances was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuller, Volini, Orr, Stone -- 49.

Nays -- None.

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

The following are said ordinances as passed (the italic heading in each case not being a part of the ordinance):

Reclassification Of Area Shown On Map No. 5-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 B4-2 Restricted Service District symbols and indications as shown on Map No. 5-H in the area 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,

to those of an R5 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. 7-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 R5 General Residence District symbols and indications and, if any, all the R8 General Residence District symbols and indications as shown on Map No. 7-F in the area bounded by

a line 218.92 feet north of and approximately parallel to West Oakdale Avenue; the western boundary of Lincoln Park as established by Decree in Cook County Circuit Court Case Number 256886 (the "Lincoln Park Boundary"); West Oakdale Avenue; a line 180.00 feet west of and approximately parallel to the Lincoln Park Boundary; a line 158.42 feet north of and approximately parallel to West Oakdale Avenue; and a line 200.00 feet west of and approximately parallel to the Lincoln Park Boundary,

to those of a Residential Planned Development District, and a corresponding use district is hereby established in the area above described.

[Residential Planned Development Zoning Maps printed on
pages 38580 through 38582 of this Journal.]

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

Plan of Development attached to this ordinance reads as follows:

*Plan Of Development
Residential Planned Development.*

1. Legal title to that certain real property which is subject to the use and bulk restrictions of this Residential Planned Development (the "Property") is held by Chicago Title and Trust Company, as Trustee under Trust No. 1074719 dated March 2, 1984. The Property is legally described as follows:

The North 50 feet of the South 105 feet of the East 180 feet of that part of Lot 8 lying west of the West boundary line of Lincoln Park, as established by decree of the Circuit Court of Cook County, Illinois, entered October 31, 1904, in Case General No. 256886, all in County Clerk's Division of Lots 2, 3 and 4 and of the South 33 feet of Lot 1 in the Assessor's Division of Lots 1 and 2 in the City of Chicago Subdivision of the East fractional half of Section 28, Township 40 North, Range 14 East of the Third Principal Meridian, meaning and intending to describe a tract of land bounded as follows:

Beginning on the West boundary line of Lincoln Park established as aforesaid, at a point 55 feet north of the North line of Oakdale Avenue, thence North 50 feet; thence West 180 feet; thence South 50 feet; thence East 180 feet to the place of beginning; (together with an easement for light and air on the property immediately north of the tract above described, reserved in deed from Frank A. Hecht to C. Bai Lihme, dated January 19, 1915, and recorded January 20, 1915, as Document No. 5564578) in Cook County, Illinois, commonly known as 2952 Lake Shore Drive, Chicago, Illinois.

And

That part of Lot 2 in Assessor's Division of Lots 1 and 2 in the City of Chicago's Subdivision of the East fractional half of Section 28, Township 40 North, Range 14 East of the Third Principal Meridian described as follows:

Beginning at a point on the West boundary of Lincoln Park, as established by decree of the Circuit Court of Cook County, Illinois, entered October 31, 1904, in Case 256886, said point of beginning being 80 feet due south from the south line of Wellington Street extended east; thence running west 200 feet along a line at all points 80 feet due south from the south line of Wellington Street extended east; running thence southerly on a line at all points 200 feet west of said West boundary line of Lincoln Park to a point on the North line of alley as dedicated by instrument recorded in the Recorder's Office of Cook County, Illinois, March 16, 1915, as Document 5594071; running thence east of the North line of said alley to a point 180 feet west of said West boundary line of Lincoln Park; running thence southerly on the East line of said alley to a point 105 feet north of the North line of Oakdale Avenue, said point being the North line of premises as conveyed to Frank A. Hecht, Clara K. Hecht and Frank A. Hecht, Jr., by deed dated November 16, 1917, and recorded in the Recorder's Office of Cook County, Illinois, as Document 6231480, running thence east on a line parallel with the North line of Oakdale Avenue and being the North line of the premises so conveyed to Frank A. Hecht, Clara K. Hecht and Frank A. Hecht, Jr., 180 feet to said West boundary line of Lincoln Park and running thence north along said boundary line of

Lincoln Park to the place of beginning; in Cook County, Illinois, commonly known as 2960 Lake Shore Drive, Chicago, Illinois.

And

That part of Lots 2 and 3 in the Assessor's Division of Lots 1 and 2, in a subdivision by the City of Chicago of the East fractional half of Section 28, Township 40 North, Range 14, East of the Third Principal Meridian and of the accretions east of and adjoining said premises described as follows:

Commencing at a point in the West boundary line of Lincoln Park as established by decree of the Circuit Court of Cook County, Illinois, entered October 31, 1904, in Case 256886 where said boundary line is intersected by the North line of Oakdale Avenue, thence north along said boundary line, 55 feet; thence West along a line parallel with the North line of said Oakdale Avenue, 180 feet; thence south parallel with the boundary line of Lincoln Park as established in Case 256886, 55 feet to the North line of said Oakdale Avenue; thence east along the North line of said Oakdale Avenue, 180 feet to the place of beginning, in Cook County, Illinois, otherwise known as 2946 Lake Shore Drive, Chicago, Illinois.

All required disclosures are contained within the Economic Disclosure Statement filed with the City of Chicago in accordance with applicable requirements. Upon approval of the requested zoning, the Property will be held under single ownership or control or under single designated control by the aforesaid Trust or by its sole beneficiary, the Saint Joseph Hospital and Health Care Center, or by either of their affiliates, successors, assigns or lessees.

2. Dwelling Units to provide Housing for Elderly Persons, as defined by Section 3.2 of the Chicago Zoning Ordinance, and related uses, including, but not limited to, lodging rooms, nursing care facilities, health and exercise facilities, commissary facilities, churches or other places of religious worship, beauty and barber shops, valets, tailors, pharmacies, convenience retail and/or food stores, photography shops and recreation facilities, shall be permitted upon the Property.

3. The Applicant, its affiliates, successors, assigns or grantees shall obtain all official reviews, approval and permits necessary to implement the development of the Property.

4. Any dedication or vacation of streets or alleys or easements or any adjustment of rights-of-way necessary to implement development of the Property shall require a separate submittal on behalf of the Applicant, its successors, assigns or grantees, and approval by the City Council.

5. Accessory off-street parking and accessory off-street loading shall be provided upon the Property in accordance with Bulk Regulations Data Table made part of this Plan of Development.

6. Any firelane, service drive or other ingress or egress shall be adequately designed and paved in accordance 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 within such paved areas.

7. The height of each building located upon the Property and any appurtenances attached thereto shall be subject to:

- (a) Height limitations as certified on Form F.A.A.-177 (or on successor forms involving the same subject matter) and approved by the Federal Aviation Administration pursuant to Part 77 of the Regulations of the Administrator, Federal Aviation Administration; and
- (b) Airport Zoning Regulations as established by the Department of Development and Planning, Department of Aviation, and Department of Law and approved by the City Council.

8. Business and business identification signs may be permitted upon the Property subject to the review and approval of the Department of Planning and of the Department of Inspectional Services. Temporary signs, such as construction and marketing signs, may be permitted subject to the aforesaid approvals. Signs advertising products or services which products or services are not located upon the Property shall not be permitted. Signs described by Chapter 86, Section 86.1-11 of the Chicago Municipal Code shall require City Council approval in the manner described therein.

9. The development of the Property shall be subject to the Bulk Regulations Data Table made part of this Plan of Development.

10. This Plan of Development and the development of the Property is and shall be subject to the "Rules, Regulations and Procedures in Relation to Planned Developments" promulgated by the Commissioner of the Department of Development and Planning.

*Amended
Planned Residential Development
Bulk Regulations Data
November 13, 1986.*

Net site area: 40,590 square feet

Permitted uses: Dwelling units to provide Housing for Elderly Persons, as defined by Section 3.2 of the Chicago Zoning Ordinance, and related uses including, but not limited to, lodging rooms, nursing care facilities, health and exercise facilities, commissary facilities, churches or other places of religious worship, beauty and barber shops, valets, tailors, pharmacies, convenience retail and/or food stores, photography shops and recreation facilities and earth station receiving dishes.

Maximum floor area ratio:	11.2
Maximum number of dwelling units:	344
Maximum number of lodging rooms:	5
Maximum percentage of building site coverage:	97%
Minimum number off-street parking spaces:	140
Minimum number of loading berths:	4
Minimum setbacks:	
-eastern boundary:	None
-western boundary:	None at grade, 30' and above 18' in height
-northern boundary:	None at grade, 20' starting at second level
-southern boundary:	12'-6"
Gross site calculations:	
-net site area	40,590
-approximate area to remain in public right-of-way (alley and Oakdale Avenue):	<u>7,744</u>
-Approximate Gross Site Area	48,334

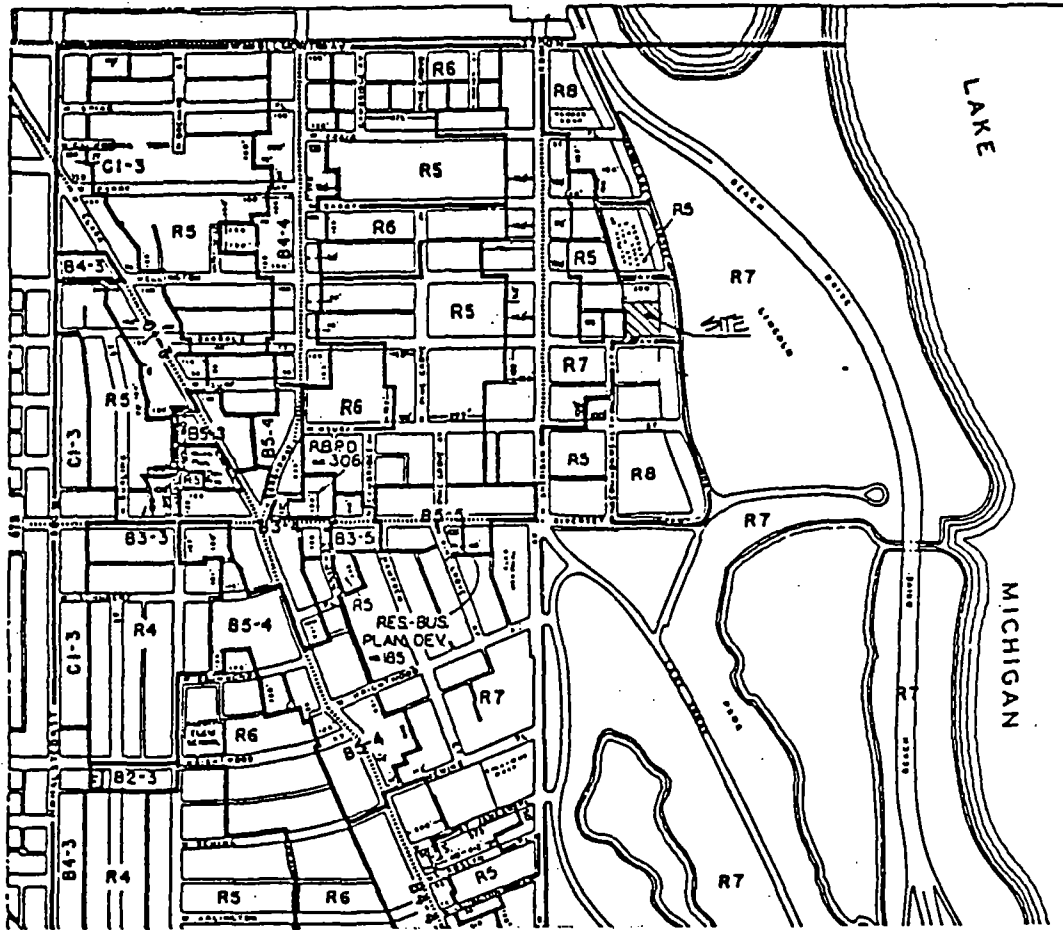
Reclassification Of Area Shown On Map No. 9-K.

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 B1-1 Local Retail, C1-1 Restricted Commercial and M1-1 Restricted Manufacturing Districts symbols and indications as shown on Map No. 9-K in the area bounded by

West Melrose Street; a line 84.95 feet east of North Keeler Avenue; the alley next south of West Melrose Street; North Keeler Avenue; West Belmont Avenue; a line from a point 100.70 feet west of North Kildare Avenue as measured along the north line of West Belmont Avenue to a point 123 feet west of North Kildare Avenue and 65.90 feet north of West Belmont Avenue; a line 65.90 feet north of West Belmont Avenue; North Kildare Avenue; the alley next north of West Belmont Avenue; and North Keeler Avenue,

(Continued on page 38583)



- . . . PROPERTY
 — ZONING DISTRICT
 — PREFERENTIAL STREETS

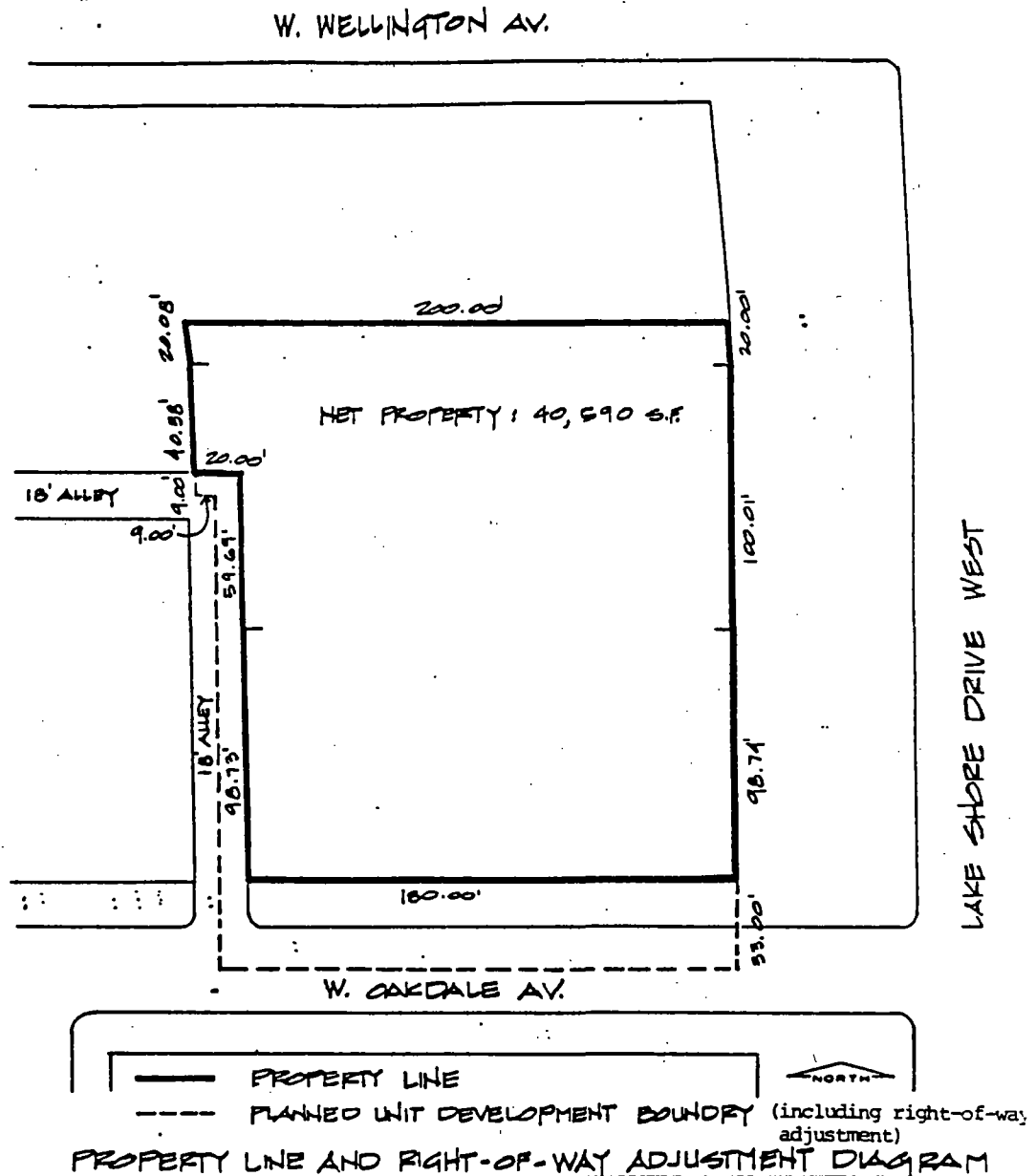
NORTH

EXISTING ZONING AND PREFERENTIAL STREET MAP

Co-Applicant: Rescorp Development, Inc.
7 South Dearborn Street, Suite 1116, Chicago
Illinois

Co-Applicant: The National Housing Partnershi
1133 15th Street N.W., Washington, D.C.

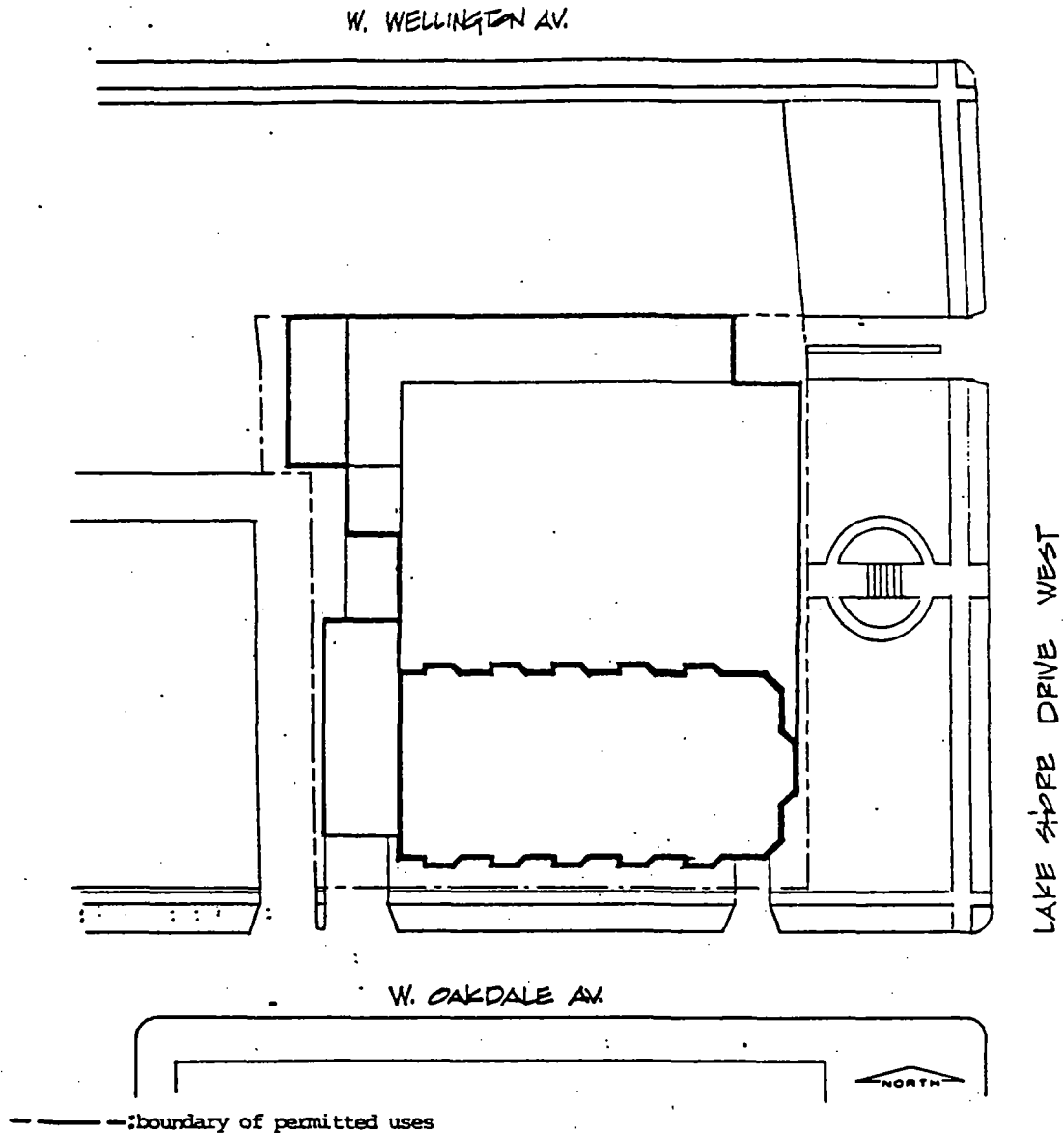
Date: May 30, 1986



Co-Applicant: Rescorp Development, Inc.
7 South Dearborn Street, Suite 1116, Chicago
Illinois

Co-Applicant: The National Housing Partnersh
1133 15th Street N.W., Washington, D.C.

Date: May 20, 1986



PROPOSED LAND USE DIAGRAM

Permitted Uses: Dwelling units to provide housing for elderly persons and related uses as permitted by the Plan of Development.

Co-Applicant: Rescorp Development, Inc.
7 South Dearborn Street, Suite 1116, Chicago
Illinois

Co-Applicant: The National Housing Partnership
1133 15th Street N.W., Washington, D.C.

Date: May 30, 1986

(Continued from page 38579)

to those of a Commercial Planned Development 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 hereof and to no others.

[Commercial Planned Development Zoning Maps printed
on pages 38586 through 38588 of
this Journal.]

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

Plan of Development attached to this ordinance reads as follows:

*Plan Of Development
Commercial Plan Development.*

Statements.

1. The area delineated herein as "Commercial Plan Development", is controlled by Stuart Timoner.

2. All applicable official reviews, approval or permits, are required to be obtained by the applicant or its successors, assigns or grantees.

3. The following usage shall be permitted within the area delineated herein as "Commercial Plan Development":

General merchandise uses, restaurants, service type business uses, parking and related uses, and any other uses permitted in a C1 zoning district.

4. Offstreet parking and offstreet loading facilities shall be provided in compliance with plan of development, subject to review of the Department of Streets and Sanitation, and the approval of the Department of Planning. A minimum of two percent of all parking spaces shall be designed for parking for the handicapped. The existing loading dock off of the alley shall be used only as a secondary use.

5. All outdoor parking areas within the area delineated as "Commercial Plan Development" shall be suitably landscaped.

6. Any dedication or vacation of streets and alleys or easements or adjustments of right-of-way or consolidation or re-subdivision or parcels shall require a separate submittal on behalf of the applicant or its successors, assignees or grantees.

7. Any service drives or any other ingress or egress shall be adequately designed and paved in accordance 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 within such paved areas.

Fire lanes, if required, shall be adequately designed and paved in compliance with the Municipal Code of Chicago, and shall have a minimum width of 18 feet to provide ingress and egress for emergency vehicles; there shall be no parking within such paved areas.

8. Accessory buildings or structures may be constructed in the "Commercial Plan Development", either prior to, subsequent to or concurrently with any one or more personal buildings, subject to the approval of the Department of Planning.

9. Business establishments shall be unrestricted in respect to maximum gross floor areas, subject only to the aggregate maximum floor area ratio. The floor area ratio shall be 1.2.

10. Identification signs may be permitted within the area delineated herein as "Commercial Plan Development", subject to the review and approval of the Department of Inspectional Services and the Department of Planning.

11. Height restriction of any building or any appurtenance attached thereto, shall be subject to:

- a) Height limitations as certified on Form F.A.A.-117 or successor forms involved in the same subject matter and approved by the Federal Aviation Administration ; and
- b) Airport zoning regulations as established by the Department of Planning, Department of Aviation and Department of Law and approved by the City Council.

12. The information on the tables and maps attached hereto, sets forth data concerning the generalized land use plan of the area delineated herein as "Commercial Plan Development", and stipulates the land use and development controls applicable to the site. Attached hereto and incorporated herein by reference are:

- a) Property line map and right-of-way adjustments;
- b) Existing zoning and preferential street system map;
- c) Generalized land use plan; and
- d) Plan of development use and bulk regulations and data chart.

13. The plan of development herein attached shall be subject to the "rules, regulations, procedures in relation to plan developments", as promulgated by the Commissioner of Planning.

APPLICANT: Stuart Timoner

DATED: August 12, 1986

AMENDED: November 13, 1986

Commercial Planned Development

Use And Bulk Regulations And Data.

Net Site Area	General Description Of Land Use	F.A.R.	% Land Coverage
Sq. Ft. Acres			
95,983 2.20	Business and Commercial uses, off street parking, and related uses.	1.0	75%

Minimum Off-Street Loading Spaces: 2 Spaces

Minimum Off-Street Parking Spaces: 77 Spaces*

*A minimum of two percent of all parking spaces shall be devoted to parking for the handicapped. The Planned Development now specifically excludes the property from being used for automobile repairs, automobile service stations or taverns.

Reclassification Of Area Shown On Map No. 12-F.

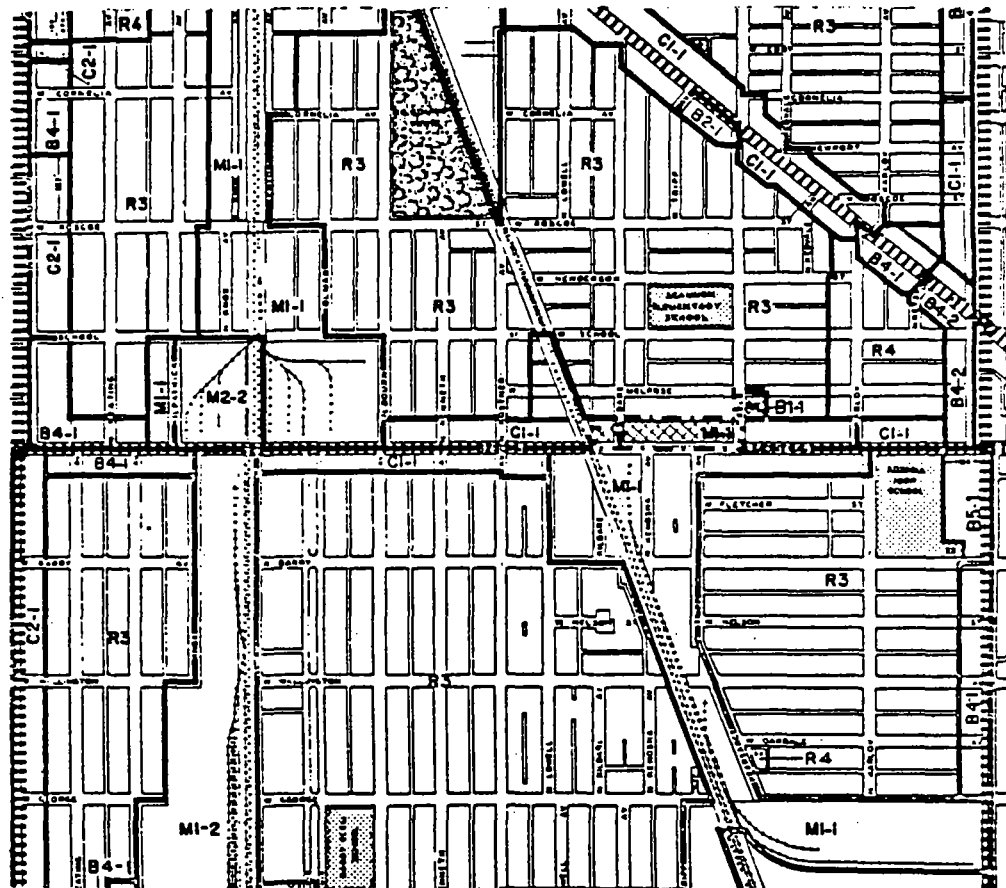
Be It Ordained by the City Council of the City of Chicago:

SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the M1-2 Restricted Manufacturing District symbols and indications as shown on Map No. 12-F in the area bounded by

the alley next north of West 54th Street; the West line of the right-of-way of the Chicago, Rock Island & Pacific Railroad; West Garfield Boulevard; and South Wentworth Avenue,

(Continued on page 38589)

COMMERCIAL PLANNED DEVELOPMENT EXISTING ZONING AND PREFERENTIAL STREET SYSTEM



LEGEND



COMMERCIAL PLANNED DEVELOPMENT BOUNDARY



ZONING DISTRICT BOUNDARIES



PREFERENTIAL STREET SYSTEM



PUBLIC AND QUASI-PUBLIC FACILITIES



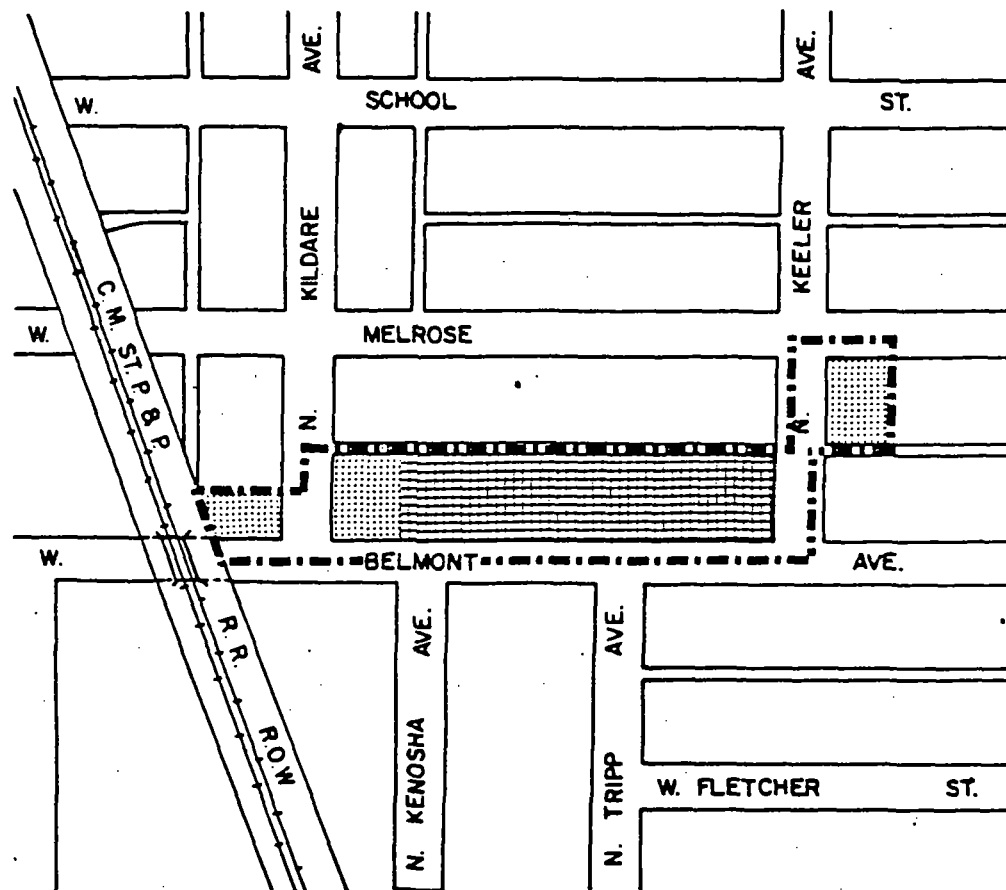
PARKS AND PLAYGROUNDS



APPLICANT:

DATE:

COMMERCIAL PLANNED DEVELOPMENT GENERALIZED LAND USE PLAN



LEGEND

- PLANNED DEVELOPMENT BOUNDARY
-  WAREHOUSING, WHOLESALE AND RETAIL USES, OFFICE USES, AND BUSINESS USES.
-  OFF-STREET PARKING



0 100' 200' 400'
SCALE IN FEET

APPLICANT:

DATE:

(Continued from page 38585)

to those of a Business Planned Development 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 hereof and to no others.

[Business Planned Development Zoning Maps printed on pages 38592 through 38594 of this Journal.]

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

Plan of Development attached to this ordinance reads as follows:

*Plan Of Development
Business Plan Development.*

Statements.

1. The area delineated herein as "Business Plan Development" is controlled by Matanky Realty Acquisition Corporation.
2. All applicable official reviews, approval or permits, are required to be obtained by the applicant or its successors, assigns or grantee.
3. The following usage shall be permitted within the area delineated herein as "Business Plan Development" general merchandise uses, restaurants, service type business uses, auto laundries, day care centers, parking and related uses, and any other uses permitted in a C1 zoning district.
4. Offstreet parking and offstreet loading facilities shall be provided in compliance with this plan of development, subject to review of the Department of Streets and Sanitation and the approval of the Department of Planning. A minimum of two percent of all parking spaces shall be designed for parking for the handicapped.
5. All outdoor parking areas within the area delineated as "Business Plan Development" shall be suitably landscaped.
6. Any dedication or vacation of streets and alleys, or easements or adjustments of right-of-way, or consolidation or re-subdivision of parcels, shall require a separate submittal on behalf of the applicant or its successors, assignees or grantees.
7. Any service drives or any other ingress or egress shall be adequately designed and paved in accordance 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 within such paved areas. Fire lanes, if required, shall be adequately designed and paved in compliance with the Municipal Code of Chicago, and shall have a minimum width of 18 feet to provide ingress and egress for emergency vehicles; there shall be no parking within such paved areas.

8. Accessory buildings or structures may be constructed in the "Business Plan Development", either prior to, subsequent to or concurrently with any one or more principal buildings, subject to the approval of the Department of Planning.

9. Business establishments shall be unrestricted in respect to maximum gross floor areas, subject only to the aggregate maximum floor area ratio. The floor area ratio shall be 0.28.

10. Business and identification signs may be permitted within the area delineated herein as "Business Plan Development", subject to the review and approval of the Department of Inspectional Services and the Department of Planning. One flashing and illuminated business and identification sign shall be permitted at or near the Wentworth Avenue entrance to the "Business Plan Development".

11. Height restriction of any building or any appurtenance attached thereto, shall be subject to:

- a) Height limitations as certified on Form F.A.A.-117 or successor forms involved in the same subject matter and approved by the Federal Aviation Administration; and
- b) Airport zoning regulations as establishment by the Department of Planning, Department of Aviation and Department of Law and approved by the City Council.

12. The information on the tables and maps attached hereto, sets forth data concerning the generalized land use plan of the area delineated herein as "Business Plan Development", and stipulates the land use and development controls applicable to the site. Attached hereto and incorporated herein by reference are:

- a) Property line map and right-of-way adjustments;
- b) Existing zoning and preferential street system map;
- c) Generalized land use plan; and
- d) Plan of Development use and bulk regulations and data chart.

13. The plan of development herein attached shall be subject to the "rules, regulations, procedures in relation to plan developments", as promulgated by the Commissioner of Planning.

Applicant: Matanky Realty Acquisition Corp.

Dated: October 27, 1986

Revised: December 11, 1986

*Business Plan Development**Use And Bulk Regulations And Data.*

Net Site Area Sq. Ft. Acres	General Description Of Land Use	F.A.R.	% Land Coverage
458,628 10.53 (including public right- of-way to be vacated)	Business and commercial uses, auto laundries, day care centers, off street parking, and related uses.	0.28	0.28

Net Site Area	Public Right of Way	Gross Site Area
458,628 Sq. Ft. +	54,168 Sq. Ft.	= 512,796 Sq. Ft.

Minimum Off-Street Loading Spaces: 2 spaces

Minimum Off-Street Parking Spaces: 451 Spaces*

* A minimum of two percent of all parking spaces shall be devoted to parking for the handicapped.

Minimum Required Setbacks: 0 along all property lines.

*Reclassification Of Area Shown On Map No. 13-I.**Be It Ordained by the City Council of the City of Chicago:*

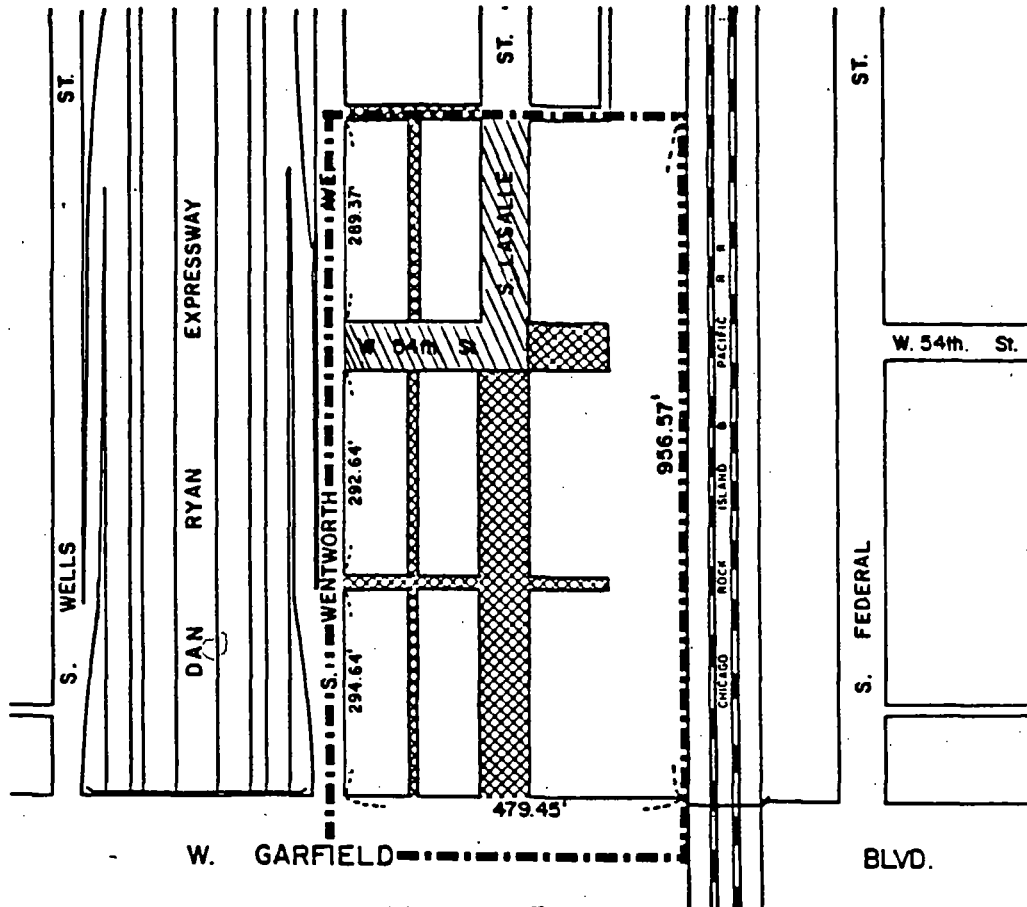
SECTION 1. That the Chicago Zoning Ordinance be amended by changing all the B4-2 Restricted Service District symbols and indications as shown on Map No. 13-I in the area bounded by

the alley next north of West Lawrence Avenue; North Fairfield Avenue; West Lawrence Avenue; and North California Avenue,

to those of a B2-2 Restricted Retail District and a corresponding use district is hereby established in the area above described.

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

(Continued on page 38595)

PROPERTY LINE MAP AND RIGHT-OF-WAY ADJUSTMENT**LEGEND**

- PLANNED DEVELOPMENT BOUNDARY
-  STREETS AND ALLEYS HERE TO FORE VACATED
-  STREETS AND ALLEYS TO BE VACATED

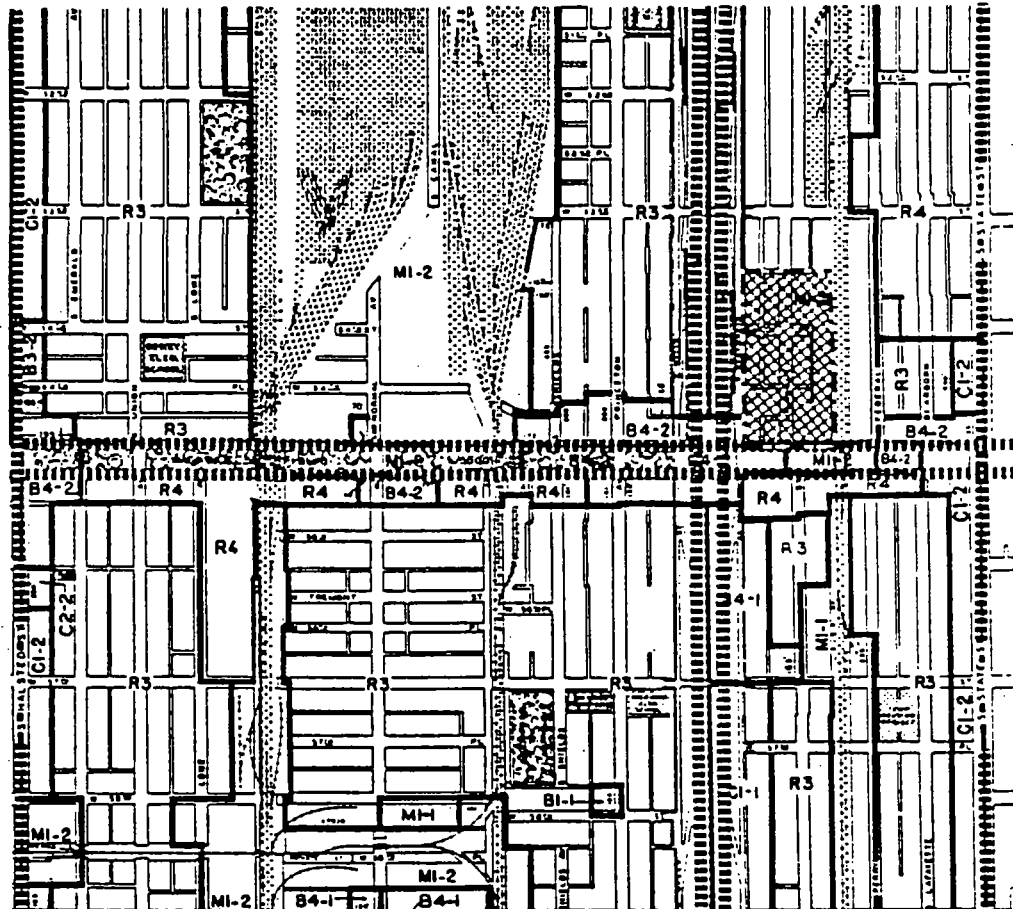


APPLICANT: MATANKY REALTY ACQUISITION CORPORATION
AND THE THIRD WARD PARTNERSHIP, LTD.

DATE: OCTOBER 27, 1986

REVISED: December 11, 1986

BUSINESS PLANNED DEVELOPMENT EXISTING ZONING AND PREFERENTIAL STREET SYSTEM



LEGEND



BUSINESS PLANNED DEVELOPMENT BOUNDARY



ZONING DISTRICT BOUNDARIES



PREFERENTIAL STREET SYSTEM



PUBLIC & QUASI-PUBLIC FACILITIES



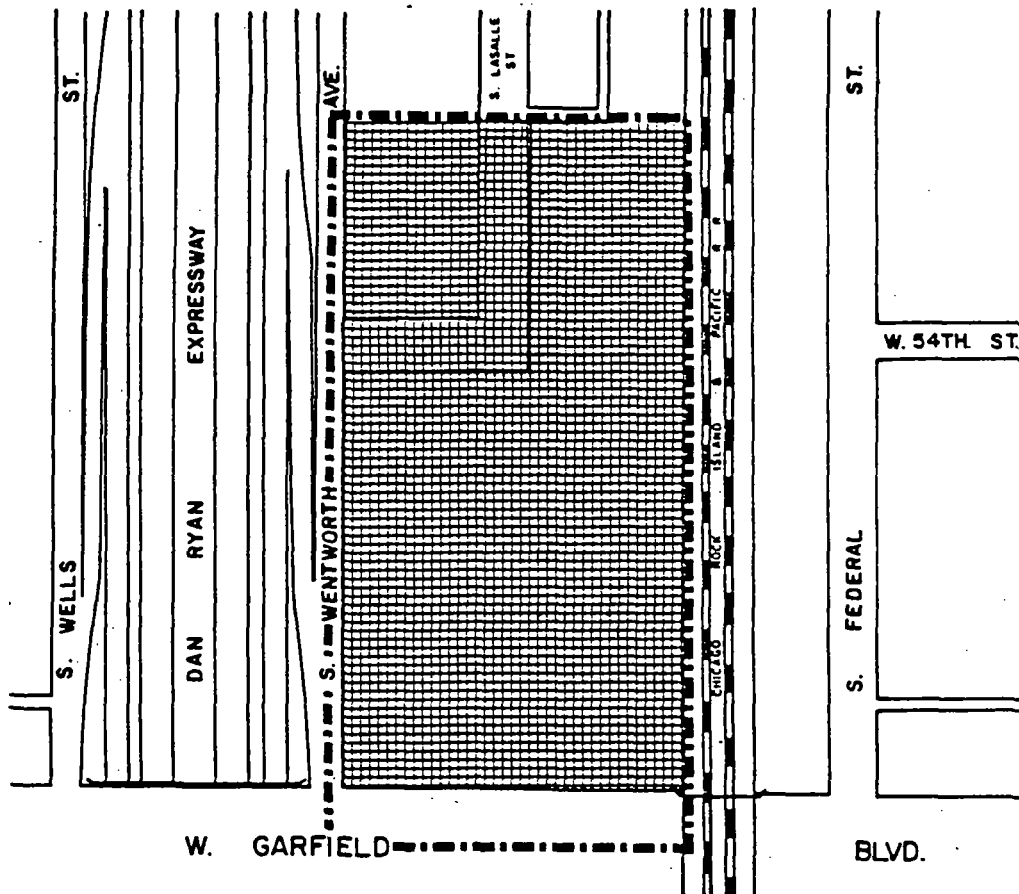
PARKS AND PLAYGROUNDS



APPLICANT: MATANKY REALTY ACQUISITION CORPORATION
AND THE THIRD WARD PARTNERSHIP, LTD.

DATE:

BUSINESS PLANNED DEVELOPMENT GENERALIZED LAND USE PLAN



LEGEND

----- PLANNED DEVELOPMENT BOUNDARY



SHOPPING CENTER USE, BUSINESS USES,
OFFICE USE AND RELATED USES.



APPLICANT: MATANKY REALTY ACQUISITION CORPORATION
AND THE THIRD WARD PARTNERSHIP, LTD.

DATE: OCTOBER 27, 1986

REVISED: DECEMBER 11, 1986

(Continued from page 38591)

Action Deferred -- CHICAGO ZONING ORDINANCE AMENDED
TO RECLASSIFY PARTICULAR AREAS.

The Committee on Zoning submitted the following report, which was, on motion of Alderman Tillman and Alderman Evans, *Deferred* and ordered published:

CHICAGO, December 16, 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 July 9, August 28, September 24, October 15, 27, 30, 31, November 13 and 24, 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

a line 151.49 feet north of West Grand Avenue; North Wells Street; a line 53.17 feet north of West Grand Avenue; and a line 110.20 feet west of North Wells Street,

to those of a C1-5 Commercial-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. 1-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 Manufacturing District symbols and indications as shown on Map No. 1-H in the area 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,

to those of a C2-2 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. 1-I.

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. 1-I in the area bounded by

the alley next north of and parallel to West Warren Boulevard; North Western Avenue; West Warren Boulevard; and a line 183 feet west of and parallel to North Western 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. 2-I.

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 C1-2 Restricted Commercial District symbols and indications as shown on Map No. 2-I in the area bounded by

West Polk Avenue; South Western Avenue; a line 72.65 feet south of West Polk Avenue; and the alley next west of South Western Avenue,

to those of a C2-2 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. 3-L
(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 R3 General Residence District symbols and indications as shown on Map No. 3-L in the area bounded by

a line 83.19 feet north of and parallel to West Rice Street; the alley next east of and parallel to North Central Avenue; West Rice Street; and North Central Avenue,

to those of a B2-2 Restricted Retail 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-I.

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. 5-I in the area 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,

to those of a B4-1 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. 7-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 C1-2 Restricted Commercial District symbols and indications as shown on Map No. 7-H in the area bounded by

West Belmont Avenue; a line 75 feet west of North Oakley Avenue; the alley next south of West Belmont Avenue; and a line 175 feet west of North Oakley 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. 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 M1-2 Restricted Manufacturing District symbols and indications as shown on Map No. 9-G in area 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,

to those of an R5 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. 12-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 M2-2 General Manufacturing District symbols and indications as shown on Map No. 12-J in area bounded by

a line from a point 994 feet north of the north line of West 51st Street and 646 feet west of the west line of South Kedzie Avenue to a point 1156 feet north of the north line of West 51st Street on the west line of South Kedzie Avenue; South Kedzie Avenue; a line 639 feet north of and parallel to the north line of West 51st Street; and a line 646 feet west of and parallel to the west line of South Kedzie Avenue,

to the designation of a B5-1 General Service District and a corresponding use district is hereby established in the area described above.

SECTION 2. Further, that the Chicago Zoning Ordinance be amended by changing all the B5-1 General Service District symbols and indications as shown on Map No. 12-J in the area bounded by

a line from a point 994 feet north of the north line of West 51st Street and 646 feet west of the west line of South Kedzie Avenue to a point 1156 feet north of the north line of West 51st Street on the west line of South Kedzie Avenue; South Kedzie Avenue; a line 639 feet north of and parallel to the north line of West 51st Street; and a line 646 feet west of and parallel to the west line of South Kedzie Avenue,

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 Zoning Maps printed on
pages 38603 through 38605 of this Journal.]

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

Plan of Development attached to this ordinance reads as follows:

Business Planned Development.

Statements.

1. The total area delineated herein as a Business Planned Development is owned by the Grand Trunk Western Railroad Company, a Michigan Corporation with offices at 131 West Lafayette Boulevard, Detroit, Michigan, 48226. The applicant and contract purchaser of said premises is Jetco Properties Inc., a Delaware Corporation with offices at 5725 North East River Road, Chicago, Illinois, 60631. Jetco Properties Inc. is a wholly owned subsidiary of Jewel Companies Inc. which is a wholly owned subsidiary of American Stores Co.
2. All applicant official reviews, approvals or permits are required to be obtained by the Applicant or its successors, assignees or grantees.
3. Any dedication or vacation of streets and alleys, or easements, or adjustments of right of way or consolidation or resubdivision of parcels shall require a separate submittal on behalf of the Applicant or its successors, assignees or grantees.

4. The following uses shall be permitted within the area delineated herein as Business Planned Development: grocery stores, retail drug stores, general merchandise users, restaurants, retail and service type business uses, parking and related uses (exclusive of any principal activity of permanent outdoor storage and service station uses).
5. Accessory buildings or structures may be constructed in the Business Planned Development either prior to, subsequent to or concurrently with any one or more principal buildings, subject to the approval of the Department of Planning.
6. Off-street parking and off-street loading facilities shall be provided in compliance with this Plan of Development, subject to the review of the Department of Streets and Sanitation and the approval of the Department of Planning. Access to the accessory structures shall be from the same location serving the general parking for the Planned Development.
7. Any 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 within such paved areas. Fire lanes, if required, 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.
8. Business establishments shall be unrestricted in respect to maximum gross floor areas, subject only to aggregate maximum floor area ratio. The maximum floor area ratio shall be 0.30.
9. Identification signs may be permitted within the area delineated herein as Business Planned Development, subject to the review and approval of the Department of Inspectional Services and the Department of Planning.
10. The height restriction of any building or any appurtenance attached hereto shall be subject to:
 - a. height limitations as certified on Form F.A.A. 117, or successor forms involving the same subject matter, and approved by the Federal Aviation Administration; and
 - b. airport zoning regulations as established by the Department of Planning, City and Community Development, Department of Aviation, and Department of Law, as approved by the City Council.
11. The information in the tables and maps attached hereto sets forth data concerning the generalized land use plan of the area delineated herein as Business Planned Development, and stipulates the Land use and development controls applicable to the site.

Attached hereto and incorporated herein by reference are:

- A. Property line map and right of way adjustments;
 - B. Existing zoning and preferential street system map;
 - C. Generalized Land Use Plan; and
 - D. Planned Development Use and Bulk Regulations and Data Chart.
12. The Plan of Development hereby attached shall be subject to the "Rules, Regulations and Procedures in Relation to Planned Developments," as promulgated by the Commissioner of Planning.

APPLICANT: Jewel Companies, Inc./Jetco Properties, Inc.

ADDRESS: 4910 -- 4960 South Kedzie Avenue, Chicago, Illinois 60632

DATE: October 10, 1986

Business Planned Development

Use And Bulk Regulations And Data.

Net Site Area	General Description Of Land Use	F.A.R.	% Of Land Coverage
Sq. Ft. Acres			
283,800 6.52	Grocery stores, retail drug stores, general merchandise uses, restaurants, retail and service type business uses, parking and related uses*	0.30	30

*exclusively of any
principal of permanent
outdoor storage and
service station uses.

Gross Site Area

Net Site Area of 6.52 acres plus Public Right-of-Way of 0.40 acres = 6.91 acres.

Number of Off-Street Loading Spaces

3 @ 10 feet X 50 feet

Minimum Number of Parking Spaces

200

Periphery Setbacks at Property Lines

All Property Lines. 25 feet

Except North Property Line. 0 feet

*Reclassification Of Area Shown On Map No. 13-M.**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. 13-M in the area bounded by

West Gunnison Street; a line 804.57 feet east of and parallel to North Melvina Avenue; a line 135.6 feet south of and parallel to West Gunnison Street; and a line 776.4 feet east of and parallel to North Melvina Avenue,

to those of a B4-1 Restricted Service District and a corresponding use district is hereby established in the area above described.

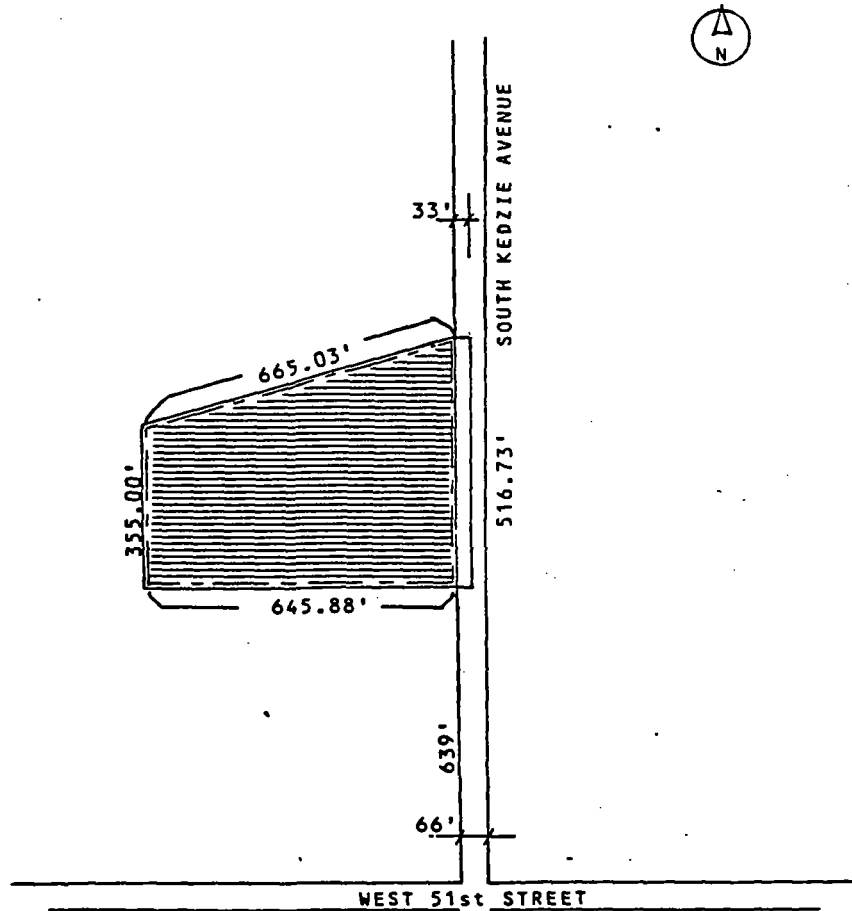
SECTION 2. This ordinance shall be in force and effect from and after its passage and due publication.

*Reclassification Of Area Shown On Map No. 19-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 B2-3 Restricted Retail District symbols and indications as shown on Map No. 19-G in the area bounded by

(Continued on page 38606)

BUSINESS PLANNED DEVELOPMENT NO. _____
GENERALIZED LAND USE PLAN



LEGEND:

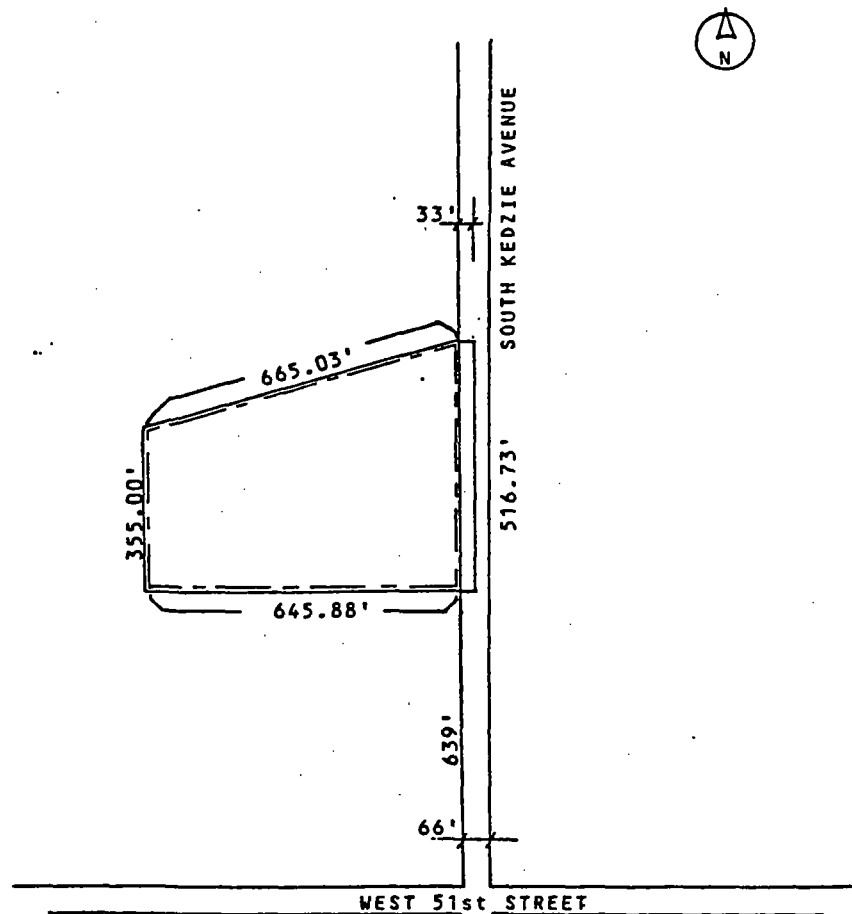
- PROPERTY LINE
- PLANNED DEVELOPMENT BOUNDARY LINE
- ===== SUPERMARKET, GENERAL MERCHANDISE USES, RETAIL AND SERVICE TYPE USES, PARKING AND RELATED USES

APPLICANT: Jewel Companies, Inc./Jetco Properties, Inc.

ADDRESS: 4910-4960 S. Kedzie Ave., Chicago, Illinois 60632

DATE: October 10, 1986

BUSINESS PLANNED DEVELOPMENT NO. _____
PROPERTY LINE MAP AND RIGHT OF WAY ADJUSTMENTS

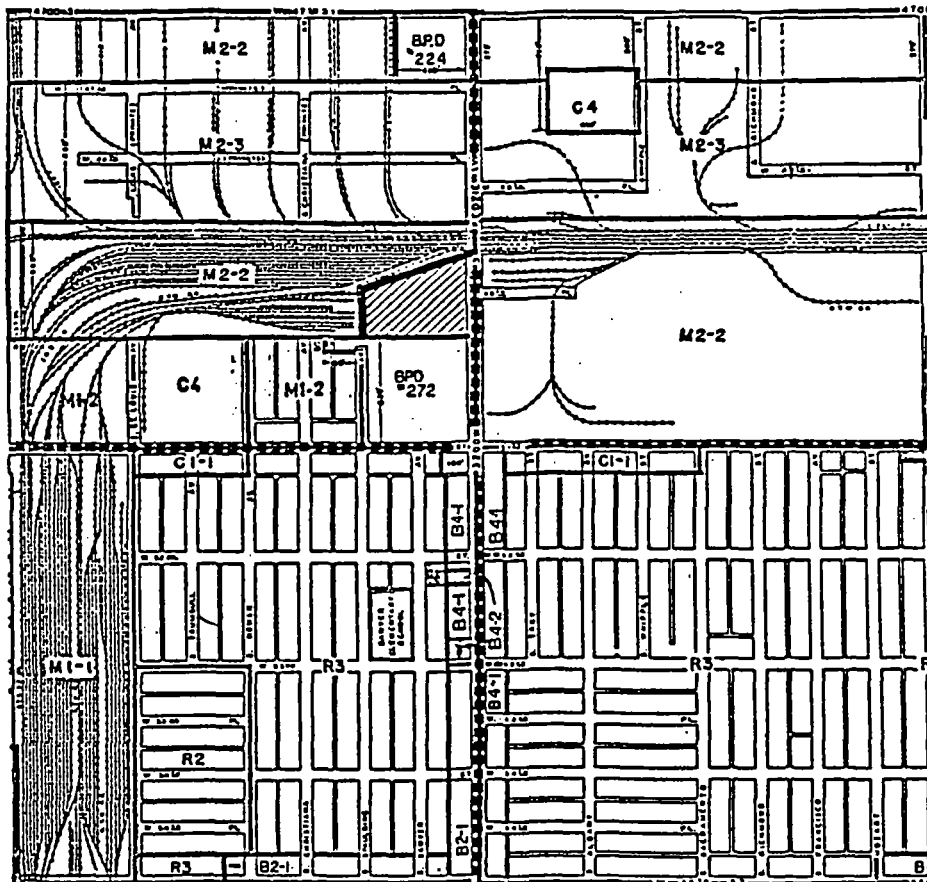


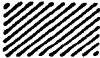
LEGEND:

- — — — — PROPERTY LINE
————— PLANNED DEVELOPMENT BOUNDARY LINE

APPLICANT: Jewel Companies, Inc./Jetco Properties, Inc.
ADDRESS: 4910-4960 S. Kedzie Ave., Chicago, Illinois 60632
DATE: October 10, 1986

BUSINESS PLANNED DEVELOPMENT NO. _____
EXISTING ZONING AND PREFERENTIAL STREET SYSTEM



LEGEND:  PLANNED DEVELOPMENT
 PREFERENTIAL STREETS
 ZONING DISTRICT BOUNDARY

APPLICANT: Jewel Companies, Inc. /Jetco Properties, Inc.
ADDRESS: 4910-4960 S. Kedzie Ave., Chicago, Illinois 60632
DATE: October 10, 1986

(Continued from page 38602)

the alley next north of and parallel to West Jarvis Avenue; a line 100 feet west of and parallel to North Greenview Avenue; West Jarvis Avenue; and a line 175 feet west of and parallel to North Greenview Avenue,

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.

Reclassification Of Area Shown On Map No. 34-E.

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 R2 Single Family Residence District symbols and indications as shown on Map No. 34-E in the area bounded by

the alley next north of and parallel to East 138th Street; a line 180 feet east of South Leyden Street (as measured along the north line of East 138th Street); East 138th Street; and a line 140 feet east of South Leyden Street (as measured along the north line of East 138th Street),

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.

Action Deferred -- AMENDMENT OF MUNICIPAL CODE CHAPTER
194A, SECTION 7.10-1 REGARDING COMMERCIAL
ADVERTISING SIGNS IN R1 SINGLE-FAMILY
RESIDENCE DISTRICTS.

The Committee on Zoning submitted the following report which was, on motion of Alderman Tillman and Alderman Evans, *Deferred* and ordered published:

CHICAGO, December 16, 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 Section 7.10-1, Chapter 194A, regarding Commercial Advertising Signs in R1 Single Family Residence Districts, begs leave to recommend that Your Honorable Body pass proposed ordinance attached herewith.

This ordinance 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 Chapter 194A, "The Chicago Zoning Ordinance", Section 7.10.1, is hereby amended by the addition thereto of the following language in italics below:

7.10-1. Permitted Signs -- R1 Single Family Residence District

...
C. A "Non-illuminated Commercial Advertising Sign" is hereby defined to mean any display advertising for sale on site a product, service or property, either real or personal, having financial gain or profit as an object.

In R1 Single-Family Residence Districts, non-illuminated commercial advertising signs shall be permitted subject to the following:

(1) Commercial advertising signs shall not exceed the dimensions of eighteen (18) inches in height by eighteen (18) inches in width, *and, if applicable, the name of a real estate company may appear on such sign, in lettering no greater than one-eighth (1/8) inch in height;*

(2) Lettering on all such commercial advertising signs shall consist of not more than two (2) colors including background; *provided, however, that for the purposes of this subsection, white is considered a color;*

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

Action Deferred -- AMENDMENT OF MUNICIPAL CODE CHAPTER
194A, SECTION 10.16-1 REGARDING PARKING
REQUIREMENTS IN MANUFACTURING
DISTRICTS.

The Committee on Zoning submitted the following report which was, on motion of Alderman Tillman and Alderman Evans, *Deferred* and ordered published:

CHICAGO, December 16, 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 Section 10.16-1, Chapter 194A, regarding Parking Requirements in Manufacturing Districts, begs leave to recommend that Your Honorable Body pass proposed ordinance attached herewith.

This ordinance 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 Section 10.16-1 of the Chicago Zoning Ordinance, Chapter 194A of the Municipal Code of Chicago, is hereby amended by deleting therefrom subsection 10.16-1(3), in brackets as follows, and adding thereto a new subsection 10.16-1(3), in italics as follows, and a new subsection 10.16-1(15), in italics as follows:

10.16-1 Off-Street Parking -- M1-1 to M1-5 Restricted Manufacturing Districts

[(3) Banks. One parking space shall be provided for each 500 square feet of floor area in excess of 4,000 square feet.]

(3) Banks, Business or Professional Offices, and Public Administration Buildings. One parking space shall be provided for each 500 square feet of floor area in excess of 4,000 square feet.

(15) Other Uses Allowed in These Districts. Parking spaces shall be provided on the same basis as required for the most similar listed use -- as determined by the Department of Planning.

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

**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, December 16, 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 November 13 and 24, 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 Roti, the committee's recommendations were *Concurred In* and said proposed orders were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

Nays -- None.

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

The following are said orders passed (the italic heading in each case not being a part of the order):

7257 South Stony Island Avenue.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to Federal Sign, Division of Federal Signal Corp., 140 East Tower Drive, Burr Ridge, Illinois 60521, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 7257 South Stony Island Avenue, Midas Muffler;

Dimensions: length 9 feet 9 inches, height 15 feet 7 inches
Height Above Grade/Roof to Top of Sign: 29 feet 7 inches
Total Square Foot Area: 152 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.

5540 North Milwaukee Avenue.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a retail business sign permit to Horizon Sign Company, 7104 Kennedy, Hammond, Indiana 46410 for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 5540 North Milwaukee Avenue, Skil Plaze;

Dimensions: length 10 feet, height 20 feet
Height Above Grade/Roof to Top of Sign: 33 feet
Total Square Foot Area: 200 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.

346 East 95th Street.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to Grate Signs Inc., 4044 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 346 East 95th Street, Popeye's Famous Fried Chicken;

Dimensions: length 17 feet, height 10 feet
Height Above Grade/Roof to Top of Sign: 40 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.

7459 South State Street.

Ordered. That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to James D. Ahern Sign Company, 3257 South Harding Avenue, Chicago, Illinois 60623, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 7459 South State Street, Shell Oil;

Dimensions: length 12 feet 0 inches, height 12 feet 0 inches
Height Above Grade/Roof to Top of Sign: 62 feet 0 inches
Total Square Foot Area: 144 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.

753 East 79th Street.

Ordered. That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to All Sign Corporation, 5501 West 109th Street, Oaklawn, 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 753 East 79th Street, Chicago, Illinois 60619 (Local Advertisers) A & A Associates;

Dimensions: length 60 feet, height 20 feet
Height Above Grade/Roof to Top of Sign: 25 feet
Total Square Foot Area: 1,200 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.

6116 North Western Avenue.

Ordered. That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to James D. Ahern Sign Company, 3257 South Harding Avenue, Chicago,

Illinois 60623, for the erection of an identification sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 6116 North Western Avenue, Dave Miller Dodge City, Inc.;

Dimensions: length 13 feet 0 inches, height 21 feet 6 inches
Height Above Grade/Roof to Top of Sign: 50 feet 0 inches
Total Square Foot Area: 234 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.

2720 South Michigan Avenue.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to James D. Ahern & Company, 3257 South Harding Avenue, Chicago, Illinois 60623 for the erection of an identification sign over 24 feet in height and/or over 100 square feet (in area of one face) at 2720 South Michigan Avenue, Rogers Pontiac;

Dimensions: length 11 feet 0 inches, height 11 feet 0 inches with 3 feet X 3 feet logo
Height Above Grade/Roof to Top of Sign: 36 feet 0 inches
Total Square Foot Area: 134 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.

2720 South Michigan Avenue.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to James D. Ahern & Company, 3257 South Harding Avenue, Chicago, Illinois 60623 for the erection of an identification sign over 24 feet in height and/or over 100 square feet (in area of one face) at 2720 South Michigan Avenue, Rogers Pontiac;.

Dimensions: length 15 feet 0 inches, height 15 feet 0 inches with 4 feet X 4 feet logo
Height Above Grade/Roof to Top of Sign: 47 feet 0 inches
Total Square Foot Area: 237 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.

3049 West Peterson Avenue.

Ordered, That the Commissioner of Inspectional Services is hereby directed to issue a sign permit to Gannet Outdoor Group, 444 North Michigan Avenue, Chicago, Illinois 60611, for the erection of a sign/signboard over 24 feet in height and/or over 100 square feet (in area of one face) at 3049 West Peterson Avenue, Liberty Federal Savings & Loan Assoc. of Chicago;

Dimensions: length 48 feet 0 inches, height 14 feet 0 inches
Height Above Grade/Roof to Top of Sign: 45 feet
Total Square Foot Area: 1344 (double face) 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 time specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location, Distance and Time
ROTI (1st Ward)	South Wabash Avenue (west side) 129 feet from the north property line of East

Alderman	Location, Distance and Time
	Balbo Avenue to a point 180 feet south thereof -- at all times;
EVANS (4th Ward)	East 43rd Street at 501 -- at all times;
HUELS (11th Ward)	South Archer Avenue from 2819 to 2821 - - 8:00 A.M. to 12:00 P.M. -- Monday through Friday;
HANSEN (44th Ward)	West Briar Place (south side) from 611 to 613 -- 8:00 A.M. to 5:00 P.M. - - Monday through Friday;
ORBACH (46th Ward)	North Sheridan Road (east side) at 4015 - - 8:00 A.M. to 4:00 P.M. -- Monday through Saturday.

Referred -- AMENDMENT OF ONE-WAY TRAFFIC RESTRICTION
ON PORTION OF WEST LAWRENCE AVENUE.

Alderman Cullerton (38th Ward) presented a proposed ordinance to restrict the movement of vehicular traffic to an easterly direction on West Lawrence Avenue from North Austin Avenue to North Meade Avenue (instead of from North Narragansett Avenue to North Austin Avenue), which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- REMOVAL OF PARKING METERS ON
SPECIFIED PUBLIC WAYS.

Alderman Natarus (42nd Ward) presented three proposed orders for the removal of parking meters on specified public ways, for the distances indicated, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Public Way	Distance
East Division Street (North side)	Between North State Street and the first alley east thereof;
East Division Street (South side)	Between North State Street and Lake Shore Drive;
North State Parkway (West side)	Between East Scott Street and East Division Street.

Referred -- REMOVAL OF PARKING METER AREA ON
PORTION OF NORTH SHERIDAN ROAD.

Alderman Orbach (46th Ward) presented a proposed ordinance for the removal of parking meter area 922 S.H.R. in front of 4015 North Sheridan Road, which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- LIMITATION OF PARKING DURING SPECIFIED
HOURS AT SPECIFIED LOCATIONS.

The aldermen named below presented proposed ordinances to limit the parking of vehicles to the periods specified, during the hours designated, at the locations specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location and Time
HAGOPIAN (30th Ward)	West Fullerton Avenue from 4700 to 4726, one hour -- 8:00 A.M. to 4:00 P.M. -- Monday through Saturday;
BANKS (36th Ward)	North Oak Park Avenue at 1604, one hour -- 8:00 A.M. to 8:00 P.M. -- Monday through Saturday;
PUCINSKI (41st Ward)	West Higgins Avenue (south side) from 6917 to 6921, one hour -- 9:00 A.M. to 6:00 P.M. -- Monday through Saturday.

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
TILLMAN (3rd Ward)	South Wabash Avenue at 4709 (except for handicapped);

Alderman	Location
<i>EVANS</i> (4th Ward)	South Evans Avenue (east side) at 5639 (except for handicapped);
<i>MAJERCZYK</i> (12th Ward)	South Sacramento Avenue at 4644 (except for handicapped);
<i>KELLAM</i> (18th Ward)	South Bishop Street at 8151 (except for handicapped);
<i>SHEAHAN</i> (19th Ward)	South St. Louis Avenue at 11462 (except for handicapped);
<i>D. DAVIS</i> for <i>W. DAVIS</i> (27th Ward)	North Artesian Avenue (west side) at 466 (except for handicapped); West Grenshaw Street (south side) at 2431 (except for handicapped);
<i>HAGOPIAN</i> (30th Ward)	West Wellington Avenue at 5111 (except for handicapped);
<i>SANTIAGO</i> (31st Ward)	West Palmer Street 3270 (except for handicapped);
<i>MELL</i> (33rd Ward)	North Mozart Street at 4046 (except for handicapped); West Schubert Avenue at 2320 (except for handicapped); North Western Avenue (west side) from 2140 north to West Palmer Street;
<i>NATARUS</i> (42nd Ward)	East Delaware Place at 110;
<i>HANSEN</i> (44th Ward)	North Southport Avenue at 3540 (at the north end of the dock pointing south) relocating existing sign to south end of dock.

Referred -- PROHIBITION OF PARKING AT ALL TIMES
ON PORTION OF WEST PETERSON AVENUE.

Alderman Pucinski (41st Ward) presented a proposed ordinance to prohibit the parking of vehicles at all times on the north side of West Peterson Avenue from North Harlem Avenue to North Oconto Avenue, which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- PROHIBITION OF PARKING DURING SPECIFIED
HOURS AT SPECIFIED LOCATIONS.

The aldermen named below presented proposed ordinances to prohibit the parking of vehicles during the hours designated, at the locations and for the distances specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location, Distance and Time
KELLAM (18th Ward)	South Komensky Avenue (both sides) from West 79th Street to a point 125 feet south thereof -- 8:00 A.M. to 10:00 A.M. -- Monday through Friday;
SOLIZ (25th Ward)	West 15th Street (south side) from South Western Avenue to the viaduct east thereof -- 7:30 A.M. to 5:00 P.M. -- Monday through Friday.

Referred -- ESTABLISHMENT OF RESIDENTIAL PERMIT
PARKING ZONE ON PORTION OF SOUTH
MERRIMAC AVENUE.

Alderman Krystyniak (23rd Ward) presented a proposed order to establish a residential permit parking zone on the east side of South Merrimac Avenue at 5600 from 8:00 A.M. to 5:00 P.M. on Monday through Friday, which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- DESIGNATION OF THROUGH STREETS AT
SPECIFIED LOCATIONS.

Alderman Krystyniak (23rd Ward) presented four proposed orders to designate the following streets, at the locations and for the distances specified, as through streets, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Location	Distance
West 56th Street	Between South Austin Avenue and South Harlem Avenue;

Location	Distance
West 57th Street	Between South Austin Avenue and South Harlem Avenue;
West 59th Street	Between South Austin Avenue and South Harlem Avenue;
West 58th Street	Between South Austin Avenue and South Harlem Avenue.

Referred -- ESTABLISHMENT OF TOW-AWAY ZONES ON
SPECIFIED PUBLIC WAYS.

Alderman Natarus (42nd Ward) presented two proposed ordinances to establish tow-away zones on specified public ways for the distances indicated, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Public Way	Distances
East Division Street (North side)	From North State Street to the first north-south alley east thereof.
North State Parkway (West side)	Between East Scott Street and East Division Street.

Referred -- INSTALLATION OF AUTOMATIC TRAFFIC CONTROL
SIGNALS AT SPECIFIED INTERSECTION.

Alderman Kellam (18th Ward) presented a proposed order to install automatic traffic control signals at the intersection of West 81st Street and South Pulaski Road, which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- INSTALLATION OF TRAFFIC SIGNS.

The aldermen named below presented proposed orders for the installation of traffic signs, of the nature indicated and at the locations specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location and Type of Sign
EVANS (4th Ward)	East 49th Street and South Drexel Avenue -- "4-Way Stop";

Alderman	Location and Type of Sign
<i>MAJERCZYK</i> (12th Ward)	West 52nd Street and South Spaulding Avenue -- "Stop";
<i>LANGFORD</i> (16th Ward)	West 68th Street and South Justine Street -- "Stop";
<i>KRYSTYNIAK</i> (23rd Ward)	West 57th Street and South New England Avenue -- "All-Way Stop"; West 58th Street and South McVicker Avenue -- "All-Way Stop";
<i>GUTIERREZ</i> (26th Ward)	North Campbell Avenue and West Wabansia Avenue -- "Stop"; North Milwaukee Avenue and West Caton Street -- "Do Not Enter";
<i>KOTLARZ</i> (35th Ward)	North Sawyer Avenue at West Byron Street -- "Stop";
<i>CULLERTON</i> (38th Ward)	West Roscoe Street and North Natchez Avenue -- "2-Way Stop"; West Merrimac Avenue into northbound Mobile Avenue -- "No Left Turn"; North Mobile Avenue at West Merrimac Avenue -- "Stop";
<i>NATARUS</i> (42nd Ward)	West Division Street and North State Street (traveling west) -- "No Left Turn"; North State Street and West Division Street (traveling east) -- "No Left Turn"; West Division Street and North State Street (traveling south) -- "No Left Turn";
<i>SCHULTER</i> (47th Ward)	West Sunnyside Avenue at North Winchester Avenue -- "Stop".

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 ROTI (1st Ward):

To classify as a C2-2 General Commercial District instead of an R5 General Residence District the areas shown on Map No. 2-G bounded by

South Ashland Avenue; West Harrison Street; a line 250 feet east of South Ashland Avenue; a line 167 feet south of West Harrison Street; a line 163.80 feet east of South Ashland Avenue; and a line 352 feet south of West Harrison Street.

To classify as a Residential-Business Planned Development instead of a C2-2 General Commercial District the areas shown on Map No. 2-G bounded by

South Ashland Avenue; West Harrison Street; South Loomis Street the alley next south of West Harrison Street; South Laflin Street; a line 400.6 feet south of West Harrison Street; a line 163.82 feet east of South Ashland Avenue; and a line 763 feet south of West Harrison Street.

BY ALDERMAN HUELS (11th Ward):

To classify as a B-1 General Business District instead of a C2-3 General Commercial District the area shown on Map No. 8-H bounded by

the center line of South Ashland Avenue, the center line of West 38th Place, a line 100 feet north of and parallel to West 38th Place, the center line of the alley west of and parallel to South Ashland Avenue.

3.. CLAIMS.

Referred -- CLAIMS AGAINST CITY OF CHICAGO.

The aldermen named below presented sixteen 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

ROTI (1st Ward)

Michele Dremmer;

12/18/86

NEW BUSINESS PRESENTED BY ALDERMEN

38621

Alderman

Claimant

EVANS (4th Ward)

William Vann;

Judith Cosin Roothaan;

Walter A. Roberts;

KELLAM (18th Ward)

Park Place Condominium No. 1;

SHEAHAN (19th Ward)

Greg C. Skopis;

R. A. Peterson;

Mrs. Joan Duffy;

Charles A. McCorkle;

OBERMAN (43rd Ward)

Howe Court Condominium Association;

Astor Towers Condominium
Association;

2000-2002 North Howe Homeowners
Association;

Wrightwood Condominium Association;

Orwood Condominium Association;

Magnolia Town Home Association;

STONE (50th Ward)

Winston Towers No. 4 Association.

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);

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 north 125.0 feet of the north-south 18.5- foot public alley in the block bounded by W. Erie Street, W. Ohio Street, N. Racine Avenue, N. Ogden Avenue and N. May Street for Craig Goddard (No. 8-1- 86-1125); said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

On motion of Alderman Roti, the foregoing proposed order was *Passed*.

Presented By

ALDERMAN EVANS (4th Ward):

CONGRATULATIONS EXTENDED TO MRS. KATHRYN THOMAS
ON OCCASION OF HER 103RD BIRTHDAY.

A proposed resolution reading as follows:

WHEREAS, Mrs. Kathryn Thomas will celebrate her birthday December 21, 1986, amidst great celebration at the Church Home on Chicago's great south side; and

WHEREAS, Mrs. Thomas, who remains alert and interested in community affairs, was born 103 years ago in Marshfield, Iowa; and

WHEREAS, A resident of the Church Home since 1974, Mrs. Kathryn Thomas remains one of our proud City's most distinguished citizens; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this 18th day of December, 1986, A.D., do hereby offer our heartiest congratulations to Mrs. Kathryn Thomas as she celebrates her 103rd birthday, and extend to this fine citizen our very best wishes for many more years of happiness and prosperity; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Mrs. Kathryn Thomas.

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

On motion of Alderman Evans, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

Presented By

ALDERMAN HUTCHINSON (9th Ward):

**GRATITUDE EXTENDED TO MR. JOHN D. EDWARDS FOR
CONTRIBUTIONS TO SOUTH SIDE BUSINESS
COMMUNITY.**

A proposed resolution reading as follows:

WHEREAS, John D. Edwards, a resident and outstanding businessman on Chicago's great south side, has been contributing to the welfare of the Roseland community over the past twelve years; and

WHEREAS, John D. Edwards, who owns and operates Edwards Fashions Unlimited at 11363 South Michigan Avenue, has been a driving force in the past decade's remarkable improvements in the Roseland community; and

WHEREAS, While serving as Director of the Board of Chicago South Chamber of Commerce in 1981, John D. Edwards formed the Roseland Business Development Council and has served as its President ever since. His influence in developing the community has been far reaching, from activities at Oliver Harvey College and Chicago State University to the City of Chicago Streetscape Program, development of new stores along South Michigan Avenue, and activities which have led to restored sidewalks and the development of the New Roseland Health Center; and

WHEREAS, A model businessman who never tires in helping to make his community a better place, John D. Edwards has earned the admiration and gratitude of the entire Roseland area; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this 18th day of December, 1986, A.D., do hereby offer our gratitude

to south side businessman John D. Edwards for his many contributions to the betterment of his community, and we extend to this outstanding citizen our very best wishes for continued health, success and good works; and

Be It Further Resolved, That a suitable copy of this resolution be presented to John D. Edwards.

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 Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

Presented By

ALDERMAN MAJERCZYK (12th Ward):

Referred -- APPROVAL OF PLAT OF DEDICATION FOR
PORTIONS OF WEST 47TH PLACE, WEST 48TH
PLACE, SOUTH ST. LOUIS AVENUE, AND
SOUTH CHRISTIANA AVENUE.

A proposed ordinance directing the Superintendent of Maps, Ex Officio Examiner of Subdivisions, to approve a plat of dedication for portions of West 47th Place, West 48th Place, South St. Louis Avenue and South Christiana Avenue, all of said public ways within the general area bounded by South Kedzie Avenue, West 47th Street, South Central Park Avenue and West 49th Street, which was *Referred to the Committee on Streets and Alleys*.

Presented By

ALDERMAN KELLAM (18th Ward):

BUILDING DECLARED PUBLIC NUISANCE AND
ORDERED DEMOLISHED.

A proposed ordinance reading as follows:

WHEREAS, The building located at 3445 West Columbus Avenue is so deteriorated and weakened that it is structurally unsafe and a menace to life and property in its vicinity; now, therefore,

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

SECTION 1. The building located at 3445 West Columbus Avenue is declared a public nuisance, and the Commissioner of Inspectional Services is hereby authorized and directed to cause demolition of same.

SECTION 2. This ordinance shall be effective upon its passage.

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

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

Presented By

ALDERMAN SHEAHAN (19th Ward):

Referred -- REQUEST FOR INVESTIGATION REGARDING
RELOCATION OF LA SALLE STREET COMMUTER
TRAIN STATION.

A proposed resolution calling for an investigation into the relocation of the LaSalle Street commuter train station from its present location at the south end of the Chicago Loop to its proposed location further south thereof, which was *Referred to the Committee on Intergovernmental Relations*.

Presented By

ALDERMAN SHERMAN (21st Ward):**ALLEY ASSESSMENT FEE REDUCED FOR MRS. HENRIETTA COCROFT
DUE TO SENIOR CITIZEN STATUS.**

A proposed resolution reading as follows:

WHEREAS, Mrs. Henrietta Cocroft is a recently widowed senior citizen residing at 8801 South Parnell Avenue in the 21st Ward of the City of Chicago; and

WHEREAS, The City's Department of Revenue has recently sent Mrs. Cocroft a bill for alley improvement, Warrant No. 61076, for the amount of \$1,250.00, to cover the full cost of alley paving abutting her property; and

WHEREAS, It has been a practice of the City of Chicago to give senior citizens a 50% reduction of street improvement costs; now, therefore,

Be It Resolved, That the Special Assessment Division of the City of Chicago Department of Revenue is hereby memorialized to give consideration to granting a 50% reduction in the assessments against Mrs. Henrietta Cocroft concerning the alley improvements adjacent to her property.

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

On motion of Alderman Sherman, the foregoing proposed resolution was *Adopted*, by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

Presented By

ALDERMAN GARCIA (22nd Ward):**CONGRATULATIONS EXTENDED TO EPIPHANY SCHOOL -- FAITH
LEARNING COMMUNITY ON OCCASION OF BEING
AWARDED PEACE MONUMENT.**

A proposed resolution reading as follows:

WHEREAS, Epiphany School-Faith Learning Community declared itself a peace primary on April 19, 1986, on its 75th Anniversary; and

WHEREAS, Epiphany School located at 4223 West 25th Street in the 22nd Ward in the City of Chicago is essentially trying to teach its students to stand and speak for justice and peace; and

WHEREAS, The lack of justice and peace causes conflict, and we are all God's family and each person should learn to love and respect themselves and others; and

WHEREAS, Epiphany School on December 16, 1986, was awarded a Peace Pole sponsored by the International Peace Association, 3315 North Clark Street, Chicago, IL; and

WHEREAS, The Epiphany School Peace Pole is the fifth to be awarded in the City of Chicago, and part of the effort is to make Chicago a Model City; and

WHEREAS, In the Spring of 1987, the Peace Pole, which stands 8 1/2 feet tall, will be placed in the school-church yard; and

WHEREAS, The inscription on the Peace Monument will read, "May peace prevail in Chicago; Peace in Illinois; Peace in the United States; and Peace on Earth"; now, therefore,

Be It Resolved, That the Mayor and the members of the City Council assembled this 18th day of December, 1986, do hereby congratulate Epiphany School, Epiphany Church, and their Faith Learning Community for being awarded the Peace Monument.

Alderman Gutierrez 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 Gutierrez, the foregoing proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

Presented By

ALDERMAN KRYSTYNIAK (23rd Ward):

TRIBUTE TO LATE MR. JAMES E. HIGGINS, JR.

A proposed resolution reading as follows:

WHEREAS, God the Almighty in His Infinite Wisdom has called to his eternal reward James E. Higgins, Jr., one of the City of Chicago's most outstanding and beloved businessmen; and

WHEREAS, James E. Higgins, Jr., served a long and distinguished career in the U. S. Army, from which, after 32 years, he retired in 1978, having attained the rank of Lieutenant Colonel; and

WHEREAS, A founder of Our Lady of the Snows Church and a director of the Garfield Ridge Chamber of Commerce, Mr. Higgins was long productive in Chicago's southwest side professional and religious community. He was past president of the Vittum Park Civic League and director for the Bedford Park -- Clearing Industrial Association; and

WHEREAS, The Higgins family is one of the most distinguished on Chicago's great Southwest Side. James and his wife, Marie, have six children and seven grandchildren; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this 18th day of December, 1986, A. D., do hereby voice our sorrow on the passing of James E. Higgins, Jr., and express to his family and many friends our deepest sense of bereavement; and

Be It Further Resolved, That a suitable copy of this resolution be presented to Mrs. James E. Higgins, Jr., and family.

Alderman Krystyniak 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 Krystyniak, the foregoing proposed resolution was *Adopted*, unanimously.

CONGRATULATIONS EXTENDED TO C.T.A. BUS DRIVER
JOHN PACZKOWSKI FOR HIS OUTSTANDING
ACT OF HEROISM.

Also, a proposed resolution reading as follows:

WHEREAS, The leaders of this great City always wish to acknowledge the outstanding deeds of its citizens; and

WHEREAS, A Chicago bus driver named John Paczkowski has performed such a deed, which resulted in saving the lives of at least two people; and

WHEREAS, While driving along his Archer Avenue route, John Paczkowski witnessed a two-car collision. As smoke poured from one of the cars, Paczkowski radioed for police help, and then without regard to his own safety helped a small child and a woman from the car; and

WHEREAS, As a C.T.A. driver for over six years, John Paczkowski is a great example of the public servants and indeed of all the fine citizens of this great City of Chicago, and we are truly grateful to him; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered here this 18th day of December, 1986, A. D., do hereby congratulate C.T.A. bus driver John Paczkowski on an outstanding act of heroism and extend to his fine citizen our very best wishes for much happiness and success in the future; and

Be It Further Resolved, That a suitable copy of this resolution be presented to John Paczkowski.

Alderman Krystyniak 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 Krystyniak, the foregoing proposed resolution was *Adopted*, unanimously.

Referred -- INSTALLATION OF BUS PASSENGER SHELTER
AT SPECIFIED INTERSECTION.

Also, a proposed order for the installation of a bus passenger shelter on the northeast corner of South Archer Avenue and South Pulaski Road, which was *Referred to the Committee on Local Transportation*.

Presented By

ALDERMAN SOLIZ (25th 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 west 92.25 feet of the east-west 16-foot public alley in the

block bounded by West Cermak Road, West 22nd Place, South Western Avenue and South Oakley Avenue for Helen Kamps (No. 30-25-86-1124); said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

On motion of Alderman Soliz, the foregoing proposed order was *Passed*.

Presented By

ALDERMAN GUTIERREZ (26th Ward):

Referred -- COMMISSIONER OF PUBLIC WORKS REQUESTED TO
INITIATE FEASIBILITY SURVEY REGARDING CLOSING
PORTION OF WEST POTOMAC AVENUE
FOR SCHOOL PURPOSES.

A proposed order requesting the Commissioner of Public Works to initiate a feasibility survey regarding the possibility of closing to traffic West Potomac Avenue between North Oakley Avenue and North Western Avenue for the benefit of DeDiego Academy students, which was *Referred to the Committee on Traffic Control and Safety*.

Presented By

ALDERMAN GABINSKI (32nd Ward):

Referred -- AMENDMENT OF MUNICIPAL CODE CHAPTER
194A, ARTICLE 6.2 CONCERNING
NON-CONFORMING USES.

A proposed ordinance to amend Chapter 194A of the Chicago Municipal Code, also known as the Chicago Zoning Ordinance, Article 6.2 extending the understanding of non-conforming use buildings to any pre-existing non-conforming use in addition thereto, which was *Referred to the Committee on Zoning*.

Referred -- APPROVAL OF PROPERTY AT 1525 WEST
HOMER STREET AS APPROPRIATE FOR COOK
COUNTY INCENTIVE ABATEMENT
PURPOSES.

Also, a proposed resolution to approve the property located at 1525 West Homer 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 MELL (33rd Ward):

**SERGEANT BOB ANGONE RECOGNIZED FOR HIS
EFFORTS TO HALT GRAFFITI.**

A proposed resolution reading as follows:

WHEREAS, Sergeant Bob Angone is a twenty-two year veteran of the Chicago Police Department; and

WHEREAS, He commands a Tactical Unit of the Chicago Police assigned to apprehending graffiti vandals; and

WHEREAS, Sergeant Angone's Tactical Unit is responsible for massive arrests, as many as eighty in a four-week period; and

WHEREAS, Sergeant Angone and his Tactical Unit have brought to justice one leader of a sixty-five member gang responsible for \$100,000 damage to the Chicago Transit Authority trains and stations; and

WHEREAS, Sergeant Angone is recognized by community organizations in the City of Chicago for his tireless efforts in the fight against graffiti; now, therefore,

Be It Resolved, That the Mayor and the members of the City Council of the City of Chicago, in a meeting assembled this 18th day of December, 1986, recognize Sergeant Bob Angone's extraordinary efforts to bring graffiti to a halt and the vandals to justice; and

Be It Further Resolved, That a suitable copy of this resolution be prepared for presentation to Sergeant Bob Angone.

Alderman Mell 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 Mell, the foregoing proposed resolution was *Adopted*, unanimously.

Referred -- APPROVAL OF PROPERTY AT 2626 NORTH
CLYBOURN AVENUE AS APPROPRIATE FOR COOK
COUNTY INCENTIVE ABATEMENT PURPOSES.

Also, a proposed resolution to approve the property located at 2626 North Clybourn Avenue 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 CULLERTON (38th Ward) and
ALDERMAN NATARUS (42nd Ward):**

Referred -- AMENDMENT OF MUNICIPAL CODE CHAPTER 194A,
ARTICLES 8.3-4B (35), 8.3-7B (8) AND 9.3-1B
(35) CONCERNING ENTERTAINMENT IN
RESTAURANTS AND TAVERNS.

A proposed ordinance to amend Chapter 194A of the Chicago Municipal Code, also known as the Chicago Zoning Ordinance, Articles 8.3-4B (35), 8.3-7B (8) and 9.3-1B (35) concerning allowable live entertainment in restaurants and taverns, which was *Referred to the Committee on Zoning*.

Presented By

ALDERMAN LAURINO (39th Ward):

Referred -- ISSUANCE OF SIGN PERMIT TO WHITECO
METROCOM, INCORPORATED FOR ERECTION OF
SIGN/SIGNBOARD AT 6199 NORTH
LINCOLN AVENUE.

A proposed order for the issuance of a sign permit to Whiteco Metrocom, Incorporated for the erection of a sign/signboard at 6199 North Lincoln Avenue for general advertisers (various copy), which was *Referred to the Committee on Zoning*.

Presented By

ALDERMAN NATARUS (42nd Ward):

Referred -- GRANT OF PRIVILEGE IN PUBLIC WAY
EXTENDED TO 1028 NORTH RUSH
STREET CORPORATION.

A proposed ordinance to grant permission and authority to 1028 North Rush Street Corporation to maintain and use as now constructed a portion of the sidewalk area on East Bellevue Place between North State Street and North Rush Street adjacent to 1028 North Rush 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:

FREE PERMITS:

BY ALDERMAN RUSH (2nd Ward):

Metropolitan Community Church, 4100 S. King Drive -- for construction of a Senior Citizens Housing Project on the premises known as 4101 S. Calumet Avenue.

BY ALDERMAN GARCIA (22nd Ward):

Latino Youth, Inc., 2905 W. Cermak Road -- for renovating existing structure on the premises located on the southwest corner of S. Marshfield Avenue and W. Cermak Road.

BY ALDERMAN D. DAVIS (29th Ward):

Circle Urban Ministries, 118 N. Central Avenue -- for rehabilitation of building located at 5600 W. Washington Boulevard.

Circle Urban Ministries, 118 N. Central Avenue -- for electrical services for the building located at 5600 W. Washington Boulevard.

BY ALDERMAN BITOY (34th Ward):

The Apostolic Assembly of the Lord Jesus Christ, Inc. -- for electrical installations on the premises known as 10708 S. Vincennes Avenue.

LICENSE FEE EXEMPTIONS:

BY ALDERMAN BLOOM (5th Ward):

LaRabida Children's Hospital and Research Center, E. 65th Street at Lake Michigan.

St. Mary's Square Living Center of Chicago, Inc., 7270 S. South Shore Drive.

BY ALDERMAN SHEAHAN (19th Ward):

Washington and Jane Smith Home, Inc., 2340 W. 113th Street.

BY ALDERMAN SOLIZ (25th Ward):

Schwab Rehabilitation Center, 1401 S. California Boulevard.

BY ALDERMAN D. DAVIS (29th Ward):

Circle Family Care, 118 N. Central Avenue.

Third Unitarian Church, 301 N. Mayfield Avenue.

BY ALDERMAN MELL (33rd Ward):

Grace Convalescent Home, 2800 W. Grace Street.

St. Paul's House, 3831 N. Mozart Street.

BY ALDERMAN PUCINSKI (41st Ward):

Danish Home, 5656 N. Newcastle Avenue.

BY ALDERMAN ORBACH (46th Ward):

Louis A. Weiss Memorial Hospital, sundry locations (4).

BY ALDERMAN STONE (50th Ward):

Northwest Home for the Aged, 6300 N. California Avenue.

CANCELLATION OF WARRANTS FOR COLLECTION:

BY ALDERMAN EVANS (4th Ward):

Chicago Child Care Society, 5467 S. University Avenue -- sign and surcharge inspections.

Lutheran School of Theology, sundry locations -- building inspections.

BY ALDERMAN O'CONNOR (40th Ward):

Edgewater Hospital, 5700 N. Ashland Avenue -- boiler inspection.

BY ALDERMAN PUCINSKI (41st Ward):

Norwood Park Home, 6016 N. Nina Avenue -- refrigeration inspection.

BY ALDERMAN OBERMAN (43rd Ward):

Chicago Historical Society, 1601 N. Clark Street -- elevator inspection.

Grant Hospital, 5550 W. Webster Avenue -- boiler inspection.

BY ALDERMAN STONE (50th Ward):

Northwest Home for the Aged, 6300 N. California Avenue -- refrigeration inspection.

WATER RATE EXEMPTIONS:

BY ALDERMAN SHEAHAN (19th Ward):

Washington and Jane Smith Home, Inc., 2340 W. 113th Street.

BY ALDERMAN SCHULTER (47th Ward):

Queen of Angels Church, 4500--4510 N. Claremont Avenue.

**APPROVAL OF JOURNAL OF
PROCEEDINGS.**

JOURNAL (October 6, 1986).

Alderman Krystyniak moved to *Correct* the printed Official Journal of the Proceedings of the regular meeting held on Monday, October 6, 1986, as follows:

Page 34823 -- by deleting the number "179.1" appearing on the fourth line from the top of the page and inserting the number "118.1" in lieu thereof.

The motion to correct *Prevailed*.

JOURNAL (December 10, 1986).

The City Clerk submitted the printed Official Journal of the Proceedings of the regular meeting held on December 10, 1986, at 10:00 A.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.

**APPOINTMENT OF MR. PATRICK QUINN AS
DIRECTOR OF REVENUE APPROVED.**

On motion of Alderman Evans, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 10, 1986, pages 37794 and 37797, recommending that the City Council approve the appointment of Mr. Patrick Quinn as the Director of Revenue.

On motion of Alderman Evans, the committee's recommendation was *Concurred In* and said appointment of Mr. Patrick Quinn as the Director of Revenue was *Approved* by yeas and nays as follows:

Yeas -- Aldermen Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Majerczyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Gutierrez, Smith, D. Davis, Hagopian, Mell, Bitoy, Kotlarz, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 41.

Nays -- Alderman Santiago -- 1.

APPROVAL GIVEN TO CREATION OF TWENTY-FOUR
HOUR ENVIRONMENTAL PROTECTION HOTLINE.

On motion of Alderman Evans, the City Council took up for consideration the report of the Committee on Energy, Environmental Protection and Public Utilities deferred and published in the Journal of the Proceedings of December 10, 1986, pages 37858 and 37864, recommending that the City Council adopt a proposed resolution approving the creation of a twenty-four hour environmental protection hotline.

On motion of Alderman Evans, the said proposed resolution was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

Nays -- None.

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

The following is said resolution as adopted:

WHEREAS, There have been recent incidents in the City of Chicago involving the accidental release of toxic chemicals; and

WHEREAS, It is in the interests of all Chicagoans that such situations be reported promptly so that timely action may be undertaken to prevent risk to health and safety; and

WHEREAS, There currently exists within the Energy and Environmental Protection Division of the Department of Consumer Services a 24-hour environmental complaint hotline -- 744-4075; now, therefore,

Be It Resolved, That the 24-hour environmental hotline which will be equipped with twenty-four (24) hour capability be widely publicized throughout Chicago as a number which may be called to report the suspicious, improper or illegal use, handling or dumping of toxic substances.

MUNICIPAL CODE CHAPTER 17 AMENDED CONCERNING
CERTAIN PERMIT FEE INCREASES AND
INSTITUTION OF NEW FEE ON
LIQUID WASTE.

On motion of Alderman Evans, the City Council took up for consideration the report of the Committee on Energy, Environmental Protection and Public Utilities deferred and published in the Journal of the Proceedings of December 10, 1986, pages 37864 -- 37867, recommending that the City Council pass a proposed ordinance amending Chapter 17 of the Municipal Code concerning the increase in certain permit fees and the institution of a new fee on liquid waste.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

The following is said ordinance as passed:

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

SECTION 1. That Chapter 17 of the Municipal Code of Chicago is hereby amended by deleting the language contained in brackets and adding the language in italics as follows:

17-1.12. Fees for the inspection of plans and issuing installation permits for the installation, erection, construction, reconstruction, alteration of[,] or addition to[,] steam boilers, unfired pressure vessels, fuel or refuse-burning equipment, compactors, combustion or process equipment or devices and installation of apparatus or devices for the prevention or arresting of the discharge of smoke, particulate, liquid, gaseous or other matter shall be as follows:

Filing fee for the evaluation of plans of steam boilers, unfired pressure vessels, fuel or refuse-burning equipment, compactors, combustion or process equipment or devices and installation of apparatus or devices for the prevention or arresting of the discharge of smoke, particulate, liquid, gaseous or other matter [\$10.00]
\$15.00

Permits for the installation, erection, construction, reconstruction, alteration of [,] or addition to any boiler, fuel-burning combustion or process equipment or devices, dustloading device or chimney.

Boilers, fuel-burning equipment used for space heating, steam and hot water generation for each unit:

Of a capacity of less than 288,000 BTU/Hr. net
output rating of boiler or furnace \$15.00

Of a capacity of 288,000 BTU/Hr. and less than
960,000 BTU/Hr. net output rating of boiler or
furnace 20.00

Of a capacity of 960,000 BTU/Hr. and less than
2,880,000 BTU/Hr. net output rating of boiler or
furnace 25.00

Of a capacity of [2,800,000] 2,880,000 BTU/Hr. or
more net output rating of boiler or furnace 35.00

Refuse-burning equipment, for each unit:

With less than five square feet of grate
area \$10.00

With five square feet and less than ten
square feet of grate area 15.00

With 10 square feet and less than 15 square
feet of grate area 20.00

With 15 square feet and less than 20 square
feet of grate area 25.00

With 20 or more square feet of grate
area 30.00

[Per one unit operation of one unit process
creating atmospheric pollution or any device
controlling atmospheric pollution or any
compactor 15.00]

An annual flat fee on stationary emission sources shall be levied according to a modified version of the Illinois Environmental Protection Agency surveillance classification system used by the division of Energy and Environmental Protection within the Department as follows:

A-1 Source (any stationary source whose actual emissions or potential emissions while operating at design capacity are equal to or exceed 100 tons per year of any pollutant): \$1,000.00

A-2 Source (any stationary source whose uncontrolled emissions while operating at the design capacity are equal to or exceed 100 tons per year for any regulated pollutant but whose actual emissions are less than 100 tons per year): \$500.00

B Source (any stationary source whose uncontrolled emissions are less than 100 tons per year): \$100.00

C Source (any stationary source whose actual emissions are less than 10 tons per year): \$30.00

Sandblasting:

The fee for an annual permit to conduct sandblasting operations shall be \$25.00 per contractor per calendar year.

Sanitary Landfill:

25 acre tract or less [2,500.00] \$5,000.00

More than 25 acres but less than
50 [5,000.00] 10,000.00

50 acres or more [to] but less than
75 acres [6,800.00] 13,600.00

75 acres or over [10,000.00] 20,000.00

The City of Chicago shall be exempt from payment of such fees.

Unfired Pressure Vessels:

For each unfired pressure vessel \$20.00

Liquid Waste Handling Facility Fees:

[New facility 2,500.00

Subsequent year, under 100,000 gal/day

intake	2,000.00
Subsequent year, over 100,000 gal/day	
intake.....	4,000.00]
New or existing facility.....	8,000.00

Transfer Station Fees:

New or existing facility	[2,500.00]	\$5,000.00

17-1.12.1. In addition to all other licensing fees provided in this Chapter, on and after January 1, 1987, the owner or operator of each Liquid Waste Handling Facility permitted under this Chapter shall pay a \$.025 per gallon fee on each gallon of liquid waste received at the facility. The Commissioner shall establish rules and regulations relating to the collection of the fees authorized by this section.

17-1.12.2. There is hereby created within the City Treasury a special fund to be known as the "Environmental Control Fund" constituted from the fees collected pursuant to this Section 17-1.12.1. The fund is to be utilized for environmental management purposes related to liquid waste, including environmental monitoring, planning, inspection, enforcement, public education and technical assistance to industry and other activities consistent with this Chapter.

* * *

17-1.16. All fees or penalties prescribed for the issuance of permits, licenses or certificates or for the inspection of plans; premises or equipment, under any provision of this chapter, shall be paid to the Commissioner who shall render to the person making such payment a receipt stating that amount and purpose for which such fee or penalty has been paid, a duplicate of which shall be made part of the records of Consumer Services. All fees and penalties thus received shall be deposited with the City Comptroller for the corporate fund; *provided, however, that the fees collected pursuant to section 17-1.12.1 shall be deposited in the special fund known as the "Environmental Control Fund", as described in section 17-1.12.2.*

EXECUTION OF LOAN AND SECURITY AGREEMENT
AUTHORIZED WITH E.C.O. PARTNERS
FOR PROJECT LOCATED AT
3939 SOUTH KARLOV
AVENUE.

On motion of Alderman Evans, the City Council took up for consideration the report of the Committee on Finance deferred and published in the Journal of the Proceedings of December 10, 1986, pages 37797 -- 37809 recommending that the City Council pass a proposed ordinance authorizing the execution of a loan and security agreement with E.C.O. Partners for a project located at 3939 South Karlov Avenue.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

The following is said ordinance as passed:

WHEREAS, The Department of Economic Development of the City of Chicago ("D.E.D.") was established on 10 February 1982, by ordinance of the City Council of the City of Chicago; and

WHEREAS, D.E.D. has as its primary purpose the creation of additional employment opportunities in the City of Chicago through the attraction and expansion of industrial and commercial development in the City; and

WHEREAS, D.E.D. has funds available to its Business Development Loan Program through the Community Development Block Grant Program of the U. S. Department of Housing and Urban Development ("H.U.D.") in the amount of \$1,500,000; and

WHEREAS, D.E.D. has funds available to its Illinois Fixed Rate Loan Program through the Community Development Block Grant Program of the U. S. Department of Housing and Urban Development ("H.U.D.") in the amount of \$656,000; and

WHEREAS, E.C.O. Partners, a Georgia Partnership, desire to borrow and Lender desires to lend the sum of \$100,000 through the Business Development Loan Program and \$100,000 through the Illinois Fixed Rate Loan Program (collectively referred to hereinafter as "Loan") for the purposes of business expansion; and

WHEREAS, The Economic Development Commission has approved the applications of E.C.O. Partners for said Loan; now, therefore,

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

SECTION 1. The Commissioner of Economic Development is authorized to enter into and execute, a Loan and Security Agreement with E.C.O. Partners, pursuant to which the City will loan \$200,000 to E.C.O. Partners to assist E.C.O. Partners to expand its operations, said Loan and Security Agreement to be substantially in the form attached hereto as Exhibit A.

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

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

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

Loan and Security Agreement.

This Agreement is entered into and executed as of this _____ day of _____, 1986, by and between the City of Chicago, Illinois, an Illinois municipal corporation ("Lender"), by and through its Department of Economic Development ("D.E.D."), having its offices at 20 North Clark Street, Chicago, Illinois, 60602; and E.C.O. Partners, a Georgia Partnership with principal offices at 814 Commerce Drive, Oak Brook, Illinois, ("Borrower").

Recitals:

Whereas, D.E.D. was established on 10 February 1982 by ordinance of the City Council of the City of Chicago; and

Whereas, D.E.D. has as its primary purpose the creation of additional employment opportunities in the City of Chicago through the attraction and expansion of industrial and commercial development in the City; and

Whereas, D.E.D. has funds available to its Business Development Loan Program through the Community Development Block Grant Program of the U. S. Department of Housing and Urban Development ("H.U.D.") in the amount of \$1,500,000; and

Whereas, D.E.D. has funds available to its Illinois Fixed Rate Loan Program through the Community Development Block Grant Program of the U. S. Department of Housing and Urban Development ("H.U.D.") in the amount of \$694,674; and

Whereas, Borrower desires to borrow and Lender desires to lend the sum of \$100,000 through the Business Development Loan Program, and \$100,000 through the Illinois Fixed Rate Loan Program (collectively referred to hereinafter as "Loan") for the purposes of business expansion;

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

Section 1. The Above Recitals Are Incorporated Herein And Made A Part Hereof By Reference.

Section 2. Definitions.

2.01 "Borrower's Liabilities" shall mean all obligations and liabilities of Borrower to Lender (including without limitation all debts, claims and indebtedness) whether primary, secondary, direct, contingent, fixed or otherwise heretofore, now and/or from time to time hereafter owing, due or payable, however evidenced, created, incurred, acquired or owing and however arising whether under this Agreement or the "Other Agreements" (hereinafter defined).

2.02 "Charges" shall mean all national, federal, state, county, city, municipal and/or other governmental (or any instrumentality, division, agency, body or department thereof), taxes, levies, assessments, charges, liens, claims or encumbrances upon and/or relating to the "Collateral" (hereinafter defined), Borrower's Liabilities, Borrower's business, Borrower's ownership and/or use of any of its assets, and/or Borrower's income and/or gross receipts.

2.03 "Collateral" shall mean those assets of Borrower (individually or collectively), now owned or hereafter acquired in which Borrower has granted Lender a security interest as set forth in Section 4 of this Agreement as security for the Loan.

2.04 "Financials" shall mean those financial statements provided to D.E.D. at the time of application for the Loan and financial statements hereinafter provided to D.E.D. pursuant to the terms of this Agreement.

2.05 "Indebtedness" shall mean all obligations and liabilities of Borrower to any Person (other than Lender), heretofore, now and/or from time to time hereafter owed, whether under written or oral agreement, operation of law, or otherwise.

2.06 "Other Agreements" shall mean all agreements, instruments and documents heretofore, now, and/or from time to time hereafter executed by and/or on behalf of Borrower and delivered to Lender by Borrower.

2.07 "Property" shall mean that certain real estate located at 3939 South Karlov, Chicago, Illinois, and all buildings, facilities and structures now existing or hereafter erected thereon.

2.08 "Project" shall mean all activities of Borrower on the Property using the proceeds of the Loan or other Indebtedness.

2.09 "Senior Lender" shall mean Exchange National Bank, Chicago, Illinois.

Section 3. Loan.

The Loan shall be made upon the following terms and conditions:

3.01 The principal sum of the Loan shall be \$100,000 through the Business Development Loan Program and \$100,000 through the Illinois Fixed Rate Loan Program.

3.02 The term of the Loan shall be 7 years.

3.03 The rate of interest charged on the Business Development Loan, per annum, shall be seventy-five percent (75%) of that rate of interest charged by First National Bank of Chicago to its most creditworthy customers upon ninety (90) day unsecured loans, in effect from time to time ("Prime Rate"), payable in 84 equal installments of principal together with interest thereon on Lender schedule of payments provided to Borrower. The aforesaid interest rate shall be established as of the date the Note is executed and shall be adjusted as of the first day of January, April, July and October of each year the Loan remains outstanding. The first such interest adjustment shall be _____, _____. Payments shall be made on or before the 1st day of the month commencing on the 1st day _____ after disbursement of the Business Development Loan proceeds.

3.04 The rate of interest on the Illinois Fixed Interest Rate Loan shall be three percent (3%) per annum. Repayment of said Loan shall be in 84 equal monthly installments of principal together with interest thereon. Payments shall be made on or before the 1st day of the month commencing on the 1st day of _____ after disbursement of the Illinois Fixed Rate Loan.

3.05 Borrower expressly agrees that Business Development Loan proceeds shall be used only for the purchase of property in order to lease same to a related entity, E.E.S.C.O. Inc. and that the Illinois Fixed Rate Loan Proceeds shall be used only for construction, improvements, working capital and the purchase of machinery and only on or for the Property.

Section 4. Grant of Security Interest.

To secure the prompt payment to Lender of and the prompt, full and faithful performance of Borrower's Liabilities, Borrower hereby grants, or causes to be granted, to Lender a security interest in and to all of the following:

4.01 The Property; and

4.02 Equipment, machinery, vehicles and fixtures, and other tangible business assets located at the Property including all replacements, additions, accessions, and/or substitutions thereto and therefore; all products and proceeds of the foregoing, including without limitation proceeds of insurance policies insuring the Collateral.

4.03 Borrower at its sole cost and expense, shall keep and maintain the Collateral insured for its full replacement value against loss or damage by fire, theft, explosion, floods and all other hazards and risks ordinarily insured against by other owners or users of such properties in similar businesses with insurers and in amounts as may be reasonably satisfactory to Lender. Borrower shall deliver to Lender an original copy of each policy of insurance, and evidence of payment of all premiums therefore so long as the Loan is outstanding. Such policies of insurance shall contain an endorsement showing Lender as an additional insured as its interests may appear. In addition, such policies and/or endorsement shall provide that the insurers shall give Lender not less than 30 days written notice of any alteration or cancellation thereof. In the event Borrower at any time or times hereafter shall fail to obtain or maintain any of the policies of insurance required under this Agreement or to pay any premium in whole or in part when due, then Lender without

waiving or releasing any obligation or default by Borrower hereunder, may at any time or times thereafter (but shall be under no obligation to do so) obtain and maintain such policies of insurance and pay such premium and take any other action with respect thereto which Lender deems advisable to protect its interest in the Loan. All sums so disbursed by Lender, including reasonable attorney's fees, court costs, expenses and other charges relating thereto, shall be payable by Borrower to Lender.

4.04 Borrower shall execute such financing statements and security agreements as Lender may request, which statements and agreements shall be recorded at such locations as Lender designates to perfect its security interest in the Collateral.

4.05 All Borrower's Liabilities shall constitute one loan secured by Lender's security in the Collateral and by all other security interest, liens, claims and encumbrances now and/or from time to time hereafter granted by Borrower to Lender; provided however, that the liens and/or security of the Loan may be subordinated to the loan of the Senior Lender and only the Senior Lender in an amount not to exceed \$650,000 plus additional amounts actually advanced by the Senior Lender upon Borrower's failure to perform its obligations under the Senior Financing.

4.06 Borrower agrees that Patrick Hulme, Charles Leavitt III, Gary Murino, Stanley C. Weiss, Richard Lee Cravey and Chris Peifer individually, jointly and severally shall personally guarantee the Loan.

Section 5. Conditions Precedent.

The following, some of which may already have been accomplished shall be required of Borrower as conditions precedent to disbursement of Loan proceeds:

5.01 Borrower shall certify to Lender that Borrower has sufficient funds on hand or irrevocably available to it to complete its obligations under the Agreement and has identified the sources of said funds.

5.02 Borrower shall have furnished to Lender duly executed financing statements to be filed at Borrower's expense, by the Lender at such locations as the Lender designates.

5.03 Borrower shall have furnished to Lender insurance policies indicating that Borrower, at its sole cost and expense, shall keep and maintain the Collateral insured for the full replacement value against loss or damage by fire, theft, explosion, sprinklers and all other hazards and risks ordinarily insured against by other owners or users of such business assets in similar businesses. Said policy or policies shall be duly endorsed identifying the Lender as a loss payee, as its interests appear.

5.04 Personal Guarantee of Patrick Hulme, Charles Leavitt III, Gary Murino, Stanley C. Weiss, Richard Lee Cravey and Chris Peifer for repayment of the Loan.

5.05 Consent of Senior Lender to D.E.D's Loan and Borrower's grant of security interest as security therefore.

Section 6. Conditions Subsequent.

6.01 Within 10 calendar days following disbursement of Loan proceeds, Borrower shall furnish to Lender duly executed Certificate(s) of Inspection and Acceptance, certifying that the equipment and machinery purchased with Loan proceeds has been received, inspected, and installed.

Section 7. Warranties, Representations and Covenants.

Borrower warrants and represents and covenants to Lender as follows:

7.01 All representations and warranties of Borrower contained in this Agreement and the Other Agreements shall be true at the time of Borrower's execution of this Agreement, and shall survive the execution, delivery and acceptance hereof by the parties hereto.

7.02 Borrower shall be subject to, obey and adhere to any and all federal, state, and local laws, statutes, ordinances, rules and regulations, and executive orders as are now or may be in effect during the term of the Loan.

7.03 Except as disclosed in the Financials, (a) Borrower is now and at all times hereafter a Georgia partnership duly organized and existing and in good standing under the laws of Illinois as represented at the beginning of this Agreement, and qualified or licensed to do business in all other states in which the laws thereof require Borrower to be so qualified and/or licensed; (b) Borrower has the right and power and is duly authorized and empowered to enter into, execute, deliver and perform this Agreement; (c) the execution, delivery and performance by Borrower of this Agreement shall not, by the lapse of time, the giving of notice or otherwise, constitute a violation of any applicable law or breach of any provision contained in Borrower's Articles of Incorporation or By-laws or contained in any agreement, instrument or document to which Borrower is now or hereafter a party or by which it is or may become bound; (d) Borrower has and at all times hereafter shall have good, indefeasible and merchantable title to and ownership of the Collateral (as hereinafter defined), free and clear of all liens, claims, security interests and encumbrances except those of Lender and as otherwise permitted under Section 4 of this Agreement; (e) Borrower is now and at all times hereafter shall be solvent and able to pay its debts as they mature; (f) there are no actions or proceedings which are pending or threatened against Borrower (except as may be set forth in Borrower's application for the Loan), which might result in any material and adverse change to Borrower's financial condition, or materially affect Borrower's assets or the Collateral as of the date of this Agreement; (g) Borrower has and is in good standing with respect to all government permits, certificates, consents (including without limitation appropriate environmental clearances and approvals) and franchises necessary to continue to conduct its business as previously conducted by it and to own or lease and operate its properties (including but not limited to the Property) as now owned or leased by it; (h) Borrower is not in default with respect to any indenture, loan agreement, mortgage, deed or other similar agreement relating to the borrowing of monies to which it is a party or by which it is bound; (i) the Financials fairly and accurately present the assets, liabilities and financial conditions and results of operations of Borrower as of the date of application for the Loan and for the fiscal year immediately preceding the date of Financials submitted thereafter; and (j) there has been no material and adverse change in the assets, liabilities or financial condition of Borrower since the dates of the aforesaid Financials.

7.04 Borrower shall cause all current outstanding loans and/or liens to be subordinated to this Loan if such subordination is necessary to assure that Lender occupies no less than a second secured lien position on all of the Collateral. Borrower shall furnish Lender documents satisfactory to Lender which evidence its compliance with this Paragraph 6.04.

7.05 Except as permitted under Section 4 hereof, Borrower shall not, without Lender's prior written consent thereto, which Lender may or may not give in its sole discretion, concurrently or hereafter (a) grant a security interest in, assign, sell or transfer any of the Collateral to any person, or permit, grant or suffer or permit a lien, claim or encumbrance upon any of the Collateral; (b) permit or suffer any levy, attachment or restraint to be made affecting any of the Collateral; (c) enter into any transaction not in the ordinary course of its business which materially and adversely affects Borrower's ability to repay Borrower's Liabilities or Indebtedness; or (d) permit the Tangible Net Worth, as measured in the annual financial statements of Borrower to decrease more than 15% in any calendar year subsequent to the date of this Agreement from the Tangible Net Worth of Borrower for the immediately prior financial year (as shown in the Financials).

7.06 Borrower shall pay promptly when due, all of the Charges. In the event Borrower, at any time or times hereafter, shall fail to pay the Charges or to obtain discharges of the same, Borrower shall so advise Lender thereof in writing at which time Lender may, without waiving or releasing any obligation or liability of Borrower under this Agreement, in its sole discretion, make such payment, or any part thereof, or obtain such discharge and take any other action with respect thereto which Lender deems advisable. All sums so paid by Lender and any expenses, including reasonable attorney's fees, court costs, expenses and other charges relating thereto, shall be payable by Borrower to Lender. Notwithstanding anything herein to the contrary, Borrower may permit or suffer Charges to attach to its assets and may dispute the same without prior payment thereof provided that Borrower, in good faith shall be contesting said Charges in an appropriate proceeding, and Borrower has given such additional Collateral and/or assurances as Lender in its sole discretion, deems necessary under the circumstances.

7.07 Borrower shall maintain financial records prepared by a certified public accountant in accordance with generally accepted accounting principals consistently applied not less frequently than annually, and certified to by the chief executive officer of Borrower. Within 90 days following the close of each fiscal year of Borrower, Borrower shall provide a copy of the aforesaid annual financial statement(s) to Lender. In addition, upon Lender's request, Borrower shall submit to Lender no more frequently than once per calendar quarter, statements of Borrower's employment profile and Borrower's financial condition prepared in accordance with generally accepted accounting principals consistently applied.

7.08 Borrower shall immediately notify Lender of any and all events or actions which may materially affect Borrower's abilities to carry on its operation or perform all its obligations under this Agreement or any other agreements whether senior or junior to the Loan, and whether now existing or hereafter entered into by Borrower so long as any of Borrower's Liabilities remain unsatisfied.

Section 8. Jobs.

8.01 Borrower shall use its best efforts to retain approximately 79 present full-time jobs; and shall use its best efforts to create approximately 51 new, permanent jobs within 24 months after execution of this Agreement.

8.02 Borrower shall report in writing to D.E.D. as D.E.D. may from time to time request, the numbers and kinds of jobs maintained, created and filled.

8.03 As an incentive to achieve and maintain hiring levels as set forth in this Agreement, Borrower may earn credit for payments on the City Illinois Fixed Rate Loan as follows:

(a) If Borrower achieves its employment levels pursuant to Section 8.01 above, it shall accrue credit for one month's Illinois Fixed Rate Loan interest payment for each year commencing one year from the initial disbursement date of the Loan proceeds in which the aforesaid employment level is maintained;

(b) Credit accrued as set forth above shall be applied to Borrower's Illinois Fixed Rate Loan payments due and owing during the final year of the term of the Loan.

Section 9. Events of Default.

Borrower shall be in default under this Agreement upon the occurrence of any of the following Event(s) of Default or conditions, namely:

(i) default in the payment of interest on this Note when the same is due in accordance with the terms hereof; or

(ii) default in the payment of the principal of this Note when due in accordance with the terms hereof; or

(iii) default in the performance or observance of any other covenant or agreement of the Borrower contained herein, which default shall remain unremedied for thirty (30) days after written notice thereof shall have been given by the City to the Borrower; provided, however, if such correction, by its nature, cannot be performed within said 30-day period, then, if the Borrower commences such correction within said 30-day period and diligently pursues such correction, the time period within such correction must be performed shall end ninety (90) days following the written notice from the Lender; or

(iv) the occurrence of an Event of Default under any of the Security Documents or under any agreement or document relating to the loan of the Exchange National Bank, Chicago, Illinois ("Senior Lender") which default is not timely cured pursuant to any applicable cure period as set forth in the Security Documents or the Senior Lender Loan;

(v) any warranty, representation or statement made or furnished to Lender by or on behalf of Borrower proving to have been false in any material respect when made or furnished;

(vi) loss, theft, substantial damage, destruction, sale or encumbrance to or of any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon except as expressly otherwise permitted under this Agreement;

(vii) Borrower's sale, partial sale, transfer or voluntary disposition of its business;

(viii) dissolution, termination of existence, insolvency, business failure, appointment of a receiver of any part of the assets of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against the Borrower or any guarantor or surety of Borrower.

Section 10. Remedies.

10.01 Upon such default (regardless of whether the Uniform Commercial Code as applicable has been enacted in the jurisdiction where rights or remedies are asserted), and at any time thereafter (such default not having previously been cured as set forth in Section 9 above), Lender, at its option, may declare all of Borrower's Liabilities secured hereby immediately due and payable and shall have the remedies of a secured party under the Uniform Commercial Code as adopted in Illinois ("Code") (and the foreclosure provisions of Ill. Rev. Stat., Chapter 110, Section 15-101 *et seq.*), including without limitation, the right to take immediate and exclusive possession of Collateral, or any part thereof, and for that purpose may, so far as Borrower can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions of the Code) and Lender shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, subject to Borrower's right to redemption, in satisfaction of Borrower's Liabilities as provided in the Code. To this end, Lender may require Borrower to assemble the Collateral and make it available to Lender for possession at a place to be designated by Lender which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline rapidly in value or is of a type customarily sold on a recognized market, Lender will give Borrower at least ten (10) days notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Borrower shown in the beginning of this Agreement at least ten (10) days before the time of the sale or disposition. Lender may buy at any public sale, and if the Collateral is of a type customarily sold on a recognized market or is of a type which is the subject of a widely distributed standard price quotations, it may buy at private sale. The net proceeds realized upon any such disposition, after deduction for the expenses or retaking, holding, preparing for sale, selling or the like, and reasonable attorney's fees and legal expenses incurred by Lender in connection therewith, shall be applied in satisfaction of Borrower's Liabilities secured hereby. Lender will account to Borrower for any surplus realized on such disposition and Borrower shall remain liable for any deficiency.

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

Section 11. No Waiver By Lender.

11.01 Lender's failure at any time or times hereafter to require strict performance by Borrower of any provision of this Agreement shall not waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith, nor shall any waiver by Lender of a Borrower's Event of Default waive, suspend or affect any other Event of Default under this Agreement, whether the same is prior or subsequent thereto, and whether of the same or of a different type.

11.02 Lender's delay in instituting or prosecuting any action or proceeding or otherwise asserting its rights hereunder, shall not operate as a waiver of such rights or limit them in any way so long as an Event of Default shall be continuing.

Section 12. Prepayment.

This Loan may be prepaid at anytime without premium or penalty.

Section 13. Equal Employment.

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

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

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

13.03 Discrimination as used herein shall be interpreted in accordance with the Constitution and applicable federal laws. This covenant may be enforced solely by the City and solely against the party who breaches this covenant.

Section 14. Disclaimer of Relationship.

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

Section 15. Conflict of Interest.

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

Section 16. Limitation of Liability.

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

Section 17. Assignment.

17.01 Borrower may not sell, assign or transfer this Agreement.

17.02 Borrower consents to Lender's sale, assignment, transfer or other disposition, at any time and from time to time hereafter, of this Agreement, in whole or in part.

Section 18. Additional Provisions.

18.01 This Agreement may not be altered or amended except by written instrument signed by all parties hereto.

18.02 All notices, certificates or other communications required or given hereunder shall be in writing and placed in the United States mails, registered or certified, return receipt requested, first class postage, prepaid and addressed as follows:

If To Lender:	Department of Economic Development of the City of Chicago Room 2800 20 North Clark Street Chicago, Illinois 60602 Attention: Commissioner

With Copies To:	Office of the Corporation Counsel Room 511 -- City Hall 121 North LaSalle Street Chicago, Illinois 60601

If To Borrower:	E.C.O. Partners 814 Commerce Drive Oak Brook, Illinois 60521 Attention: Patrick Hulme (after February 1, 1987)

Copy To:	(after February 1, 1987) E.C.O. Partners

3939 South Karlov
Chicago, Illinois
Attention: Patrick Hulme

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

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

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

18.05 In all instances where the Lender's consent or approval is required, Lender agrees not to unreasonably, arbitrarily or capriciously withhold such consent or approval.

Section 19. Maintaining Records/Right to Inspect.

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

19.02 Any duly authorized representative of the Lender shall, at all reasonable times, have access to all portions of the Project.

19.03 The rights of access and inspection provided in this Section 7 shall continue until the completion of all close-out procedures respecting the Loan and until the final settlement and conclusion of all issues arising out of the Loan.

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

[Signature forms omitted for printing purposes.]

AMENDMENT OF MUNICIPAL CODE CHAPTER 194A,
ARTICLES 7.4-6, 7.4-7 AND 7.4-8
CONCERNING HOTEL ACCESS.

On motion of Alderman Langford, the City Council took up for consideration the report of the Committee on Zoning, deferred and published in the Journal of the Proceedings of November 13, 1986, pages 36994 -- 36995, recommending that the City Council pass a proposed ordinance amending the Municipal Code Chapter 194A, Articles 7.4-6, 7.4-7 and 7.4-8 concerning hotel access.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuller, Volini, Orr, Stone -- 49.

Nays -- None.

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

Said ordinance as passed reads respectively as follows:

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.

AMENDMENT OF MUNICIPAL CODE CHAPTER 194A,
SECTIONS 8.3-4B(35), 8.3-7B(8) AND
9.3-1B(35) CONCERNING
RESTAURANTS AND
TAVERNS.

On motion of Alderman Langford, the City Council took up for consideration the report of the Committee on Zoning, deferred and published in the Journal of the Proceedings of November 13, 1986, pages 36995 -- 36996, recommending that the City Council pass a

proposed ordinance amending the Municipal Code Chapter 194A, Sections 8.3-4B(35), 8.3-7B(8) and 9.3-1B(35) concerning restaurants and taverns.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

Said ordinance as passed reads as follows:

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 unenclosed 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.

AMENDMENT OF MUNICIPAL CODE CHAPTER 99, SECTION
99-36.1 REGARDING COSTS ASSOCIATED WITH
CLEANING OF UNIMPROVED LOTS.

On motion of Alderman Langford, the City Council took up for consideration the report of the Committee on Zoning, deferred and published in the Journal of the Proceedings of November 13, 1986, pages 36996 -- 36997, recommending that the City Council pass a proposed substitute ordinance amending Chapter 99, Section 99-36.1 of the Municipal Code regarding costs associated with cleaning of unimproved lots.

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

Said ordinance as passed reads as follows:

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

SECTION 1. That Chapter 99 of the Municipal Code of Chicago is hereby amended by deleting the language in brackets and adding the language in italics in Section 99-1 and by repealing existing Section 99-36.1 and substituting therefore a new Section 99-36.1, as follows:

99.1. It shall be the duty of the commissioner of [buildings] *inspectional services* to serve notice[,] in writing[,] *by certified mail, return receipt requested*, upon the owner, occupant, agent, or person in possession, or control of any [lot,] building[,] or *structure* [premises] in or upon which any nuisances may be found, or who may be the owner or cause of any such nuisance other than the nuisance specified in Section 99-9 and 99-36 to 99-36.1[0], inclusive, of this chapter requiring him to abate the same in [such] *the* manner [as he] *the commissioner* shall prescribe, within a reasonable time. It shall not be necessary in any case for the commissioner to specify in his notice the manner in which any nuisance shall be abated, unless he shall deem it advisable [so] *to do so*. [Such notice may be given or served by any officer who is so directed or deputed]. If the person so notified shall neglect or refuse to comply with the requirements of [such] *the* order by abating [such] *the* nuisances within the time specified, [such] *that* person shall be fined not less than [five] \$25 dollars nor more than [fifty] *five hundred* dollars for every such violation[.], *and each day the nuisance shall continue shall constitute a separate and distinct violation*.

It shall be the duty of the commissioner of [buildings] *inspectional services* to proceed at once upon the expiration of the time specified in [said] *the* notice to cause any such nuisance to be abated; provided, however, that whenever the owner, occupant, agent, or

person in possession or control of any [premises] *building or structure*, in or upon which any nuisance may be found, is unknown or cannot be found, the commissioner [of buildings] shall proceed to abate [such] *the* nuisance without notice. In either case the expense of such abatement shall be collected from the person who may have created, continued, or suffered [such] *the* nuisance to exist, in addition to any penalty or fine. The Commissioner of Streets and Sanitation shall enforce the provisions of section 99-9 and 99-36 to 99-36.1[0], inclusive, in the manner provided herein for nuisances generally[.] , *unless the specific section shall provide otherwise.*

* * *

99-36.1 a. The owner, occupant, agent or person in possession or control of any lot or parcel of real estate ("owner") shall remove or cause to be removed therefrom any abandoned or derelict motor vehicle, garbage, debris, refuse, litter and miscellaneous waste. Unremoved material of such a nature is hereby declared to be a public nuisance. Any owner or other person found in violation of this section shall be fined not less than \$25 and not more than \$500 for each offense, and each day on which such an offense shall continue shall constitute a separate and distinct offense; however, this section shall not apply to any governmental entity nor to any owner upon whose lot or parcel such material is permitted to accumulate pursuant to a properly issued license or permit in accordance with zoning provisions of this code governing special uses in General and Heavy Manufacturing Districts.

b. Where the owner of any lot or parcel of real estate upon which a nuisance exists is known and can be found, the Commissioner of Streets and Sanitation or his designee shall serve notice in writing by certified mail, return receipt requested, upon the owner requiring him to abate the nuisance within seven days from the date of receipt of notice in the manner the Commissioner may prescribe. If the owner fails within seven days to abate the nuisance or if the owner is unknown or cannot with due diligence be found, the Commissioner may proceed summarily to abate the nuisance or to seek to enjoin the nuisance. Any cost or expense incurred by the City in abating a nuisance may be recovered in an appropriate action against an owner instituted by the Corporation Counsel. Nothing in this section shall be construed to prevent the City of Chicago from acting without notice to abate a nuisance in an emergency where the nuisance poses an immediate threat to public health or safety, nor shall this section be construed to deny any common law right to anyone to abate a nuisance.

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

AMENDMENT OF MUNICIPAL CODE CHAPTER 194A, SECTION
9.3-1B CONCERNING TIRE SALES.

On motion of Alderman Langford, the City Council took up for consideration the report of the Committee on Zoning, deferred and published in the Journal of the Proceedings of November 13, 1986, pages 36997 -- 36998, recommending that the City Council pass a proposed ordinance amending the Municipal Code Chapter 194A, Section 9.3-1B concerning tire sales.

12/18/86

UNFINISHED BUSINESS

38657

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

Yeas -- Aldermen Roti, Rush, Tillman, Evans, Bloom, Sawyer, Beavers, Humes, Hutchinson, Vrdolyak, Huels, Majerczyk, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Kelley, Sherman, Garcia, Krystyniak, Henry, Soliz, Gutierrez, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schulter, Volini, Orr, Stone -- 49.

Nays -- None.

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

Said ordinance as passed reads as follows:

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 vehicles.

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

MISCELLANEOUS BUSINESS.

At this point in the proceedings, Alderman Rush requested a moment of silent prayer for the recovery of Alderman W. Davis, the alderman's daughter and another young girl who were injured in an automobile accident.

***Placed On File* -- MAYORAL STATEMENT REGARDING CITY'S RELATIONSHIP WITH COMMONWEALTH EDISON.**

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

OFFICE OF THE MAYOR
CITY OF CHICAGO

To: City Council

December 18, 1986.

Last Wednesday, the 10th of December, a team of people from City Hall and the private sector briefed 175 industry, business, community, labor and church leaders on Chicago's historic, current and projected relationship with Commonwealth Edison. You will be receiving a written summary of that briefing next week.

But let me tell you at this time, that the City has greatly strengthened its position vis-a-vis Commonwealth in the past three years, we:

- Established a new Public Utilities Division within the Corporation Counsel that pursued a series of actions including:

1. Rate case on Byron Unit I and LaSalle

Unit II.

2. Braidwood cancellations.

3. Residential rate restructuring.

- Lobbied for and shaped the new Public Utilities Act, providing a more open and accountable regulatory process.

- Worked for passage of the Affordable Budget Plan -- a program that fixes residential utility payments to no more than 12% of a person's income.

- Created the Mayor's Commission on Energy and the Mayor's Electric Option Task Force.

- Chartered a jobs study by Chase Econometrics that debunked Edison claim that their rate phase-in concept would not negatively impact on the employment and economy of Chicago.

Their counter-study simply verified that there would indeed be major negative impacts. This recognition caused Edison to reevaluate their intentions to seek rate increases through the Illinois Commerce Commission.

- Repeatedly raised the point that Commonwealth had placed themselves and their customers in serious jeopardy by aggressively pursuing a major nuclear building program.

They did this at a time when load growth and economic development uncertainties as well as the availability of alternative sources of supply and energy efficiency measures suggested a more conservative expansion program. Once in trouble, Edison kept turning to the rate payers for bail out money.

- Repeatedly said enough is enough -- Chicago's industries, businesses as well, and low - and moderate-income households cannot stand the uncertainties and the damage of one huge rate increase after another to pay for unneeded nuclear power plants. We need stability in our rates -- let the stockholders and the utility pay for Edison's error.

- Launched a study to determine realistic options before the City in restructuring our relationship with Commonwealth Edison in terms of our current franchise that is due to expire in 1990.

- Recognizing that we could not deal effectively with Commonwealth from a position of weakness, we recently launched the "Great Chicago Energy Race" --a wide-ranging series of actions designed to reduce our dependency on Edison's electricity and to better protect jobs and lower income families.

This "race" will continue until we have restructured our relationship with Commonwealth to the advantage of all Chicagoans and the franchise is renegotiated -- or -- ended.

Throughout this effort, particularly in the past 6 months, we have reached out to Commonwealth Edison with the offer to work with them in resolving the major issues before us -- excessively high rates and excess capacity.

If you have been following this morning's news, Commonwealth has indeed come to the table to negotiate with the intervenors on both issues.

The proposal that has evolved looks potentially promising, but we have some serious reservations. I have asked my Electric Power Options Task Force to study the plan and to consult with the other intervenors. Several unanswered questions about the impact of this proposal on rate payers must be resolved. We are committed to exploring those questions in an open and public manner, and not in back-room negotiations.

We want to move aggressively, but prudently. We will not commit ourselves until we are assured that the final plan is cost effective for all Chicago consumers. This plan may well get us over a major hurdle, but we are in this "Great Chicago Energy Race" for the long haul -- until the relationship between the City and Commonwealth is beneficially restructured and the franchise is renegotiated -- or ended.

I have asked Dr. Williams, our Energy Management Director, to quickly brief you on the plan currently under negotiations with Edison. As part of the "Race" and to keep steady and comprehensive pressure on Edison, I am asking the City Council today to get moving on two ordinances that my Commission of Energy drafted to help hold down on the cost of energy in people's homes.

The first is the Energy Cost Disclosure Ordinance. The second has yet to be considered by Committee. Again, I ask Dr. Williams to brief you on both these issues.

I thank the City Council for their support in these efforts -- without your help we could be handicapped victims waiting for the next blow to our City. Now we have taken charge of our energy future, and this leadership position will serve Chicago well.

Sincerely,
(Signed) HAROLD WASHINGTON,
Mayor.

OFFICIAL JOURNAL OF REGULAR MEETING HELD ON
OCTOBER 30, 1986 CORRECTED.

Alderman Langford moved to *Correct* the printed Official Journal of the regular meeting held on Thursday, October 30, 1986, as follows:

Page 35616 -- by deleting lines two through ten appearing on said page and inserting in lieu thereof the following:

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 B6-7 Restricted Central Business District symbols and indications as shown on Map 2-F to reflect the establishment of a Communications Planned Development for the erection of the Earth Station Receiving Dish located on roof and on the same lot as the existing building located at 135 South LaSalle Street, Chicago, Illinois, in the area bounded by public alley next north of and parallel to West Adams Street; South Clark Street; West Adams Street; and South LaSalle Street.

SECTION 2. This Communications 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.

The motion to correct *Prevailed*.

OFFICIAL JOURNAL OF REGULAR MEETING HELD ON
NOVEMBER 26, 1986 CORRECTED.

Alderman Cullerton moved to *Correct* the printed Official Journal of the regular meeting held on Wednesday, November 26, 1986, as follows:

Page 37520 -- by adding the words "no compensation" immediately after the words "the sum of" on the twelfth line from the bottom of the page.

The motion to correct *Prevailed*.

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 eighteenth (18th) day of December, 1986, at 10:00 A.M., be and the same is hereby fixed to be held on Wednesday, the fourteenth (14th) day of January, 1987 at 10:00 A.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 Roti, 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, Smith, D. Davis, Hagopian, Santiago, Gabinski, Mell, Bitoy, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Oberman, Hansen, McLaughlin, Orbach, Schuler, Volini, Orr, Stone -- 49.

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 Wednesday, January 14, 1987, at 10:00 A.M., in the Council Chamber in City Hall.



WALTER S. KOZUBOWSKI,
City Clerk.