

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

COPY



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

Regular Meeting—Wednesday, November 4, 1987

at 10:00 A.M.

(Council Chamber—City Hall—Chicago, Illinois)

OFFICIAL RECORD.

HAROLD WASHINGTON
Mayor

WALTER S. KOZUBOWSKI
City Clerk

ALDERMAN EUGENE SAWYER, PRESIDENT PRO TEMPORE, IN CHAIR.

In the absence of The Honorable Harold Washington, Mayor, Alderman Eugene Sawyer, President Pro Tempore, assumed the Chair.

Attendance At Meeting.

Present -- Aldermen Roti, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, Osterman, Orr.

Absent -- Aldermen Rush, Henry, Stone.

Call To Order.

On Wednesday, November 4, 1987 at 10:50 A.M. (the hour appointed for the meeting was 10:00 A.M.) Alderman Eugene Sawyer, President Pro Tempore, 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, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Madrzyk, Langford, Jones, J. Evans, Garcia, Krystyniak, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Giles, Laurino, Pucinski, Natarus, Hansen, Levar, Osterman -- 32.

Quorum present.

Invocation.

Alderman Danny K. Davis (29th Ward) opened the meeting with prayer.

REPORTS AND COMMUNICATIONS FROM CITY OFFICERS.

Referred -- APPOINTMENT OF MR. LEROY MARTIN
AS SUPERINTENDENT OF POLICE.

The 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 Police, Fire and Municipal Institutions:*

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 4, 1987.

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

LADIES AND GENTLEMEN -- I have appointed LeRoy Martin as Superintendent of Police and respectfully request your approval of this appointment.

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

Referred -- EXECUTION OF REDEVELOPMENT AGREEMENT WITH
LA SALLE NATIONAL BANK AND TRUST COMPANY, AS
TRUSTEE AND TUSCANY ASSOCIATES LIMITED
PARTNERSHIP FOR RENOVATION AND
DEVELOPMENT OF PROPERTY
LOCATED AT 1244
NORTH DEARBORN
STREET.

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

OFFICE OF THE MAYOR
CITY OF CHICAGO

November 4, 1987.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of the Department of Planning, I transmit herewith an ordinance authorizing the Commissioner to enter into and execute on behalf of the City of Chicago a Redevelopment Agreement with LaSalle National Bank and Trust Company as Trustee, and the Tuscany Associates Limited Partnership, in the amount of \$500,000, to help renovate and develop the property at 1244 North Dearborn Street in the City of Chicago for use as a hotel.

Your favorable consideration of this ordinance will be appreciated.

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

***Referred -- EXECUTION OF CITY/STATE AGREEMENT FOR
IMPROVEMENT OF VARIOUS INTERSECTIONS.***

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

**OFFICE OF THE MAYOR
CITY OF CHICAGO**

November 4, 1987.

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

LADIES AND GENTLEMEN -- At the request of the Commissioner of the Department of Public Works, I transmit herewith an ordinance authorizing the execution of a City/State Agreement for the improvement of various intersections, including the intersections of 63rd Street with Lawndale Avenue, 99th Street with Beverly Avenue, 115th Street with Michigan Avenue, and Cottage Grove Avenue/51st Street with Bowen Drive.

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.**

The 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 -- REPORTS AND DOCUMENTS OF
COMMONWEALTH EDISON COMPANY.***

The following communication from Mr. William J. Gouwens, Assistant Secretary, Commonwealth Edison Company, addressed to the City Clerk under date of October 30, 1987, which reads as follows:

"Pursuant to the provision of the 1948 Franchise Ordinance granted to this Company, I am enclosing copies of reports of the Company as listed below:

Statement to Illinois Commerce Commission relating to Standard Contract Rider No. 20 for bills issued in November, 1987.

Conservation Program Clause, relating to the Rider No. 21, for the month November, 1987.

Quarterly Report for the period ended September 30, 1987 for the Conservation Program Clause, relating to the Rider No. 21.

Commonwealth Edison Company Quarterly Report to Stockholders for nine months ended September 30, 1987, dated November 1, 1987.

Commonwealth Edison Company's Current Report on Form 8-K for October 6, 1987."

***Placed On File -- FINANCIAL REPORTS FOR CHICAGO O'HARE
INTERNATIONAL AIRPORT, WATER FUND, SEWER FUND
AND CALUMET SKYWAY TOLL BRIDGE
FOR YEAR 1986.***

Also, the financial reports for Chicago O'Hare International Airport, the Water Fund, the Sewer Fund and the Calumet Skyway Toll Bridge for the year ended December 31, 1986, submitted by Mr. Ronald D. Picur, City Comptroller, which were *Placed on File*.

***Placed On File -- STATE APPROVAL OF ORDINANCES
CONCERNING MOTOR FUEL TAX FUND
PROJECTS.***

Also, a communication from Mr. Ralph C. Wehner, District Engineer, under the date of October 28, 1987 announcing that the Department of Transportation of the State of Illinois has approved receipt of ordinances passed by the City Council on April 1, 1987 involving expenditures of Motor Fuel Tax Funds authorized for maintenance and repair of sidewalks.

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 October 30, 1987, and which were required by statute to be published in book or pamphlet form or in one or more newspapers, were published in pamphlet form on November 4, 1987, 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 October 30, 1987, 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 CLERKS OF COOK AND DU PAGE
COUNTIES.**

The City Clerk further informed the City Council that he filed with the County Clerks of Cook and Du Page Counties on the dates noted, ordinances passed by the City Council as follows:

Passed October 15, 1987.

Levy of Taxes for Community College District Number 508 for Fiscal Year July 1, 1987 through June 30, 1988.

County Clerks of Cook and Du Page Counties authorized and directed to reduce levy of taxes for payment of annual rentals for leasing of Skill Center Project SC-1 during years 1987, 1988 and 1989.

The above ordinances were filed with the County Clerk of Du Page County on November 3, 1987 and with the County Clerk of Cook County on November 4, 1987.

Passed October 15, 1987.

Levy of Taxes for payment of annual rentals by Board of Trustees of Community College District Number 508 under terms of Master Lease with Public Building Commission for years 1987 through 2005.

The above ordinance was filed with the County Clerk of Cook County on October 27, 1987 and with the County Clerk of Du Page County on October 28, 1987.

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

The City Clerk transmitted claims filed against the City, which were acted upon by the City Council in the manner noted, as follows:

Referred -- CLAIMS AGAINST CITY OF CHICAGO.

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

Adamik Joseph P., Allstate Ins. Co. and Ashok Patel, Amerisure Co., and Kathern Caldwell;

Blair Harold, Brackett Martin, Buddy Bears Priced Rite Corp., Byrne Richard;

Currie Motors of Forest Park;

Dozier Essie and Columbus Bowens, Sr.;

George Otis, Gospoda, Inc.;

Hunter Jeffery;

Lexington Inst. of Hospitality Careers;

Marshall Joe;

Nishi Linda, Nwankpa Amajindi;

Plumbing Int'l., Inc.;

Regimand Sally;

Simental Kathleen, State Farm Ins. Co.(2) Edward Meyer and Edson King;

Wagner Gloria.

REPORTS OF COMMITTEES.

COMMITTEE ON FINANCE.

EXECUTION OF MEMORANDUM OF INTENT WITH FEDERAL EXPRESS CORPORATION FOR CONSTRUCTION OF NEW AIR CARGO SORTING FACILITY AT CHICAGO O'HARE INTERNATIONAL AIRPORT.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the execution of a memorandum of intent with Federal Express Corporation for issuance of City of Chicago special facility revenue bonds for the construction of a new air cargo sorting facility at Chicago O'Hare International Airport.

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

Yeas -- Aldermen Roti, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Laurino, O'Connor, Pucinski, Eisendrath, Hansen, Levar, Shiller, Schulter, Osterman -- 40.

Nays -- None.

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

The following is said ordinance as passed:

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

WHEREAS, The City currently owns and operates an airport known as Chicago O'Hare International Airport (the "Airport"); and

WHEREAS, The City, as a home rule unit and pursuant to the Constitution, is authorized and empowered to issue its revenue bonds to finance the costs of the design, construction, reconstruction, improvement, equipping and modernization of facilities at the Airport; and

WHEREAS, The City is in the process of planning, designing and implementing a major redevelopment of the Airport; and

WHEREAS, Federal Express Corporation, a Delaware corporation, (the "Airline") has requested the City to issue special facility revenue bonds for the purpose, among others, of financing costs relating to the design, construction and equipping of a new air express cargo sorting facility (the "Cargo Project") at the Airport for the use of the Airline; and

WHEREAS, The anticipated aggregate cost of financing the Cargo Project is not expected to exceed \$70,000,000; and

WHEREAS, There has been presented to this meeting a form of Memorandum of Intent, pursuant to which the City agrees to issue special facility revenue bonds in order to finance the cost of the Cargo Project; now, therefore,

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

SECTION 1. The Mayor of the City is hereby authorized to execute a Memorandum of Intent with the Airline in substantially the form attached hereto, and said Memorandum of Intent is hereby approved.

SECTION 2. The Mayor of the City is hereby authorized to take such further action as is necessary to carry out the intent and purpose of this ordinance and such Memorandum of Intent as executed.

SECTION 3. In adopting this ordinance, the City Council intends to take "official action" within the meaning of Section 1.103-8 (a) (5) of the Internal Revenue Service regulations pertaining to private activity bonds, towards the issuance of the special facility revenue bonds of the City referred to in this ordinance and the Memorandum of Intent.

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

Memorandum of Intent attached to this ordinance reads as follows:

Memorandum Of Intent.

This Memorandum of Intent is between the City of Chicago, Illinois (the "City"), and Federal Express Corporation (the "Airline").

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in this Memorandum of Intent are the following:

- (a) The City is authorized to issue its special facility revenue bonds to finance the cost of design, construction, reconstruction, improvement, equipping and modernization of facilities at Chicago O'Hare International Airport (the "Airport").
- (b) The Airline desires to design, construct, reconstruct and equip certain facilities at the Airport consisting of the development of a new cargo sorting facility for the use of the Airline (the "Cargo Project"), which Cargo Project is expected to cost not in excess of \$70,000,000. The Airline has requested the City to assist the Airline in financing the cost of the Cargo Project (including reimbursement of all qualified costs incurred prior to the issuance of the bonds) by issuing its special facility revenue bonds.
- (c) The proposed financing will constitute a public purpose pursuant to Section 1 (a), Article VIII of the 1970 Constitution of the State of Illinois.
- (d) The revenue bonds of the City shall be limited obligations of the City payable solely out of the revenues derived by the City from the financing agreement referred to below. No holder of any such bonds shall have the right to compel any exercise of the taxing power of the City or any political subdivision of the State of Illinois, and such bonds shall not constitute an indebtedness or a loan of credit of the City. It is the expectation of the Airline that interest on the bonds will be exempt from Federal income taxation under Section 103 of the Internal Revenue Code of 1986 (the "Code").

- (e) Subject to due compliance with all requirements of law, by virtue of such authority as may now or hereafter be conferred on the City, and subject to receipt of adequate assurance from the Airline that there are one or more purchasers for the bonds, the City intends to issue and sell its revenue bonds in an amount of not exceeding \$70,000,000 to pay the cost of the Cargo Project.

2. Undertakings on the Part of the City. Subject to the conditions above stated, the City intends as follows:

- (a) To authorize the issuance and sale of the bonds pursuant to its lawful and constitutional authority.
- (b) To enter into agreements with the Airline whereby the Airline will pay to, or on behalf of, the City such sums as shall be sufficient to pay the principal of and interest and redemption premium, if any, on the bonds as and when the same shall become due and payable.

3. Approvals. The intention of the City to proceed is subject to approval by it and by its attorneys of all appropriate documents, and to satisfaction of the requirements of state and federal law. The intention of the Airline to proceed is subject to approval by it and by its attorneys of all appropriate documents, and to satisfaction of the requirements of state and federal law.

4. Undertakings on the Part of the Airline. Subject to the conditions above stated, the Airline agrees as follows:

- (a) That it will use all reasonable efforts to find one or more purchasers for the bonds.
- (b) That contemporaneously with the delivery of the bonds it will enter into agreements with the City under the terms of which the Airline will obligate itself to pay to, or on behalf of, the City sums sufficient in the aggregate to pay the principal of and interest and redemption premium, if any, on the bonds as and when the same shall become due and payable.

5. General Provisions. All commitments of the City under paragraph 2 hereof and of the Airline under paragraph 4 hereof are subject to the condition that on or before 365 days from the date hereof (or such other date as shall be mutually satisfactory to the City and the Airline), the City and the Airline shall have agreed to mutually acceptable terms and conditions of the agreements referred to in paragraphs 2 and 4 and of the bonds and other instruments or proceedings relating to the bonds. In the event that the City and the Airline do not agree to such mutually acceptable terms and conditions, or in the event that bonds are not issued hereunder, neither party shall be bound or obligated to perform any action under the terms of this Memorandum of Intent; provided, however, that the Airline shall be obligated to pay all out-of-pocket costs reasonably incurred by the City in connection with this Memorandum of Intent.

In Witness Whereof, the parties hereto have entered into this Memorandum of Intent by their officers thereunto duly authorized as of the _____ day of _____, 1987.

[Signature forms omitted for printing purposes.]

AMENDMENT OF MUNICIPAL CODE CHAPTER 27, SECTION
27-390 (B) AUTHORIZING POLICE DEPARTMENT
TO IMPOSE FEE FOR PROVIDING COPIES
OF ACCIDENT AND ACCIDENT
RECONSTRUCTION
REPORTS.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, amending the Municipal Code Chapter 27, Section 27-390 (b) by authorizing the Police Department to impose a fee for providing copies of accident and accident reconstruction reports.

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

Yeas -- Aldermen Roti, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Laurino, O'Connor, Pucinski, Eisendrath, Hansen, Levar, Shiller, Schuler, Osterman -- 40.

Nays -- None.

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

The following is said ordinance as passed:

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

SECTION 1. Chapter 27 of the Municipal Code of Chicago, "Traffic," is hereby amended in Section 27-390 (b) by deleting the language in brackets and adding the language in italics, as follows:

27--390. * * * * *

(b) The police department shall receive and properly file all accident reports made to it under state law or under any ordinance of this city, but all such accident reports made by drivers shall be for the confidential use of the police department, the Commissioner of Public Works, and other officers of the City for official use. All other *accident* reports [of such accident] made by police officers or others may be furnished to persons or organizations having an interest therein, *and the police department shall charge a fee of \$5.00 for each such report [at a minimum charge of five dollars per report with a one dollar and fifty cents per page charge in excess of two pages.] or in the case of an accident*

which was investigated by an accident reconstruction officer or accident reconstruction team, it shall charge \$20.00 for each such report.

SECTION 2. This ordinance shall take effect upon passage.

ISSUANCE OF CHATHAM RIDGE TAX INCREMENT
REVENUE BONDS, SERIES 1987, TO ASSIST
IN REDEVELOPMENT OF CHATHAM
RIDGE REDEVELOPMENT
PROJECT AREA.

The Committee on Finance submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing the issuance of \$5,585,000.00 in Chatham Ridge Tax Increment Revenue Bonds, Series 1987, to assist in the redevelopment of the Chatham Ridge Tax Increment Redevelopment Project Area.

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

Yeas -- Aldermen Roti, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Laurino, O'Connor, Pucinski, Eisendrath, Hansen, Levar, Shiller, Schulter, Osterman -- 39.

Nays -- Alderman Krystyniak -- 1.

Alderman Beavers 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"), has heretofore designated a portion of the City as a "redevelopment project area" known as the Chatham Ridge Tax Increment Redevelopment Project Area (the "Project Area") in accord with the provisions of the Tax Increment Allocation Redevelopment Act, as supplemented and amended (the "Act"); and

WHEREAS, The City has approved a redevelopment plan and redevelopment project for the Project Area and held the necessary public hearings required by the Act; and

WHEREAS, The City Council of the City (the "Corporate Authorities") have determined that it is necessary and in the best interests of the City that the City issue tax increment allocation bonds for the purpose of paying a portion of the redevelopment project costs for the redevelopment project which has been approved for the Project Area; now, therefore,

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

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

"Act" means the Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended and supplemented from time to time.

"Additional Bonds" means any bonds issued in the future on a parity with and sharing ratably and equally in the incremental taxes with the Bonds.

"Bond Order and Notice of Sale" means a certificate of the Comptroller of the City setting forth the details of the Bonds to be issued hereunder.

"Bonds" means the not to exceed \$5,585,000 Chatham Ridge Tax Increment Revenue Bonds, Series 1987, authorized under this Ordinance.

"City" means the City of Chicago, Illinois and its successors and assigns.

"Corporate Authorities" means the City Council of the City.

"Debt Service Reserve Requirement" means an amount not less than Maximum Annual Debt Service.

"Designated Officer" means the Commissioner of the Department of Economic Development of the City, the First Deputy Commissioner of the Department of Economic Development of the City, or successors or assigns of either of such officers.

"Government Securities" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of the United States of America and all securities or obligations, the prompt payment of principal and interest of which is guaranteed by a pledge of the full faith and credit of the United States of America.

"Incremental Property Taxes" means the *ad valorem* taxes, if any, arising from the taxes levied upon taxable real property in the Project Area by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above the Total Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk of the County of Cook, Illinois, in accord with Section 11-74.4-9 of the Act.

"Incremental Sales Taxes" means those taxes, if any, credited to the Incremental Taxes Fund pursuant to Section 11-74.4-8a(1) of the Act.

"Incremental Taxes Fund" means the 1986 Chatham Ridge Tax Increment Redevelopment Project Area Special Tax Allocation Fund of the City, which is a special tax allocation fund for the Project Area established pursuant to Section 11-74.4-8 of the Act and created by an ordinance heretofore adopted by the Corporate Authorities on December 18, 1986, as continued and further described by Section 8 of this Ordinance.

"Independent" when used with respect to any specified person means such person who is in fact Independent and is not connected with the City as an officer, employee, underwriter, or person performing a similar function. Whenever it is herein provided that the opinion or report of any Independent person shall be furnished, such person shall be appointed by the City, and such opinion or report shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

"Maximum Annual Debt Service" means at any given time of determination an amount equal to the maximum principal and interest requirement on the Bonds and any Additional Bonds then outstanding in the then current or in any succeeding calendar year by reason of stated maturities, scheduled mandatory prepayments or by operation of any mandatory sinking fund.

"Ordinance" means this ordinance as originally adopted and as the same may from time to time be amended or supplemented in accordance with the terms hereof.

"Pledged Taxes" means Incremental Property Taxes and Incremental Sales Taxes.

"Project" means the redevelopment project heretofore approved by the Corporate Authorities pursuant to an ordinance, adopted on December 18, 1986, in furtherance of the objectives of the Redevelopment Plan.

"Project Area" means the Chatham Ridge Tax Increment Redevelopment Project Area described more fully in Exhibit A attached hereto and heretofore established by the Corporate Authorities in accord with the provisions of the Act.

"Project Costs" means the sum total of all reasonable or necessary costs incurred or estimated to be incurred which are incidental to the Redevelopment Plan and the Project, including, without limitation, the following:

- (i) Costs of studies, surveys, development of plans, and specifications, implementation and administration of the redevelopment plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided however, that no charges for professional services may be based on a percentage of the tax increment collected;

- (ii) Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

- (iii) Costs of rehabilitation, reconstruction or repair or remodeling of existing buildings and fixtures;

- (iv) Costs of the construction of public works or improvements;

- (v) Costs of job training and retraining projects;

(vi) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued hereunder accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

(vii) All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;

(viii) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;

(ix) Payment in lieu of taxes; and

(x) Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10.22.20a and 10.23.3a of the School Code.

"Qualified Investments" means investments in Government Securities, investments fully collateralized by Government Securities, and such other investments as may be permissible under Illinois law from time to time.

"Redevelopment Plan" means the comprehensive program of the City for the Project Area heretofore approved by the Corporate Authorities by an ordinance adopted on December 18, 1986, and together with any further amendments and supplements thereto.

"Total Initial Equalized Assessed Value" means the total initial equalized assessed value of the taxable real property within the Project Area as determined by the County Clerk of the County of Cook, Illinois, in accordance with the provisions of Section 11-74.4-9 of the Act.

"Trustee" means the trustee to be designated as trustee, paying agent, and bond registrar hereunder, and its successors and assigns.

SECTION 2. Findings. The Corporate Authorities hereby find that the Project Area has been established in accordance with the provisions of the Act and that it is necessary and in the best interests of the City that the City construct, acquire and install the Project and that the Bonds be issued to enable the City to pay a portion of the Project Costs.

SECTION 3. Bond Details. There shall be borrowed on the credit of and for and on behalf of the City not to exceed the sum of \$5,585,000 for the purposes aforesaid; bonds of the City (the "Bonds") shall be issued in said amount and shall be designated "Chatham Ridge Tax Increment Revenue Bonds, Series 1987." The Bonds shall be dated the date of issuance, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each and authorized integral multiples thereof (but no single Bond shall represent principal maturing on more than one date), shall be numbered 1 and upward, and shall become due and payable serially on January 1 of each of the years; in the amounts and bearing interest at the rates percent per annum all as shall be determined in the Bond Order and Notice of Sale, provided that no Bond shall bear interest at a rate percent per annum in excess of 12 percent (12%).

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on the first days of January and July of each year, commencing on July 1, 1988. Principal of and premium (if any) on each Bond shall be paid in lawful money of the United States of America, at the principal corporate trust office of the Trustee. Interest on each Bond shall be paid by check or draft of the Trustee to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date.

The Bonds shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the City and shall be signed by the manual or duly authorized facsimile signatures of the Mayor and City Clerk of the City, as they shall determine, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

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

SECTION 4. Redemption. The Bonds due on January 1, 2007, are term bonds (the "Term Bonds") and are subject to mandatory redemption by operation of the hereinafter created Principal and Interest Account at a price of par and accrued interest, without

premium, on January 1 of the years and in such amounts as shall be determined in the Bond Order and Notice of Sale, provided that no amount of principal and interest payable in any year in which principal is payable shall exceed the amount of principal and interest payable in any other year in which principal is payable by more than \$50,000.

The City covenants that it will redeem Term Bonds pursuant to the mandatory redemption required for such Term Bonds. Proper provision for mandatory redemption having been made, the City covenants that the Term Bonds so selected for redemption shall be payable as at maturity.

If the City redeems pursuant to optional or special redemption as hereinafter provided or purchases Term Bonds of any maturity and cancels the same from moneys on deposit in the Principal and Interest Account as hereinafter provided, then an amount equal to the principal amount of Term Bonds so redeemed or purchased shall be deducted from the mandatory redemption requirement as provided for Term Bonds of such maturity in the inverse order of years of such requirement as then remaining, fully reducing the requirement for each year before applying any amount to the requirement for the next year.

The Bonds shall also be subject to redemption at the option of the City in whole or in part, in inverse order of maturity and within any maturity by lot, from any available funds, on the dates, which shall be not earlier than January 1, 1998, and at the redemption prices, which shall not be greater than 103% (expressed as a percentage of principal redeemed), as set forth in the Bond Order and Notice of Sale.

The hereinabove stated provision for optional redemption notwithstanding, the Bonds shall be subject to special redemption at the option of the City, in whole or in part, in inverse order of maturity and within any maturity by lot, on July 1, 1990, or any interest payment date thereafter, at a redemption price of par plus accrued interest to the date fixed for redemption, from any funds transferred to the General Account from the Project Fund as provided in Section 11 of this Ordinance.

In the event that less than all of the Bonds are called for redemption as aforesaid, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than 60 days prior to the redemption date by the Trustee for the Bonds of such maturity by such method of lottery as the Trustee shall deem fair and appropriate; provided, that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000.00 Bond or \$5,000.00 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000.00 Bond or \$5,000.00 portion.

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

Unless waived by the owner of Bonds to be redeemed, notice of any such redemption shall be given by the Trustee on behalf of the City by mailing the redemption notice by registered or certified mail not less than thirty days and not more than sixty days prior to the date fixed for redemption to each registered owner of the Bond or Bonds to be redeemed.

at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owners to the Trustee.

All notices of redemption shall include at least the information as follows:

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

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

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Neither the failure to mail such redemption notice nor any defect in any notice so mailed to any particular registered owner of a Bond shall affect the sufficiency of such notice with respect to other registered owners. Notice having been properly given, failure of a registered owner of a Bond to receive such notice shall not be deemed to invalidate, limit or delay the effect of the notice or the redemption action described in the notice. Such notice may be waived in writing by a registered owner of a Bond, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Trustee at the redemption price. Interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered owner a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

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

In addition to the foregoing notice, further notice shall be given by the Trustee on behalf of the City as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption plus (a) the C.U.S.I.P. numbers, if any, of all Bonds being redeemed; (b) the date of issue of the Bonds as originally issued; (c) the rate of interest borne by each Bond being redeemed; (d) the maturity date of each Bond being redeemed; and (e) any other descriptive information needed to identify accurately the Bonds being redeemed.

Each further notice of redemption shall be sent at least 35 days before the redemption date by registered or certified mail or overnight delivery service to all registered securities depositories then in the business of holding substantial amounts of obligations of types comprising the Bonds (such depositories now being Depository Trust Company of New York, New York, Midwest Securities Trust Company of Chicago, Illinois, Pacific Securities Depository Trust Company of San Francisco, California, and Philadelphia Depository Trust Company of Philadelphia, Pennsylvania) and to one or more national information services, chosen in the discretion of the Trustee, that disseminate notice of redemption of obligations such as the Bonds.

Each further notice of redemption shall be published one time in *The Bond Buyer*, New York, New York or, if such publication is impractical or unlikely to reach a substantial number of the registered owners of the Bonds, in some other financial newspaper or journal which regularly carries notices of redemption of other obligations similar to the Bonds, such publication to be made at least 30 days prior to the date fixed for redemption.

Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear, if any, the C.U.S.I.P. number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

SECTION 5. Registration of Bonds; Persons Treated as Owners. The City shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds as provided in this resolution to be kept at the principal office of the Trustee, which is hereby constituted and appointed the Registrar of the City. The City is authorized to prepare, and the Trustee shall keep custody of, multiple Bond blanks executed by the City for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by, the registered owner or his attorney duly authorized in writing, the City shall execute and the Trustee shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Trustee for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the City of any fully registered Bond shall constitute full

and due authorization of such Bond and the Trustee shall thereby be authorized to authenticate, date and deliver such Bond.

The Trustee shall not be required to transfer or exchange any Bond during the period of fifteen (15) days next preceding any interest payment date on such Bond, nor to transfer or exchange any Bond after notice calling such Bond for prepayment has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of prepayment of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of, premium (if any) or interest on any Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

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

SECTION 6. Security. The Bonds, together with the interest and premium, if any, thereon, are limited obligations of the City, payable solely and only from the collection of the Pledged Taxes and the amounts on deposit in the various funds and accounts as provided herein. No holder of any Bond shall have the right to compel the exercise of any taxing power of the City for payment of principal thereof or interest or premium, if any, thereon. The Bonds do not constitute an indebtedness of the City or a loan of credit thereof within the meaning of any statutory or constitutional provision.

SECTION 7. Form of Bond. The Bonds shall be in substantially the following form; provided, however, that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [4] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraphs [6] through [13] shall be inserted immediately after paragraph [5]:

(Form Of Bond--Front Side)

Registered
No. _____

Registered
\$

United States Of America

State Of Illinois

City Of Chicago

Chatham Ridge Tax Increment Revenue Bond, Series 1987.

See Reverse Side :
for Additional :
Provisions :

Interest
Rate:

Maturity
Date: January 1, 2007

Dated
Date: _____, 1987

Registered Owner:

Principal Amount:

[1] Know All Men By These Presents, that the City of Chicago, Illinois (the "City"), hereby acknowledges itself to owe and for value received promises to pay from the source and as hereinafter provided to the Registered Owner identified above, or registered assigns as hereinafter provided, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above, commencing July 1, 1988, and on each January 1 and July 1 thereafter until said principal sum is paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity are and become applicable hereto. Both principal hereof and premium, if any, hereon are payable in lawful money of the United States of America at the principal office of _____, Chicago, Illinois, as trustee, bond registrar and paying agent (the "Trustee"). Payment of interest shall be made to the Registered Owner hereof on the registration books of the City maintained by the Trustee at the close of business on the 15th day of the month next preceding the interest payment date and shall be paid by check or draft of the Trustee mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Trustee.

[2] This bond and each bond of the series of which it forms a part (together, the "Bonds"), are issued pursuant to Division 74.4 of Article 11 of the Illinois Municipal Code (the "Act"), and all laws amendatory thereof and supplemental thereto, and the principal of and

interest, and premium, if any, on the Bonds are payable from (a) the *ad valorem* taxes, if any, arising from taxes levied upon taxable real property in the Chatham Ridge Tax Increment Redevelopment Project Area established by the City in accord with the provisions of the Act (the "Project Area") by any and all taxing districts or municipal corporations having the power to tax real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above the initial equalized assessed value of each such piece of property, all as determined by the County Clerk of the County of Cook, Illinois, in accord with the provisions of the Act and (b) the increase in the aggregate amount of taxes, if any, paid by retailers and servicemen on transactions at places of businesses located within the Project Area over and above the aggregate amount of such taxes as certified by the Illinois Department of Revenue and paid by retailers and servicemen on transactions at places of businesses located in the Project Area during the base year, in accord with the provisions of the Act (together, the "Pledged Taxes"). The Bonds are being issued for the purpose of paying the costs of a redevelopment project in the Project Area, all as more fully described in proceedings adopted by the City Council of the City (the "Corporate Authorities") pursuant to the Act and in an ordinance authorizing the issuance of the Bonds adopted by the Corporate Authorities on the _____ day of _____, 1987, and authorizing the issuance of the Bonds (the "Bond Ordinance"), to all the provisions of which the holder by the acceptance of this Bond assents. The Bonds, together with the interest and premium, if any, thereon, are limited obligations of the City, payable solely from the Pledged Taxes and the amounts on deposit in the various funds and accounts as provided in the Bond Ordinance. For the prompt payment of this Bond, both principal and interest, as aforesaid, at maturity, the Pledged Taxes are hereby irrevocably pledged. The Bonds Do Not Constitute An Indebtedness Of The City Within The Meaning Of Any Constitutional Or Statutory Provision Or Limitation. No Holder Of This Bond Shall Have The Right To Compel The Exercise Of Any Taxing Power Of The City For Payment Or Principal Hereof Or Interest Or Premium, If Any, Hereon.

[3] Under the Act and the Bond Ordinance, the Pledged Taxes shall be deposited in the 1986 Chatham Ridge Tax Increment Redevelopment Project Area Special Tax Allocation Fund of the City (the "Incremental Taxes Fund"). Moneys on deposit in the Incremental Taxes Fund shall be used first and are pledged for paying the principal of, interest on, and premium, if any, on the Bonds and then in making any further required payments to the funds and accounts as provided by the terms of the Bond Ordinance. Additional Bonds on a parity with the Bonds may be issued pursuant to the terms of the Bond Ordinance.

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

[5] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law, and the City hereby covenants and agrees that it has made provision for the segregation of the Pledged Taxes and that it will properly account for said taxes and will comply with all the covenants of and maintain the funds and accounts as provided by the Bond Ordinance.

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

[7] In Witness Whereof, said City of Chicago, Illinois, by its City Council, has caused this Bond to be signed by the manual or duly authorized facsimile signatures of the Mayor and City Clerk, and its corporate seal or a facsimile thereof to be impressed or reproduced hereon, all as appearing hereon and as of the Dated Day identified above.

[Signature forms omitted for printing purposes.]

Certificate Of
Authentication

Trustee,
Bond Registrar,
and
Paying Agent:

This Bond is one of the
Bonds described in the within
mentioned Ordinance and is one
of the Chatham Ridge Tax In-
crement Revenue Bonds, Series
1987, of the City of Chicago,
Illinois, having an original
dated date of _____ 1, 1987.

as Trustee

By _____
Authorized Officer

(Form Of Bond--Reverse Side)

City Of Chicago, Illinois

Chatham Ridge Tax Increment Revenue Bond, Series 1987.

[8] This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the principal office of the Trustee in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Ordinance, and upon surrender and cancellation of this Bond. Upon such transfer

a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

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

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

[11] This Bond is subject to redemption at the option of the City, in whole or in part, in inverse order of maturity and within any maturity by lot as determined by the Trustee, from any available funds of the City, on January 1, 1998, and on any interest payment date thereafter, at the redemption prices (expressed as a percentage of principal amount redeemed) on the dates as follows, plus accrued interest to the date fixed for redemption:

Redemption Date (Inclusive)

Price (%)

[12] The hereinabove stated provisions for optional redemption notwithstanding, this Bond is also subject to special redemption at the option of the City on July 1, 1990, or on any interest payment date thereafter, in whole or in part, in inverse order of maturity and within any maturity by lot, from funds transferred to the General Account from the Project Fund as provided in the Ordinance, at a redemption price of par plus accrued interest to the date fixed for redemption.

[13] Written notice of the redemption of any or all of said Bonds shall be given by the City to the registered holder thereof by certified or registered mail to the address shown on the registration books of the City maintained by the Trustee or at such other address as is furnished in writing by such registered owner to the Trustee. The date of the mailing and filing of such notice shall be not more than sixty (60) and not less than thirty (30) days prior to such prepayment date, and when any or all of said Bonds or any portion thereof shall have been called for redemption and payment made or provided for, interest thereon shall cease from and after the date so specified.

[14] The rights and obligations of the City and of the registered owners of Bonds of the series of which this Bond is one may be modified or amended at any time with the consent of the City and of the holders of not less than _____ percent (____%) in principal amount of outstanding Bonds in the manner, to the extent, and upon the terms provided in the Bond Ordinance, provided that no such modification or amendment shall extend the maturity or reduce the interest rate on or otherwise alter or impair the obligation of the City to pay the principal, interest or redemption premium, if any, at the time and place and at the rate and in the currency provided therein of any Bond without the express consent of the registered owner of such Bond, or permit the creation of a preference or priority of any Bond or Bonds over any other Bond or Bonds, or reduce the percentage of Bonds required

for the affirmative vote or written consent to an amendment or modification, all as more fully set forth in the Bond Ordinance.

(Assignment).

For Value Received, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____ or its successor as attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Signature guaranteed: _____

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

SECTION 8. Incremental Taxes Fund--Accounts. There is hereby continued the heretofore created special fund of the City, to be held by the City except as hereinafter expressly provided, which fund shall be held separate and apart from all other funds and accounts of the City and shall be known as the 1986 Chatham Ridge Tax Increment Redevelopment Project Area Special Tax Allocation Fund (the "Incremental Taxes Fund"). All of the Pledged Taxes and any other revenues from any source whatsoever designated to pay principal of, interest on and premium, if any, on the Bonds shall be set aside as collected and be deposited by the City Treasurer in the Incremental Taxes Fund, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the City by this Ordinance. The Bonds are secured by a pledge of all of the moneys on deposit in the Incremental Taxes Fund, and such pledge is irrevocable until the obligations of the City are discharged under this Ordinance.

In accord with the provisions of the Act, the Pledged Taxes are to be paid to the City Treasurer by the officers who collect or receive the Pledged Taxes. Whenever the City Treasurer receives any of the Pledged Taxes, he shall promptly deposit the same into the Incremental Taxes Fund. The moneys on deposit in the Incremental Taxes Fund shall be used by the City solely and only for the purpose of carrying out the terms and conditions of

this Ordinance and shall be deposited as hereinafter provided to the separate accounts hereby created within the Incremental Taxes Fund to be known as the "Principal and Interest Account", the "Reserve and Redemption Account", the "General Account", and the "Rebate Account". The General Account shall be held by the City, and all other accounts of the Incremental Taxes Fund shall be held by the Trustee, except as hereinafter provided. As moneys are deposited by the City into the Incremental Taxes Fund, they shall be credited as follows:

(a) The Principal and Interest Account. The City Treasurer shall first credit to and shall immediately pay to the Trustee for deposit into the Principal and Interest Account the Pledged Taxes and, except as hereinafter provided, such moneys shall be used solely and only for the purpose of paying principal of and redemption premium, if any, and interest on the Bonds and any Additional Bonds as the same become due together with the fees of the Trustees in connection therewith.

If, on or before sixty days before the principal payment date on any of the Bonds or any Additional Bonds, there are funds in the Principal and Interest Account in excess of the amount necessary to pay such principal, premium, interest and expenses on such date, such funds shall first be transferred by the Trustee to the Reserve and Redemption Account as provided below and next be paid to and credited by the City Treasurer to the General Account as described below.

(b) The Reserve and Redemption Account. The Trustee shall next transfer the balance of the Pledged Taxes into the Reserve and Redemption Account until such account aggregates the Debt Service Reserve Requirement, and thereafter no such payments shall be made into said Account except that when any money is paid out of said Account annual payments shall be resumed and continued until said Account has been restored to an aggregate amount equal to the Debt Service Reserve Requirement. Moneys on deposit in the Reserve and Redemption Account may be used by the Trustee to redeem any Bonds or redeem any Additional Bonds and shall be transferred to the Principal and Interest Account as may be necessary from time to time to prevent or remedy a default in the payment of interest or premium, if any, on or principal of the Bonds or any Additional Bonds. Whenever such a transfer is made the Trustee shall promptly give written notice thereof to the City.

Whenever the City has remitted to the Trustee for deposit in the Reserve and Redemption Account an amount sufficient to meet the Debt Service Reserve Requirement, the City Treasurer shall then deposit remaining funds to the credit of the Fund into the following account.

(c) The General Account. All moneys remaining in the Incremental Taxes Fund, after crediting the required amounts to the respective accounts hereinabove provided for, shall be credited to the General Account. Moneys on deposit in the General Account shall be transferred by the City Treasurer first, if necessary, to remedy any deficiencies in any prior accounts in the Incremental Taxes Fund; and, thereafter, shall be used for one or more of the following purposes, without any priority among them:

- (i) for the purpose of paying any Project Costs; or
- (ii) for the purpose of redeeming Bonds or Additional Bonds; or

(iii) for the purpose of purchasing Bonds or Additional Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or

(iv) for the purpose of refunding, advance refunding, or pre-paying any Bonds; or

(v) for the purpose of establishing such additional reserves as may be deemed necessary by the Corporate Authorities; or

(vi) for the purpose of distributing such funds to the taxing districts or municipal corporations having the power to tax the real property in the Project Area or to the State of Illinois in accordance with the Act; or

(vii) for any other purpose related to the Project or the Redevelopment Plan.

(d) The Rebate Account. There is hereby created a separate and special account within the Incremental Taxes Fund known as the "Rebate Account," which shall be held by the Trustee and into which there shall be deposited as necessary investment earnings in the Principal and Interest Account and the Reserve and Redemption Account to the extent required so as to maintain the tax exempt status of interest on Bonds issued on a tax exempt basis. All rebates, special impositions or taxes for such purpose payable to the United States of America (Internal Revenue Service) shall be payable from the Rebate Account.

(e) Investments. The moneys on deposit in the Incremental Taxes Fund and the various accounts therein may be invested from time to time in Qualified Investments pursuant to directions from the City to the Trustee or by the City directly if held by the City Treasurer in the General Account. Any such investments may be sold from time to time by the City as moneys may be needed for the purposes for which the Incremental Taxes Fund and such accounts have been created. In addition, the Trustee and the City Treasurer shall (with or without direction from the City) sell such investments when necessary to remedy any deficiency in the Incremental Taxes Fund or such accounts created therein. Any earnings or losses on such investments in the Reserve and Redemption Account shall first be attributed to the Rebate Account to the extent required, next be credited to and held in the Reserve and Redemption Account so long as the credit balance in said Account is less than the Debt Service Reserve Requirement, and next be transferred to the Fund. All other investment earnings shall be attributed to the account within the Incremental Taxes Fund for which the investment was made.

SECTION 9. General Covenants. The City covenants and agrees with the holders of the Bonds that, so long as any Bonds remain outstanding and unpaid:

(a) The City will punctually pay or cause to be paid from the Incremental Taxes Fund the principal of, interest on and premium, if any, to become due in respect of the Bonds in strict conformity with the terms of the Bonds and this Ordinance, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

(b) The City will pay and discharge, or cause to be paid and discharged, from the Incremental Taxes Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Taxes, or any part thereof, or upon any funds in the hands of the Trustee, or which might impair the security of the Bonds. Nothing herein contained shall require the City to make any such payment so long as the City in good faith shall contest the validity of said claims.

(c) The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Project and to the Pledged Taxes. Such books of record and accounts shall at all times during business hours be subject to the inspection of the holders of not less than ten percent (10%) of the principal amount of the Bonds then outstanding, or their representatives authorized in writing.

The City will cause to be prepared and filed with the City Clerk and the State of Illinois, as required by the Act, within one hundred eighty (180) days after the close of each fiscal year of the City so long as any of the Bonds are outstanding, complete financial statements with respect to the preceding fiscal year showing the Pledged Taxes received, all disbursements from the funds and accounts created by this Ordinance and the financial condition of the Project, including the balances in all funds and accounts relating to the Bonds and the Project as of the end of such fiscal year, which statements shall be accompanied by a certificate or opinion in writing of an independent certified public accountant. The City will furnish a copy of such statements to any Bondholder upon written request.

(d) The City will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the City, the Bonds shall be incontestable by the City.

(e) The City will continue to implement the Project with all practicable dispatch in accord with its stated objectives and purposes in conformity with the Redevelopment Plan and the Act.

(f) The City will adopt, make, execute and deliver any and all such further ordinances, resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, this Ordinance, and for the better assuring and confirming unto the holders of the Bonds of the rights and benefits provided in this Ordinance.

(g) As long as any Bonds are outstanding, the City will continue to deposit to the Incremental Taxes Fund the increase in the aggregate amount of City-imposed taxes, if any, paid by retailers and servicemen on transactions at places of businesses located within the Project Area over and above the aggregate amount of such City-imposed taxes as certified by the Illinois Department of Revenue and paid by retailers and servicemen on transactions at places of businesses located in the Project Area during the base year. The City hereby expressly covenants and agrees to deposit such taxes whether or not the State of Illinois shall annually budget and appropriate an amount sufficient to pay to each eligible municipality the amount of incremental tax revenue to which such municipality is

entitled pursuant to Section 11-74.4-8(a)(1) of the Act, and such City-imposed taxes shall be deemed to be Incremental Sales Taxes pursuant to this Ordinance.

SECTION 10. Sale of the Bonds. As soon as may be after this Ordinance becomes effective, the Bonds shall be executed by the Mayor and Comptroller of the City and be by them delivered to the purchaser thereof, upon receipt of the purchase price therefor, the same being not less than ninety-eight percent (98%) of par, plus accrued interest to the date of delivery; the form of contract for the sale of the Bonds attached hereto as Exhibit B is in all respects approved and authorized, and the Comptroller of the City is hereby authorized to execute said contract, with the concurrence of the Chairman of the Committee on Finance of the Corporate Authorities, for the sale of the Bonds on behalf of the City, such contract to be in substantially the form set forth in said Exhibit B.

The Mayor, Comptroller, City Clerk, Interim Commissioner of Economic Development, City Treasurer and such other officers of the City as may be necessary are hereby authorized to execute such other documents, as may be necessary to implement the Project and to effect the issuance and delivery of the bonds, including but not limited to:

(a) that certain Private Placement Memorandum dated November ____, 1987, such memorandum to be in substantially the form set forth in Exhibit C attached hereto; and

(b) that certain Redevelopment Agreement among the City, American National Bank and Trust Company of Chicago, as Trustee under Trust Agreement dated July 9, 1986, and known as Trust Number 67592, and L & O Partnership No. 2 (the "Developer"), dated as of November 1, 1987, such agreement to be in substantially the form set forth in Exhibit D attached hereto (the "Redevelopment Agreement");

and execution thereof by such officers is hereby deemed conclusive evidence of approval thereof with such changes as may be effected.

The actual price for the Bonds to be received, the aggregate principal amount of Bonds to be delivered, the amounts of Bonds to become due at stated maturity and by operation of the Principal and Interest Account, the amounts of Bonds which are to be Term Bonds to be subject to mandatory redemption in the years required, the redemption provisions generally, the interest rate(s) to be borne by the Bonds, and the Trustee to be designated hereunder shall all be as determined as set forth in a Bond Order and Notice of Sale to be signed and filed by the Comptroller of the City; provided, however, that each of such terms as aforesaid shall not exceed the minimum price, maximum amounts, maximum rates, or other terms of limitation, as applicable, set forth in this Ordinance. The Comptroller of the City is hereby expressly delegated the authority to make such determinations without further action of the Corporate Authorities.

SECTION 11. Use of Bond Proceeds. The proceeds derived from the sale of the Bonds shall be used as follows:

(a) Accrued interest received by the City upon the sale of the Bonds and capitalized interest, if any, shall be remitted by the City Treasurer to the Trustee for deposit in the Principal and Interest Account of the Incremental Taxes Fund and be used to pay first interest coming due on the Bonds.

(b) The City shall then allocate from the Bond proceeds an amount for expenses incurred in the issuance of the Bonds which shall be deposited into an "Expense Fund" to be maintained by the City Treasurer and disbursed for such issuance expenses from time to time in accordance with usual City procedures for the disbursement of funds. Monies not disbursed from the Expense Fund within 6 months shall be transferred by the City to the Trustee for deposit in the hereinafter described Project Fund, and any deficiencies in the Expense Fund shall be paid by disbursement from the Project Fund.

(c) The sum equal to the lesser of the initial Debt Service Reserve Requirement or 10% of the proceeds of the Bonds shall be paid to the Trustee and credited to the Reserve and Redemption Account.

(d) The remaining funds shall be set aside in a separate fund hereby created and designated as the "Project Fund (1987)" (the "Project Fund"), which the City shall maintain with the Trustee. Money in said fund shall be withdrawn from time to time as needed for the payment of Project Costs and paying the fees and expenses incidental thereto not paid out of the Expense Fund and said money shall be disbursed by the Trustee from time to time only upon submission to the Trustee by the City of the following:

(i) If such disbursement is for payment to a supplier, materialman, or contractor for work done in connection with the Project, a certificate executed by the project manager in charge of the construction of the Project stating the amount of materials supplied or the nature of the work completed, that such materials have been properly accepted or such work approved by him, the amount due and payable thereon, and the amount remaining to be paid in connection with the Project; and

(ii) A duplicate copy of the order signed by the Designated Officer, stating specifically the purpose for which the order is issued and indicating that the payment for which the order is issued has been approved by the City.

It is hereby expressly provided and agreed that the following are additional conditions precedent to any disbursement of funds from the Project Fund:

(iii) the Developer shall have secured financing from a lender acceptable to the City and shall have on hand and available the proceeds thereof for the construction of a community shopping center (the "Shopping Center") and necessary appurtenances, as set forth in the Redevelopment Agreement; and

(iv) the Developer shall have delivered to the Trustee and to the City executed leases for at least sixty percent (60%) of the net leasable space in the Shopping Center, provided that (x) each of such leases shall be for a term of at least five years and shall be renewable for at least a term of five years and (y) no more than thirty thousand square feet (30,000 sq. ft.) subject to such leases shall be leased for use by entities other than retailers and servicemen which do pay or which will pay those taxes on transactions at places of businesses within the Project Area which are identified in Section 8(a) (1) of the Act.

Within sixty (60) days after full depletion of the Project Fund or payment of all Project Costs, as herein referred to, and as heretofore approved by the Corporate Authorities, the City Treasurer shall certify to the Corporate Authorities and to the Trustee the fact of such depletion or the architects or engineers in responsible charge of the project shall certify to the Corporate Authorities and to the Trustee the fact that the work has been completed according to approved plans and specifications, as applicable, and upon approval of such certification by the Corporate Authorities, funds (if any) remaining in the Project Fund shall be credited by the Trustee to the Reserve and Redemption Account, or, if such account is fully funded, shall be transmitted by the Trustee to the City Treasurer, and said Treasurer shall credit said funds to the General Account; and the Project Fund shall be closed.

Funds on deposit in the Project Fund may be invested by the Trustee at the direction of the City Treasurer in Qualified Investments. All Investment Earnings in the Project Fund shall first be credited to the Rebate Fund as necessary and next shall be credited to the Project Fund.

SECTION 12. Arbitrage. The Corporate Authorities certify and covenant with the purchasers and holders of the Bonds from time to time outstanding, that so long as any of the Bonds remain outstanding, moneys on deposit in any fund or account in connection with the Bonds, whether or not such moneys were derived from the proceeds of the sale of the Bond or from any other sources, will not be used in a manner which will cause such Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Internal Revenue Code of 1986, and any lawful regulations promulgated or proposed thereunder, including Treas. Reg. Sections 1.103-13, 1.103-14 and 1.103-15(1979), as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Corporate Authorities reserve the right, however, to make any investment of such moneys permitted by Illinois law and this Ordinance, if, when and to the extent that said Section 148(a) or regulations promulgated thereunder shall be repealed or relaxed or shall be held void by final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, relaxation or decision would not, in the opinion of counsel of recognized competence in such matters, result in making the interest on the Bonds subject to federal income taxation.

SECTION 13. Additional Bonds. The City reserves the right to issue Additional Bonds from time to time for the purposes authorized in the Plan, and any such Additional Bonds shall share ratably and equally in the Pledged Taxes with the Bonds; provided, however, that no Additional Bonds shall be issued except upon compliance with all of the following conditions:

(a) All payments required to be made by the City into the Reserve and Redemption Account shall have been made up to and including the date of adoption of any such ordinance authorizing the issuance of Additional Bonds.

(b) (i) The aggregate annual amount of Pledged Taxes deposited to the credit of the Incremental Taxes Fund for the completed tax year immediately preceding the date of adoption of any ordinance authorizing the issuance of Additional Bonds shall have been equal to at least 120% of the average annual principal and interest requirements for all succeeding years on all Bonds then outstanding and the Additional Bonds then proposed

to be issued or (ii) the City shall have received a report of a recognized independent consultant knowledgeable as to urban redevelopment and municipal finance which includes the information and conclusions as follows:

1. A description of the purposes for which such Additional Bonds are to be issued; and

2. A statement that, in such independent consultant's opinion, based upon his review of executed redevelopment agreements and such other documents as he reasonably deems pertinent, Pledged Taxes to be generated will be equal to at least 140% of the average annual principal and interest requirements for all succeeding years on all Bonds then outstanding and the Additional Bonds proposed to be issued.

(c) Any such Additional Bonds which may be issued in compliance herewith shall be payable as to principal on January 1 and as to interest on January 1 and/or July 1 in each year in which principal and interest come due.

Notwithstanding the foregoing restrictions, if, prior to the payment of the Bonds, the City shall determine, as hereinafter provided in Section 14 of this Ordinance, to refund part or all of the Bonds then outstanding, said Bonds may be refunded, and any refunding bonds so issued shall share ratably and equally in the Pledged Taxes with the portion, if any, of the Bonds which are not refunded; provided, further, that if any Bonds are refunded such that the interest rate is increased or the refunding bonds mature at a date earlier than the maturity of any Bonds not refunded, then such refunding bonds shall not share ratably and equally in the Pledged Taxes with the portion of the Bonds remaining outstanding, except that if it is found necessary to refund any annual installment of the Bonds at maturity or within one year of maturity thereof in order to prevent a default, such refunding bonds may be issued to share ratably and equally in the Pledged Taxes with the portion of the Bonds not refunded notwithstanding the fact that the interest rate is increased, provided, however, that such refunding bonds shall not mature at a date earlier than the maturity of any installment of principal of and interest on said Bonds not refunded and then outstanding.

SECTION 14. Refunding Bonds. Refunding bonds issued to refund, whether at or in advance of maturity, Bonds issued under this Ordinance, may be issued by the Corporate Authorities hereunder, and, upon such issuance, shall be "Bonds" as defined hereunder, subject to the limitations hereof; provided, that the principal amount of such refunding Bonds shall not exceed the principal amount of the Bonds refunded.

SECTION 15. Defaults and Remedies. The events of default hereunder and remedies therefor are as follows:

- (a) **Definition of Events of Default; Remedies.** If one or more of the following events, herein called "Events of Default", shall happen, that is to say, in case:

(i) default shall be made in the payment of the principal of or redemption premium, if any, on any Bond when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(ii) default shall be made in the payment of any installment of interest on any Bond when and as such installment of interest shall become due and payable; or

(iii) default shall be made by the City in the performance of any obligation in respect of the Reserve and Redemption Account and such default shall continue for 30 days thereafter; or

(iv) the City shall (1) commence a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable Federal or state bankruptcy, insolvency or other similar law (2) make an assignment for the benefit of its creditors, (3) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property, or (4) be adjudicated a bankrupt or have entered against it any order for relief in respect of an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law and such order continue in effect for a period of 60 days without stay or vacation; or

(v) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the City, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the City under the federal bankruptcy laws or any other applicable federal or state law or statute and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

(vi) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the City or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control; or

(vii) the City shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in this Ordinance on the part of the City to be performed, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the City by the Trustee (which may give such notice whenever it determines that such a default is subsisting and shall give such notice at the written request of the holders of not less than 25% in principal amount of the Bonds then outstanding);

then in each and every such case the Trustee may, and upon the written request of the holders of 25% in principal amount of the Bonds affected by the Event of Default and then outstanding hereunder shall, proceed to protect and enforce its rights and the rights of the holders of the Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or

agreement contained herein or in aid or execution of any power herein granted or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce the rights aforesaid.

During the continuance of an Event of Default, all monies received by the Trustee under this Ordinance from the City or from any other source shall be applied by the Trustee in accordance with the terms of paragraph (i) of this Section.

(b) Notice of Default. The Trustee shall within 90 days after the occurrence of an Event of Default, mail to the Bondholders at the address shown on the Bond Register notice of all Events of Default known to the Trustee unless such defaults shall have been cured before the giving of such notice.

(c) Termination of Proceedings by Trustee. In case any proceedings taken by the Trustee on account of any default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the City, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Trustee shall continue as though no such proceeding had been taken.

(d) Right of Bondholders to Control Proceedings. Anything in this Ordinance to the contrary notwithstanding, the holders of a majority in principal amount of the Bonds then outstanding shall have the right, by an instrument in writing executed and delivered to the Trustee, to direct the method and place of conducting all remedial proceedings to be taken by the Trustee hereunder in respect of the Bonds; provided that such direction shall not be otherwise than in accordance with law and the Trustee shall be indemnified to its satisfaction against the costs, expenses and liabilities to be incurred therein or thereby.

(e) Right of Bondholders to Institute Suit. No holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the execution of any trust hereunder, or for any other remedy hereunder or on the Bonds unless such holder previously shall have given to the Trustee written notice of an Event of Default as hereinabove provided, and unless also the holder, or holders, of 25% in principal amount of the Bonds then outstanding shall have made written request of the Trustee after the right to exercise such powers, or right of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers hereinbefore granted, or to institute such action, suit, or proceeding in its name; and unless, also, there shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers and trusts of this Ordinance or for any other remedy hereunder, it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Ordinance, or to enforce any right hereunder, except in the manner herein provided, and that all proceedings at law or in equity shall

be instituted, had and maintained in the manner herein provided and for the equal benefit of all holders of the outstanding Bonds.

Nothing in this Section contained shall, however, affect or impair the right of any Bondholder, which is absolute and unconditional, to enforce the payment of the principal of and redemption premium, if any, and interest of his Bonds out of the Incremental Taxes Fund or special funds and accounts provided for such payment, or the obligation of the City to pay the same, out of said taxes or special funds and accounts, at the time and place in the Bonds expressed.

(f) Suits by Trustee. All rights of action under this Ordinance, or under any of the Bonds, enforceable by the Trustee, may be enforced by it without the possession of any of the Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, or proceeding, instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Bonds affected by such suit or proceeding, subject to the provisions of this Ordinance.

(g) Remedies Cumulative. No remedy herein conferred upon or reserved to the Trustee or to the Bondholders is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative, and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

(h) Waiver of Default. No delay or omission of the Trustee or of any Bondholder to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by this Section to the Trustee and the Bondholders, respectively, may be exercised from time to time, and as often as may be deemed expedient.

(i) Application of Monies After Default. The City covenants that if an Event of Default shall happen and shall not have been remedied, the Trustee shall apply all monies, securities and funds received by the Trustee pursuant to any right given or action taken under the provisions of this Section as follows and in the following order:

(i) Principal or redemption premium, if any, and interest on the Bonds to the payment of the interest and principal or redemption premium, if any, then due on the Bonds and otherwise as follows:

(1) Unless the principal of all the Bonds shall have become due and payable, all such monies shall be applied as follows:

(a) first, to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

(b) second, to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which monies are held pursuant to the provisions of this Ordinance), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

(c) third, to the payment of the redemption premium, if any, on the principal of any Bonds called for redemption pursuant to the provisions of this Ordinance.

(2) If the principal of all the Bonds shall have become due and payable, all such monies shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference;

Whenever monies are to be applied by the Trustee pursuant to the provisions of this paragraph, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such monies available for application and the likelihood of additional monies becoming available for such application in the future. The deposit of such monies with the paying agents, or otherwise setting aside such monies, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the City, to any Bondholder or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of this Ordinance as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date (which shall be an interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and of the endorsement to be entered on each Bond on which payment shall be made, and shall not be required to make payment to the holder of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee.

(ii) Expenses of Trustee, the bond registrar and paying agents to the payment of the reasonable and proper charges, expenses and liabilities of the Trustee, the bond registrar and paying agents.

SECTION 16. Pertaining to the Trustee. The Trustee hereunder is the trustee of an express trust hereby created for the Bondholders. The further rights and duties of the Trustee are set out as follows:

(a) **Acceptance by Trustee.** The Trustee shall accept the trusts hereby created by certificate of acceptance duly delivered, but only upon the terms and conditions set forth in this Section.

(b) **Performance of Duties.** The Trustee shall, prior to an Event of Default, and after the curing of all such Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Ordinance, using such care as a corporate trustee ordinarily would use in performing trusts under a corporate indenture or trust or depositary agreement. The Trustee shall, during the existence of any such Event of Default which has not been cured, exercise such of the rights and powers vested in it by this Ordinance, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

No provision of this Ordinance shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(i) Prior to an Event of Default hereunder and after the curing of all such Events of Default which may have occurred:

(1) The duties and obligations of the Trustee shall be determined solely by the express provisions of this Ordinance, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Ordinance, and no implied covenants or obligations shall be read into this Ordinance against the Trustee; and

(2) In the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Trustee conforming to the requirements of this Ordinance; but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of this Ordinance.

(ii) At all times, regardless of whether or not any Event of Default shall exist:

(1) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(2) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority (or such larger percentage as is otherwise specifically required

by the terms hereof) in aggregate principal amount of all the Bonds at the time outstanding.

(iii) None of the provisions contained in this Ordinance shall require the Trustee to expend or risk its own funds or otherwise incur individual financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.

(iv) The Trustee shall not be answerable for other than its negligence or willful default. The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder, except failure by the City to cause to be made any of the payments to the Trustee required to be made by Section 8, unless the Trustee shall be specifically notified in writing of such default by the City or by the holders of at least 25% in aggregate principal amount of all Bonds then outstanding, and all notices or other instruments required by this Ordinance to be delivered to the Trustee must, in order to be effective, be delivered at the principal office of the Trustee, addressed to its Trust Department, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no default except as aforesaid.

(v) At any and all reasonable times, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the books, papers and records of the City pertaining to the Project Area and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(vi) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(vii) Notwithstanding anything elsewhere in this Ordinance contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the withdrawal of any cash or any action whatsoever within the purview of this Ordinance, any showings, certificates, opinions, appraisals or other information or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the purpose of establishing the right of the City to the withdrawal of any cash or the taking of any other action by the Trustee.

(viii) Before taking any action under this Section 16, the Trustee may require that a satisfactory indemnity bond or other security satisfactory to it be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from the negligence or willful default of the Trustee in connection with any action so taken.

(ix) All monies received by the Trustee or any paying agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received.

(c) Instruments Upon Which Trustee May Rely. Except as otherwise provided in paragraph (b) hereof:

(i) The Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, Bond, or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties;

(ii) Any notice, request, direction, election, order or demand of the City mentioned herein shall be sufficiently evidenced by an instrument signed in the name of the City by its Mayor or its City Clerk (unless other evidence in respect thereof be herein specifically prescribed); and any resolution of the Corporate Authorities may be evidenced to the Trustee by a copy thereof certified by the City Clerk under the City seal;

(iii) The Trustee may consult with counsel (who may but need not be counsel for the City) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel;

(iv) Whenever in the administration of the trusts under this Ordinance, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a certificate of the City; and such certificate of the City shall, in the absence of negligence or bad faith on the part of the Trustee, be a full warranty to the Trustee for any action taken or suffered by it under the provisions of this Ordinance upon the faith thereof.

(d) Trustee not Responsible for Recitals and Other Matters. The Trustee shall not be responsible in any manner whatsoever for the correctness of the recitals herein or in the Bonds (except the Trustee's certificate of authentication thereon), all of which are made by the City solely; and the Trustee shall not be responsible or accountable in any manner whatsoever for or with respect to the validity or execution or sufficiency of this Ordinance, or of any ordinance supplemental hereto, or of the Bonds, or the sufficiency of the taxes to pay the principal of and interest on the Bonds, or for the security afforded hereby or for the validity of any securities at any time held hereunder, and the Trustee makes no representation with respect thereto. The Trustee shall not be accountable for the use or application by the City of any Bonds authenticated and delivered hereunder or of the proceeds of such Bonds, or for the use or application of any monies paid over by the Trustee in accordance with any provision of this Ordinance.

(e) Trustee May Acquire Bonds. The Trustee and its officers and directors may acquire and hold, or become the pledgee of Bonds, and may otherwise deal with the City in the manner and to the same extent and with like effect as though it were not Trustee hereunder.

(f) Monies Need Not Be Segregated. Subject to the provisions of Sections 8 and 18 hereof, all monies received by the Trustee shall, until used or applied as herein provided, although held in trust for the purposes for which they were received, need not be segregated from other funds except to the extent required hereby or by law.

Notwithstanding the foregoing, the Trustee shall invest monies held by it hereunder pursuant to the applicable provisions hereof.

(g) Intervention by Trustee. In any judicial proceeding to which the City is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interests of owners of the Bonds, the Trustee may intervene on behalf of Bondholders and, subject to the provisions of subparagraph (b) (viii) of this Section 16, shall do so if requested in writing by the owners of at least 25% in aggregate principal amount of all Bonds then outstanding. The rights and obligations of the Trustee to intervene in any such judicial proceeding under this Section are subject to the approval of a court of competent jurisdiction if approval of such intervention is otherwise required by law.

(h) Compensation of Trustee. The City covenants and agrees to cause to be paid from the Incremental Taxes fund to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation for all services rendered by it in the execution of the trusts hereby created and in the exercise and performance of any of the powers and duties hereunder of the Trustee, which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust, and the City will pay or reimburse the Trustee upon its request for all expenses (ordinary and extraordinary), disbursements and advances incurred or made by the Trustee in accordance with any of the provisions of this Ordinance including the reasonable compensation and the expenses and disbursements of its counsel and of all persons not regularly in its employ, except any such expense, disbursement or advance as may arise from its negligence or bad faith. The City also covenants to indemnify the Trustee for, and to hold it harmless against, any loss, liability, expense or advance incurred or made without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of this trust, including fees for legal, engineering and other professional services deemed advisable by the Trustee and all costs and expenses of defending itself against any claim of liability in the premises. The obligations of the City under this paragraph to compensate the Trustee for services and to pay or and reimburse the Trustee for expenses, disbursements, liabilities and advances shall constitute additional indebtedness hereunder. In default of the payment of such additional indebtedness by the City, the Trustee shall have a lien therefor on any monies held by the Trustee hereunder prior to any rights in such monies of the holders of the Bonds except funds held in trust by the Trustee for the benefit of the holders of particular Bonds.

(i) Qualification of Trustee. There shall at all times be a Trustee hereunder which shall be a corporation organized and doing business under the laws of the United States or any state thereof, authorized under such laws to exercise corporate trust powers, having a combined capital, surplus and undivided profits of at least \$10,000,000; and subject to supervision or examination by federal or state authority. Any such Trustee except for a successor Trustee appointed under subparagraph (j)(iii) hereof shall have its principal office and place of business in the State of Illinois; provided, however, if there be no such corporation qualified under this Ordinance and willing to so act as Trustee, any such Trustee shall then meet the requirements of a successor Trustee set forth in subparagraph (j)(iii). If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this paragraph the combined capital, surplus and undivided profits of

such corporation shall be deemed to be its combined capital, surplus and undivided profits as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this paragraph, the Trustee shall resign immediately in the manner and with the effect specified in paragraph (j) hereof.

(j) Resignation Of Trustee And Appointment Of Successor.

(i) The Trustee may at any time resign by giving written notice to the City and by giving to the Bondholders notice by publication of such resignation, which notice shall be published at least once in a financial newspaper or journal printed in the English language and customarily published on each business day and of general circulation among dealers in municipal securities in the City of New York, New York, and by first class mail to the names and addresses shown on the Bond Register. If, because of the temporary or permanent suspension of the publication or general circulation of any financial newspaper or journal or for any other reason it is impossible or impractical to publish such notice of resignation in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute sufficient publication of notice. Upon receiving such notice of resignation, the City shall promptly appoint a successor Trustee by an instrument in writing executed by order of the Corporate Authorities. If no successor Trustee shall have been so appointed and have accepted appointment within 30 days after the publication of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, or any Bondholder who has been a bona fide holder of a Bond or Bonds for at least six months may, on behalf of himself and all others similarly situated, petition any such court for the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, appoint a successor Trustee.

(ii) In case at any time any of the following shall occur:

(1) The Trustee shall cease to be eligible in accordance with the provisions of paragraph (i) or subparagraph (j)(iii) of this Section and shall fail to resign after written request therefor by the City or by any Bondholder who has been a bona fide holder of a Bond or Bonds for at least six months, or

(2) The Trustee shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or of its property shall be appointed, or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, the City may remove the Trustee and appoint a successor Trustee by an instrument in writing executed by order of the Corporate Authorities or any Bondholder may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee. Such court may thereupon, after such notice, if any, as it may deem proper and prescribe, remove the Trustee and appoint a successor Trustee.

(iii) The holders of a majority in aggregate principal amount of all the Bonds at the time outstanding may at any time remove the Trustee and appoint a successor Trustee by an instrument or concurrent instruments in writing signed by such Bondholders. Such successor Trustee shall be a corporation authorized under applicable laws to exercise corporate trust powers and may be incorporated under the laws of the United States or of the State of Illinois. Such successor Trustee shall satisfy the minimum combined capital, surplus and undivided profits Requirement set forth in paragraph (i) of this Section.

(iv) The City, subject to the approval of the holders of a majority in aggregate principal amount of all the Bonds at the time outstanding, may at any time remove the Trustee and appoint a successor Trustee by an instrument in writing signed by the City and accompanied by an instrument or concurrent instruments in writing signed by such Bondholders approving such removal and appointment.

(v) Any resignation or removal of the Trustee and appointment of a successor Trustee pursuant to any of the provisions of this paragraph (j) shall become effective upon acceptance of appointment by the successor Trustee as provided in paragraph (k) of this Section.

(k) Concerning the Successor Trustee. Any successor Trustee appointed as provided in paragraph (j) of this Section shall execute, acknowledge and deliver to the City and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts, duties and obligations of its predecessor in the trusts hereunder with like effect as if originally named as Trustee herein; but nevertheless on the written request of the City or the request of the successor Trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Trustee so ceasing to act. Upon request of any such successor Trustee, the City shall execute any and all instruments in writing more fully and certainly vesting in and confirming to such successor Trustee all such rights, powers and duties. Any Trustee ceasing to act shall, nevertheless retain a lien upon all funds held or collected by such Trustee to secure the amounts due it as compensation reimbursement, expenses and indemnity afforded to it by paragraph (h) of this Section.

No successor Trustee shall accept appointment as provided in this paragraph (k) unless at the time of such acceptance such successor Trustee shall be eligible under the provisions of paragraph (i) or subparagraph (j)(iii) of this Section.

Upon the acceptance of appointment by a successor Trustee as provided in paragraph (k), the City shall publish notice of the succession of such Trustee to the trusts hereunder at least once in a financial newspaper or journal, printed in the English language, customarily published on each business day and of general circulation among dealers in municipal securities in the City of New York, New York, and shall mail a copy of such notice to each person whose name appears on the Bond Register. If, because of temporary or permanent suspension of the publication or general circulation of any financial newspaper or journal or for any other reason it is impossible or impractical to publish such

notice of succession in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute sufficient publication of notice. If the City fails to publish and mail such notice within 10 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be published and mailed at the expense of the City.

(l) **Merger or Consolidation of Trustee.** Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation succeeding to the business of the Trustee, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding, provided that such successor Trustee shall be eligible under the provisions of paragraph (k) or subparagraph (j)(iii) of this Section.

(m) **Financial Statements, Books and Accounts.** The Trustee shall retain all financial statements furnished to it by the City pursuant to this Ordinance for at least a period of seven years after the receipt thereof. The Trustee shall provide an accounting to the City not less than 30 days after the end of each fiscal year of the City showing all receipts, disbursements, fund balances, and investments relating to the funds held by the Trustee hereunder and shall otherwise assist the City in any reasonable manner in complying with Section 9(c) hereof.

(n) **Trustee May Act Through Agents and Co-Trustees.** The Trustee may execute any of the trusts or powers hereof and perform any duty hereunder either directly or by or through its agents or attorneys. The Trustee may appoint a co-trustee or Co-Trustees having a principal place of business in the State of Illinois and who shall meet the requirements for a successor trustee set forth in paragraph (k) of this Section. The Trustee may delegate to such co-trustee or Co-Trustees such power, rights, duties, and responsibilities as the Trustee may deem necessary or desirable in order to permit the lawful execution of the trusts herein set forth without qualifying to do business or otherwise subjecting itself to the jurisdiction of any regulatory authority of the State of Illinois.

SECTION 17. Evidence of Bondholder Action. Any request, direction or other instrument required by this Ordinance to be signed or executed by Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction or other instrument, or of the writing appointing such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purpose of this Ordinance and shall be conclusive in favor of the Trustee with regard to any action taken by it under such request:

(a) The fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction, who, by the laws thereof, has power to take acknowledgments within said jurisdiction, to the effect that the person signing such writing acknowledged before him the execution thereof, or by an affidavit of a witness to such execution;

(b) The ownership of the Bonds shall be proved by the Bond Register.

SECTION 18. Payment and Discharge; Refunding. The Bonds may be discharged, payment provided for, and the City's liability terminated as follows:

(a) **Discharge of Indebtedness.** If (i) the City shall pay or cause to be paid to the registered owners of the Bonds the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, (ii) all fees and expenses of the Trustee, the bond registrar and the paying agents shall have been paid, and (iii) the City shall keep, perform and observe all and singular the covenants and promises in the Bonds and in this Ordinance expressed as to be kept, performed and observed by it or on its part, then these presents and the rights hereby granted shall cease, determine and be void, and thereupon the Trustee shall execute and deliver to the City such instruments in writing as shall be requisite. If the City shall pay or cause to be paid to the registered owners of all outstanding Bonds of a particular series, or of a particular maturity within a series, the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and herein, such Bonds shall cease to be entitled to any lien, benefit or security under the Ordinance, and all covenants, agreements and obligations of the City to the holders of such Bonds shall thereupon cease, terminate and become void and discharged and satisfied.

(b) **Provision for Payment.** Bonds for the payment or redemption of which sufficient monies or sufficient Government Securities shall have been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds) shall be deemed to be paid within the meaning of this Ordinance and no longer outstanding under this Ordinance; provided, however, that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been duly given as provided in this Ordinance or arrangements satisfactory to the Trustee shall have been made for the giving thereof. Government Securities shall be considered sufficient only if said investments are not redeemable prior to maturity at the option of the issuer and mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal and redemption premiums if any when due on the Bonds without rendering the interest on any Bonds taxable under the Internal Revenue Code of the United States.

The City may at any time surrender to the Trustee for cancellation by it any Bonds previously authenticated and delivered hereunder, which the City may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) **Termination of City's Liability.** Upon the discharge of indebtedness under paragraph (a) hereof, or upon the deposit with the Trustee of sufficient money and Government Securities (such sufficiency being determined as provided in paragraph (b) hereof) for the retirement of any particular Bond or Bonds, all liability of the City in respect of such Bond or Bonds shall cease, determine and be completely discharged and the holders thereof shall thereafter be entitled only to payment out of the money and the proceeds of the Government Securities deposited with the Trustee as aforesaid for their payment, subject to the provisions of paragraph (d). However, if the Trustee, on advice of

counsel, shall conclude that the determination and discharge of the City's liability hereunder, upon the deposit of Government Securities with the Trustee as above provided, would or might result in rendering the interest on any of the Bonds subject to federal income taxation, the Trustee shall so notify the City in writing and shall refuse to accept such deposit unless the City shall execute and deliver to the Trustee a supplemental ordinance meeting the requirements of the next sentence hereof. Such supplemental ordinance shall provide (a) that so long as said deposit of money and Government Securities remains sufficient for its purposes and in the hands of the Trustee, none of the covenants herein appearing except for the covenant of the City to pay the Bonds as to principal and interest and the covenant not to affect the tax exempt status of interest on the Bonds shall be enforceable or enforced against the City. Said supplemental ordinance shall further provide that whenever the monies and Government Securities in such deposit shall become insufficient for the purpose thereof, the Trustee shall immediately so notify the City, and thereupon all provisions of this Ordinance shall again become fully enforceable and shall be enforced by the Trustee.

(d) Unclaimed Monies. The Trustee shall continue to hold in trust all monies held by it for the payment of principal of and interest and redemption premium, if any, on the Bonds until said Bonds shall have been presented for payment. If, after the expiration of the pertinent statute of limitations (as to which the Trustee may rely upon counsel of its own choosing), any money remains unclaimed, the Trustee shall pay said money over to the City for use for any lawful corporate purpose or shall pay such money as is then otherwise provided by law.

SECTION 19. Supplemental Ordinances. Supplemental ordinances may be passed as follows:

(a) Supplemental Ordinances Not Requiring Consent of Bondholders. The City by the Corporate Authorities, and the Trustee from time to time and at any time, subject to the conditions and restrictions in this Ordinance contained, may pass and accept an ordinance or ordinances supplemental hereto, which ordinance or ordinances thereafter shall form a part hereof, for any one or more of the following purposes:

(i) To add to the covenants and agreements of the City in this Ordinance contained, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the City;

(ii) To make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Ordinance, or in regard to matters or questions arising under this Ordinance, as the City may deem necessary or desirable and not inconsistent with this Ordinance and which in the opinion of the Trustee shall not adversely affect the interests of the registered owners of the Bonds;

(iii) To designate one or more bond registrars or paying agents;

(iv) To comply with the provisions of Section 18(c) hereof when money and the Government Securities designated therein sufficient to provide for the retirement of Bonds shall have been deposited with the Trustee; and

(v) As to Bonds which are authorized but unissued hereunder:

(1) to change the amount of Bonds authorized, or

(2) to change in any way the terms upon which such Bonds may be issued or secured.

Any supplemental ordinance authorized by the provisions of this Section may be passed by the City and accepted by the Trustee without the consent of or notice to the registered owners of any of the Bonds at the time outstanding, notwithstanding any of the provisions of paragraph (b) of this Section, but the Trustee shall not be obligated to accept any such supplemental ordinance which affects the Trustee's own rights, duties or immunities under this Ordinance or otherwise.

(b) Supplemental Ordinances Requiring Consent of Bondholders. With the consent (evidenced as provided in Section 15) of the registered owners of not less than 25% in aggregate principal amount of the Bonds at the time outstanding, the City, by the Corporate Authorities may pass, and the Trustee may accept from time to time and at any time an ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Ordinance or of any supplemental ordinance; provided that no such modification or amendment shall extend the maturity or reduce the interest rate on or otherwise alter or impair the obligation of the City to pay the principal, interest or redemption premium, if any, at the time and place and at the rate and in the currency provided therein of any Bond without the express consent of the registered owner of such Bond, or permit the creation of a preference or priority of any Bond or Bonds over any other Bond or Bonds, or reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification, or deprive the registered owners of the Bonds (except as aforesaid) of the right to payment of the Bonds from the taxes pledged thereto without the consent of the registered owners of all the Bonds (as the case may be) then outstanding. Upon receipt by the Trustee of a certified copy of such ordinance and upon the filing with the Trustee of evidence of the consent of Bondholders, as aforesaid, the Trustee shall accept unless such supplemental ordinance affects the Trustee's own rights, duties or immunities under this Ordinance or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, accept into such supplemental ordinance.

It shall not be necessary for the consent of the Bondholders under this paragraph to approve the particular form of any proposed supplemental ordinance, but it shall be sufficient if such consent shall approve the substance thereof.

Promptly after the passage by the City and the acceptance by the Trustee of any supplemental ordinance pursuant to the provisions of this paragraph, the City shall publish a notice, setting forth in general terms the substance of such supplemental ordinance, at least once in a financial newspaper or journal printed in the English language, customarily published on each business day and of general circulation among

dealers in municipal securities in the City of New York, New York. If, because of temporary or permanent suspension of the publication or general circulation of any financial newspaper or journal or for any other reason it is impossible or impractical to publish such notice of supplemental ordinance in the manner herein provided, then such publication in lieu thereof as shall be made with the approval of the Trustee shall constitute sufficient publication of notice. Any failure of the City to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such supplemental ordinance.

(c) Supplemental Ordinance to Modify this Ordinance. Upon the execution of any supplemental ordinance pursuant to the provisions of this Section, this Ordinance shall be modified and amended in accordance therewith and the respective rights, duties and obligations under this Ordinance of the City, the Trustee and all registered owners of Bonds outstanding thereunder shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendments, and all the terms and conditions of any such supplemental ordinance shall be and be deemed to be part of the terms and conditions of this Ordinance for any and all purposes.

(d) Trustee May Rely Upon Opinion of Counsel Re: Supplemental Ordinance. Subject to the provisions of Section 16(b) the Trustee may receive an opinion of counsel as conclusive evidence that any supplemental ordinance executed pursuant to the provisions of this Section complies with the requirements of this Section.

(e) Notation on Bonds. Bonds authenticated and delivered after the execution of any supplemental ordinance pursuant to the provisions of this Section may bear a notation, in form approved by the Trustee, as to any matter provided for in such supplemental ordinance, and if such supplemental ordinance shall so provide, new bonds, so modified as to conform, in the opinion of the Trustee and the Corporate Authorities, to any modification of this Ordinance contained in any such supplemental ordinance, may be prepared by the City, authenticated by the Trustee and delivered without cost to the registered owners of the Bonds then outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amounts.

SECTION 20. This Ordinance a Contract. The provisions of this Ordinance shall constitute a contract between the City and the registered owners of the Bonds, and upon the acceptance of the duties hereunder between the City and the Trustee, and no changes, additions or alterations of any kind shall be made hereto, except as herein provided.

SECTION 21. Partial Invalidity. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

SECTION 22. Registered Form. The City recognizes that Section 149 of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon is exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the City agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

SECTION 23. List of Bondholders. The Trustees shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

SECTION 24. Rights and Duties of Trustee. If requested by the Trustee, the Mayor and City Clerk of the City are authorized to execute the Trustee's standard form of agreement between the City and the Trustee with respect to the obligations and duties of the Trustee hereunder which may include the following:

- (a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;
- (b) to maintain a list of Bondholders as set forth herein and to furnish such list to the City upon request, but otherwise to keep such list confidential;
- (c) to give notice of redemption of Bonds as provided herein;
- (d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;
- (e) to furnish the City at least annually a certificate with respect to Bonds cancelled and/or destroyed; and
- (f) to furnish the City at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

The City Clerk of the City is hereby directed to file a certified copy of this Ordinance with the Trustee.

SECTION 25. Amendment of Redevelopment Plans; Application of Administrative Fees. The respective redevelopment plans heretofore approved by the Corporate Authorities in connection with the establishment by the City of its Ryan-Garfield Community Redevelopment Project Area and its West Ridge- Peterson Redevelopment Project Area and the Redevelopment Plan are hereby amended to the extent necessary to authorize the payment of certain additional redevelopment project costs constituting administrative fees incurred by the City relative to, respectively, the Ryan-Garfield Redevelopment Project, the West Ridge-Peterson Redevelopment Project and the Project. The aggregate amount of \$245,000 received by the City as administrative fees in connection with (i) the Chatham Ridge Tax Increment Redevelopment Project (\$100,000), (ii) the Ryan-Garfield Tax Increment Redevelopment (\$100,000), and (iii) the West Ridge-Peterson Tax Increment Redevelopment Project (\$45,000) shall be applied to the payment of costs of administration and oversight of these (and other) tax increment financing projects within the City, including without limitation personnel costs which are incurred therein.

SECTION 26. Prior Inconsistent Proceedings. To the extent that any ordinance, resolution, rule, order or provision of the Municipal Code of the City of Chicago, or part thereof, is in conflict with the provisions of this Ordinance, the provisions of this Ordinance shall be controlling. If any section, paragraph, clause or provision of this Ordinance shall

be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Ordinance.

SECTION 27. Immunity of Officers, Employees and Members of City. No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in this Bond Ordinance contained against any past, present or future officer, director, member, employee or agent of the City, or of any successor public corporation, as such, either directly or through the City or any successor public corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, directors, members, employees or agents as such is hereby expressly waived and released as a condition of and consideration for the passage of this Bond Ordinance and the issuance of such Bonds.

SECTION 28. Effective Date. This ordinance shall be in full force and effect upon its passage and approval as provided by law.

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

Exhibit A.

*Legal Description Of The
Chatham Ridge Tax Increment
Redevelopment Project Area.*

Parcel I.

That Part Of The South 35.00 Acres (Except The East 304 Feet As Measured At Right Angles To The East Line Thereof) Of The East 1/2 Of The Southeast 1/4 Of Section 33, Township 38 North, Range 14 East Of The Third Principal Meridian In Cook County, Illinois, Lying South Of The Following Described Line:

Commencing At A Point In The East Line Of The Aforesaid South East 1/4 That Is 629.10 Feet North Of The South East Corner Of The Aforesaid Section 33; Thence West In A Line Parallel To The South Line Of The Aforesaid South East 1/4 (Being The North Line Of The South 300 Feet Of The North 25.00 Acres Of The Said South 35 Acres) To A Point That Is 450.00 Feet East Of The West Line Of The Aforesaid East Half Of The South East 1/4; Thence North On A Line At A Right Angle To The Last Described Line A Distance Of 51.5 Feet; Thence West On A Line At A Right Angle To The Last Described Line And Parallel To The South Line Of The Aforesaid South East 1/4 A Distance Of 450.00 Feet More Or Less To The West Line Of The East 1/2 Of The Southeast Quarter Of Said Section 33, Including That Part Falling In West 87th Street.

Parcel II.

That Part Of The Northeast Quarter And The East 1/2 Of The Northwest 1/4 Of Section 4, Township 37 North, Range 14 East Of The Third Principal Meridian In Cook County, Illinois Lying Northerly Of The Southerly Line, And Said Southerly Line Extended, Of West 87th Street, West Of A Line 304 Feet (Measured At Right Angles Thereto) West Of The East Line Of Said Northeast 1/4 Section And East Of The West Line Of Parnell Avenue.

Parcel III.

That Part Of The West 1/2 Of The Southeast 1/4 Of Section 33, Township 38 North, Range 14 East Of The Third Principal Meridian, In Cook County, Illinois Lying South Of The South Line, And Said South Line Extended West, Of Lots 4 And 14 In Seymour Estate Subdivision (A Subdivision Of The West 1/2 Of The Said Southeast Quarter) And Including 87th Street And Holland Road Falling Within, Excepting Therefrom That Portion Of The Above Described Land Lying South And Adjoining Lots 4 And 14 In Said Seymour Estate Subdivision Bounded As Follows: Commencing On A point On the Center Line Of South Stewart Avenue Extended Southerly, Which Point Is Also On The Southerly Line Of Said Lot 4, Extended Westerly; Thence Easterly Along Said Extended Line And The Southerly Lines Of Said Lots 4 And 14, 815 Feet, More Or Less; Thence Southerly At Right Angles To The Last Described Line 125 Feet, More Or Less; Thence Westerly On A Line Parallel To The Southerly Line Of Said Lots 4 And 14, A Distance Of 500 Feet; Thence Southerly On A Line At Right Angles To The Last Described Line, A Distance Of 625.00 Feet; Thence Westerly On A Line Parallel To The Southerly Line Of Said Lots 4 And 14, 312.50 Feet More Or Less To A Point On The Easterly Boundary Line Of the C&W.I. Railroad Right-Of-Way; Thence Northwesterly Along Said Line Until Intersecting With The Line Of The Center Line Of South Stewart Avenue Extended Southerly; Thence Northerly Until Reaching The Point Of Beginning.

Parcel IV.

That Part Of The East 1/2 Of the West 1/2 Of Section 33, Township 38 North, Range 14 East Of The Third Principal Meridian In Cook County, Illinois Lying Southwesterly Of The Northerly Line Of 83rd Street, And Said Northerly Line Extended Northwesterly Of The Westerly Line Of Vincennes Avenue And Southeasterly Of The Westerly Line Of Vincennes Avenue, (Excepting Thereof Those Parts Falling In Blocks 1 And 3 Of William O. Cole's South Englewood Park Subdivision, A Subdivision Of That Part Of South Englewood Known On The Original Plat As Steven A. Newman's Private Grounds In The East 1/2 Of The Southwest 1/4 Of Said Section Recorded September 11, 1873, Book 5, Part 99 And Block 17 Of The Plat Of Part Of South Englewood, A Subdivision Of That Portion Of Said Section, Which Lies West And Southwest Of Holland Settlement Road And South And Southeast Of Vincennes Avenue And East Of The Center Line Of The C.R.I. & P.R.R. Recorded January 16, 1873, Book 3, Part 80, And Those Parts Of 85th Street, 86th Street And 87th Street Which Lie West Of The West Line, And Said West Line Extended, Or Parnell Avenue), Including Those Parts Falling In 83rd Street, 84th Street, 87th Street and Vincennes Avenue, And Including All Those Other Streets And Alleys, Dedicated Or Otherwise, Falling Within Said Land Or Which May Revert To The Public In The Future; But Excepting Therefrom The Parcel Of Land Bounded As Follows: By The Easterly Boundary Line Of The C&W.I. Railroad Right-Of-Way, The Northerly Line Of South

Vincennes Avenue, The Northerly Line Of West 83rd Street And The Westerly Line Of South Stewart Avenue, (Consisting Of Approximately 8.2206 Acres, More Or Less).

Exhibit B.

Private Placement Agreement.

November ____, 1987

City of Chicago
Office of the Comptroller
Department of Finance
Room 501, City Hall
Chicago, Illinois 60602

First National Realty &
Development Company, Inc.
910 West Van Buren Street
Chicago, Illinois 60607

Re: \$5,000,000 City of Chicago, Illinois Chatham Ridge Tax Increment Allocation Bonds, Series 1987.

Gentlemen:

The purpose of this Private Placement Agreement (the "Agreement") is to confirm that Van Kampen Merritt, Inc. (the "Placement Agent") will act as exclusive placement agent with respect to the initial placement of \$5,000,000 aggregate principal amount of Chatham Ridge Tax Increment Allocation Bonds, Series 1987 (the "Bonds"), to be issued by the City of Chicago, Illinois (the "Issuer"), under and pursuant to an ordinance, adopted by the City Council of the Issuer on _____, 1987 (the "Bond Ordinance"). Pursuant to the Bond Ordinance, the Issuer has designated American National Bank and Trust Company of Chicago as trustee (the "Trustee"). The proceeds of the Bond (other than amounts set aside as accrued interest or for the payment of expenses or amounts applied to funds, in whole or in part, a debt service reserve requirement) shall be set aside in a separate fund created under the Bond Ordinance designated as the "Project Fund" and shall be withdrawn from time to time as needed for the payment of costs of the Project (as defined in the Bond Ordinance) and paying fees and expenses incidental thereto, pursuant to the terms of a redevelopment agreement dated November ____, 1987 (the "Redevelopment Agreement") between the Issuer and First National Realty & Development Company, Inc. ("First National") and L & O Partnership No. 2, an Illinois limited partnership (the "Developer"). The Bonds will be secured by a pledge of tax increment revenues deposited into a special fund of the Issuer known as the 1987 Chatham Ridge Tax Increment Redevelopment Project Area Special Tax Allocation Fund.

The Placement Agent, the Developer, First National, and the Issuer hereby agree as follows:

Section 1. Purchase Price. Upon the terms and conditions, and upon the basis of the representations of the Issuer, First National, and the Developer herein set forth, the Placement Agent agrees to use its best efforts to place all, but not less than all, of the Bonds with purchasers thereof, and the Issuer agrees to sell all, but not less than all, of the Bonds (comprising \$5,000,000.00 aggregate principal amount tax exempt Bonds, bearing interest at the rate(s) and maturing on the date(s) set forth on the cover of the Private Placement Memorandum relating to the Bonds dated November ____, 1987 and attached hereto as Annex 1 (the "Memorandum"), to bond purchasers designated by the Placement Agent (which may include the Placement Agent) at an aggregate purchase price of par plus accrued interest (if any) from the dated date of the Bonds to the date on which the Bonds are delivered by the Issuer to the Placement Agent and paid for pursuant to this Agreement (the "Closing"). Payment for the Bonds shall be made or arranged to be made by the Placement Agent in immediately available funds drawn to the order of the Trustee for the account of the Issuer.

Section 2. Placement Agent's Fee. The Developer agrees to pay, out of the proceeds of the Bonds or otherwise, the Placement Agent a fee of \$50,000.00, plus its reasonable fees and expenses (including fees and expenses of counsel to the Placement Agent). To the extent that such fees and expenses are not paid from proceeds of the sale of the Bonds, the Developer agrees to pay such fees and expenses at Closing by certified check.

Section 3. Representation and Warranties of Issuer. (A) The Issuer hereby represents and warrants that: (a) the Issuer is and on the date of Closing will be a municipality and home rule unit of local government organized and existing under the Constitution and laws of the State of Illinois, with full power and authority to issue the Bonds and to perform its obligations hereunder and under the Bond Ordinance and the Redevelopment Agreement (collectively, the "Financing Documents"); (b) when delivered to and paid for at the Closing in accordance with the provisions of this Agreement, the Bonds will have been duly authorized, executed, authenticated, issued and delivered, and will constitute legal, valid and binding limited obligations of the Issuer of the character described in the Bonds and the Bond Ordinance, enforceable in accordance with their terms, in conformity with, and entitled to the benefit and security of, the Bond Ordinance; (c) the Issuer is authorized to enter into and deliver this Agreement and the Financing Documents and to perform its obligations hereunder and thereunder; (d) to the best knowledge of the Issuer, the Issuer is not in breach of or in default under any judgment or decree to which the Issuer is subject, or any indenture, mortgage, loan agreement or lease to which the Issuer is a party, and which materially and adversely affects the transactions contemplated by this Agreement and the Financing Documents; (e) there is no action, suit or proceeding at law or in equity, to which the Issuer is a party, before or by any court, public board or body, pending or, to the best knowledge of the Issuer threatened against the Issuer affecting the existence of the Issuer or its governing body, or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, or the use of the tax increment to be pledged under the Bond Ordinance to pay the Bonds; (f) to the best of the knowledge, information and belief of the Issuer the statements and information under the headings "The Issuer" and "Litigation" (insofar as such heading relates to the Issuer) in the Memorandum were, as of its date, and are as of the date hereof, true and correct in all material respects, and did not, as of its date,

and do not, as of the date hereof, contain any untrue statements of a material fact or omit to state any material facts required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (g) there are no approvals, consents or orders of any governmental authority or agency having jurisdiction in the matter necessary to the performance by the Issuer of its duties and obligations hereunder and under the Financing Documents; (h) execution, delivery, and performance of this Agreement and the Financing Documents have been duly authorized by all necessary action on the part of the Issuer, and, assuming due authorization, execution, and delivery by the other parties thereto, when executed and delivered by the Issuer this Agreement and the Financing Documents will be in full force and effect, and will constitute legal, valid, binding, and enforceable obligations of the Issuer; and (i) the execution and delivery of this Agreement and the Financing Documents, and compliance with the provisions hereof and thereof, under the circumstances contemplated herein and therein, will not conflict with or constitute on the part of the Issuer a breach of or a default under any agreement or instrument to which the Issuer is a party, or violate any law, administrative regulation, court order, or consent decree to which the Issuer or its property is subject.

(B) The Placement Agent acknowledges, and shall advise all prospective purchasers of the Bonds, that the Bonds shall be limited obligations of the Issuer secured by and payable solely from the incremental taxes collected pursuant to the Illinois Tax Increment Allocation Redevelopment Act, as amended (the "Act"). Neither the faith and credit nor the taxing power of the Issuer, the State of Illinois, or any political subdivision thereof is pledged to the payment of the principal of the Bonds, or the interest thereon, or other costs incident thereto.

Section 4. Representations and Warranties of First National and Developer. The Developer and First National hereby jointly and severally represent and warrant that: (a) the statements and information contained in the Memorandum are true and complete in all material respects, and do not omit any statement or information that is required to be included therein or that is necessary to make the statements and information therein, in light of the circumstances under which they were made, not misleading in any material respect; (b) to their best knowledge, there are no factors relating to the project and improvements to be constructed pursuant to the Redevelopment Agreement (the "Project"), or the security for the Bonds, other than those set forth in the Memorandum that should have been included in the Memorandum; (c) the Developer is a limited partnership duly organized and validly existing under the laws of the State of Illinois, and First National is a corporation duly organized and validly existing under the laws of the State of Illinois; (d) execution, delivery, and performance of this Agreement and the Redevelopment Agreement, and execution and delivery of the Memorandum have been duly authorized by all necessary action on the part of the Developer and First National, and, assuming due authorization, execution, and delivery by the other parties thereto, when executed and delivered by Developer, this Agreement and the Redevelopment Agreement will be in full force and effect, and will constitute legal, valid, binding, and enforceable obligations of the Developer and First National; (e) the Developer is not, as of the date hereof, in violation of any provision of its limited partnership agreement or certificate, and First National is not, as of the date hereof, in violation of any provision of its corporate charter or by-laws, and neither the Developer nor First National is, as of the date hereof, in violation of any provision of any indenture, mortgage, deed of trust, lien, lease, indebtedness, agreement,

instrument, judgment, decree, order, statute, ordinance, rule, regulation, plan, or other restriction to which it is a party, or by which it, or any of its property, is subject or bound, which violation will have any material and adverse effect on the financing contemplated hereby; (f) there is no pending or, to the best knowledge of the Developer or First National, threatened action, suit, proceeding, or known inquiry or investigation before or by any court, public board, or body against or affecting the Developer or First National, nor, to the best knowledge of the Developer or First National, is there any basis therefor, that would materially and adversely affect the transactions contemplated by this Agreement, the Financing Documents and the Memorandum, or that would materially and adversely affect the Bonds, the market price of the Bonds or the development, operation, or construction of the Project, or that materially and adversely affects the information contained in the Memorandum; (g) the execution and delivery of this Agreement and the Redevelopment Agreement, and compliance with the provisions hereof and thereof, under the circumstances contemplated herein and therein, will not conflict with or constitute on the part of the Developer or First National a breach of or a default under any agreement or instrument to which the Developer or First National is a party, or violate any law, administrative regulation, court order, or consent decree to which the Developer or First National or their property is subject; and (h) all approvals, consents, or orders of any governmental authority having jurisdiction in the matter that would constitute a condition precedent to the performance by the Developer or First National of their duties and obligations under this Agreement and the Redevelopment Agreement have been obtained and are in full force and effect.

Section 5. Representations and Warranties of the Placement Agent. The Placement Agent hereby represents and warrants that: (a) it is a member of the National Association of Securities Dealers, Inc., and is licensed by the Illinois Department of Securities in the office of the Secretary of State of the State of Illinois as a broker-dealer; (b) it has full power and authority to take all actions required to be taken by the Placement Agent by or under, and to perform the agreements on its part contained in, this Agreement; (c) it is duly authorized to enter into and perform this Agreement, and the execution and performance of this Agreement is not restricted, limited, or prohibited by the laws of any jurisdiction applicable to the Placement Agent and in effect on the date hereof; and (d) the Bonds, if issued, will be placed by the Placement Agent in compliance with all applicable filing and registration requirements of all applicable state and federal securities laws.

Section 6. Memorandum. The Developer and First National shall cooperate with the Placement Agent in the completion of the Memorandum, and shall cause the Memorandum to be executed simultaneously with the execution of this Agreement by the Issuer. The Issuer, the Developer, and First National agree that the Memorandum may be used by the Placement Agent in the placement of the Bonds; provided that the Issuer has not participated in the preparation of the Memorandum and has made no independent investigation with respect to the information contained therein, and, except as provided in Section 3(f) hereof, the Issuer assumes no responsibility for the sufficiency, accuracy, or completeness of such information. The Placement Agent agrees to distribute the Memorandum to prospective purchasers in connection with the placement of the Bonds. The Placement Agent agrees not to give any information or make any representation in connection with the placement of the Bonds other than as contained in the Memorandum. The Developer and First National agree to furnish or cause to be furnished to the Placement Agent as many copies of the Memorandum as the Placement Agent may

reasonably request, and such other information with respect to the Developer, First National, the Project, the Issuer and the Bonds as the Placement Agent shall reasonably request from time to time. If, during and prior to such time as the Memorandum is used in connection with the placement of the Bonds, any material event known to the Developer, First National, or the Issuer relating to or affecting the Developer, First National, the Issuer, the Project, the Bonds, or the accuracy or completeness of any statement of a material fact contained in the Memorandum occurs, the Developer, First National, or the Issuer, as the case may be, will promptly notify the Placement Agent in writing of the circumstances and details of such event. The Developer will cooperate with the Placement Agent in the preparation of any additional marketing materials that the Placement Agent determines are necessary or desirable in connection with the placement of the Bonds, or that the Placement Agent determines should be provided to prospective purchasers of the Bonds.

- The Issuer, First National, and the Developer will furnish such information, execute such instruments, and take such other action in cooperation with the Placement Agent as the Placement Agent may reasonably request to qualify the Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States as the Placement Agent may designate; provided, however, that neither the Issuer, First National, nor the Developer shall be required to register as a dealer or broker in any such state or jurisdiction, nor execute a general consent to service of process or qualify to do business in connection with any such qualification of the Bonds for sale in any state or jurisdiction.

Section 7. [Intentionally Omitted.]

Section 8. Closing, Delivery and Payment. The Closing shall be held at 10:00 A.M., Chicago time, on November ____, 1987, at the office of the Trustee, Chicago, Illinois, or at such other time and place as shall be agreed to by the parties hereto. At the Closing the Placement Agent shall accept the delivery of the Bonds from the Issuer and shall deliver payment therefor, upon (a) delivery to the Placement Agent of all of the Closing Documents, and (b) tender of the Bonds, in the form of a single, temporary bond for each maturity bearing the designation "R-1-Temporary," registered in the name of the Placement Agent or its nominee, in the aggregate amount of \$5,000,000, and dated the date of Closing.

Section 9. Closing Documents. The Closing Documents shall consist of the following, each properly executed, certified or otherwise verified, dated as of the date of Closing, and in such forms as may be satisfactory to Bond Counsel and the Placement Agent:

(a) executed counterparts of the Financing Documents and the Memorandum;

(b) the closing certificate of the Issuer confirming as of the Closing (i) the representations and warranties made by the Issuer in this Agreement and in the Financing Documents; (ii) that the statements and information under the headings "The Issuer" and "Litigation" contained in the Memorandum are true and complete in all material respects; (iii) that there is no litigation or proceeding pending or, to the best knowledge of the officer signing such closing certificate, threatened, seeking to restrain or enjoin the issuance or delivery of the Bonds, or in any way contesting or affecting any

authority for the issuance of the Bonds, or the validity of the Bonds, or seeking to restrain or enjoin the transaction contemplated by this Agreement or the Financing Documents, or questioning the validity hereof or thereof, or in any way contesting the existence or powers of the Issuer; and (iv) the adoption and present effectiveness of all resolutions and ordinances considered necessary, in the opinion of the Placement Agent and Bond Counsel, in connection with the transactions contemplated hereby, with certified copies of said resolutions and ordinances attached;

(c) the closing certificates of the Developer and First National, signed by the President of First National and the managing general partner of the Developer, confirming as of the closing (i) the representations and warranties made by the Developer and First National herein and in the Redevelopment Agreement; (ii) that the Developer is a limited partnership duly organized and validly existing under the laws of the State of Illinois, and that First National is a corporation duly organized and validly existing under the laws of the State of Illinois, and that each has all requisite power and authority to own, operate and lease its properties and to carry on its business as currently being conducted by it, and is duly qualified and in good standing in every jurisdiction in which the property owned, leased or operated by it, or the nature of the business conducted by it, makes such qualification necessary; (iii) that attached to such certificate is a true, complete and correct copy of the corporate charter and by-laws, or the Partnership Agreement, of the certifier currently in effect; (iv) that the corporate charter and by-laws, or the Partnership Agreement, of the certifier, as currently in effect, and the laws of the United States of America and the State of Illinois demonstrate that the certifier has the power to perform the obligations required to be performed by it under the terms of the Redevelopment Agreement; (v) no default material to the Redevelopment Agreement or the Bonds has occurred and is subsisting under any indenture, mortgage, lien, agreement, contract, deed, lease, loan agreement, note, order, judgment, decree, or other instrument or restriction of any kind or character to which the certifier is a party, by which the certifier is bound, or to which the certifier, or any of the certifier's assets, is subject; (vi) neither the execution and delivery of the Redevelopment Agreement, nor compliance with the terms, conditions, and provisions of the Redevelopment Agreement, will conflict with or result in a breach of, or constitute a default under, any of the foregoing; (vii) that the certifier is not in default in payment of the principal of or interest on any indebtedness for borrowed money, and the certifier is not in default under any instrument or agreement under and subject to which any indebtedness for borrowed money has been incurred, and no event has occurred and is continuing under the provisions of any such instrument or agreement which with the lapse of time or the giving of notice, or both, would constitute a default thereunder; (viii) that the certifier is not a party to, or in any manner obligated under, any contracts not in the ordinary course of business which could materially adversely affect the business, property, assets, or financial condition of the certifier; (ix) that there is no litigation pending or, to the best of certifier's knowledge, threatened seeking to restrain or enjoin the issuance or delivery of the Bonds, or seeking to restrain or enjoin the transactions contemplated by this Agreement or the Financing Documents, or questioning the validity hereof or thereof; and (x) that no elective officer of the Issuer is an officer or director of the certifier or of any corporation, partnership, or other entity that controls, is controlled by, or is under common control with the certifier;

(d) the closing certificate of the Trustee confirming as of the closing: (i) that the Trustee has duly authorized, by all necessary action, the authentication of the Bonds and any and all other agreements and documents as may be required to be executed, delivered and received by the Trustee in order to carry out, give effect to, and consummate the transactions contemplated thereby; (ii) that, to the best knowledge of the Trustee, there is no litigation or proceeding, pending or threatened, seeking to restrain or enjoin the issuance, execution, or delivery of the Bonds, or seeking to restrain or enjoin the transactions contemplated by the Redevelopment Agreement, or questioning the validity thereof, or in any way contesting the existence or powers of the Trustee; (iii) the adoption and present effectiveness of all resolutions of the Trustee considered necessary, in the opinion of Bond Counsel, in connection with the transactions contemplated hereby; and (iv) that the execution and delivery of the agreements contemplated hereby, and the compliance by the Trustee therewith, will not conflict with or constitute on the part of the Trustee a breach of or a default under any existing law, court, or administrative regulation, decree, or order of which the Trustee has knowledge, or any agreement, indenture, mortgage, lease or other instrument to which the Trustee is subject, or by which the Trustee or any of the property of the Trustee is bound;

(e) the approving opinion of Bond Counsel with respect to the Bonds addressed to the Issuer in the form attached as Appendix 1 to the Memorandum together with a reliance letter addressed to the Placement Agent to the effect that said opinion may be relied upon by the Placement Agent;

(f) an opinion of Bond Counsel addressed to the Issuer and the Placement Agent to the effect that:

(i) the Bonds are exempted securities that do not require registration under the Securities Act of 1933, as amended, and the Indenture need not be qualified under the Trust Indenture Act of 1939, as amended; and (ii) that the statements and information contained in the Memorandum under the headings "Tax Increment Financing in Illinois" (other than statistical and financial data contained therein as to which no opinion need be expressed); "The Series 1987 Bonds"; "Security and Source of Payment for the Bonds" (except for the material under the subheadings "Projections of Incremental Tax Revenues" and "Projected Redemption of Series 1987 Bonds," as to which subheadings no opinion need be expressed); "Summary of the Indenture" and "Taxation of Interest on Series 1987 Bonds" fairly and accurately summarize the matters described therein;

(g) an opinion of Counsel to the Issuer, addressed to Bond Counsel and the Placement Agent, to the effect that: (i) the Issuer is a municipality and home rule unit of local government organized and existing under the Constitution and laws of the State of Illinois, with all requisite power and authority to issue the Bonds, and to enter into and perform its obligations under this Agreement and the Financing Documents; (ii) the Bond Ordinance was duly and validly adopted by the Issuer and is in full force and effect; said Ordinance and all other proceedings pertinent to the validity and enforceability of the Bonds and the pledge or revenues therefor have been

duly and validly adopted or undertaken in compliance with all applicable procedural requirements of the Issuer and in compliance with the Constitution and laws of the State of Illinois; (iii) this Agreement, the Bonds and the Financing Documents have been duly authorized, executed and delivered by the Issuer, and constitute legal, valid and binding instruments enforceable against the Issuer in accordance with their terms, except to the extent limited by bankruptcy, reorganization, debt arrangement, insolvency or other laws, and equitable principles, of general application relating to or affecting the enforcement of creditors' rights; (iv) to the best of the knowledge of Counsel to the Issuer, the statements contained in the Memorandum under the headings "The Issuer" and "Litigation" do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect; (v) no litigation or proceeding is pending or, to the best of the knowledge of Counsel to the Issuer, threatened, against the Issuer seeking to restrain or enjoin the issuance or delivery of the Bonds, or in any way contesting or affecting any authority for the issuance of the Bonds, or the validity of the Bonds, or seeking to restrain or enjoin the transactions contemplated by this Agreement or the Financing Documents, or questioning the validity hereof or thereof, or in any way contesting the existence or powers of the Issuer; and (vi) the execution and delivery of this Agreement and the Financing Documents, and compliance with the provisions hereof and thereof, under the circumstances contemplated herein and therein, will not conflict with or constitute on the part of the Issuer a breach of or a default under any agreement or instrument to which the Issuer is a party, or violate any existing law, administrative regulation, court order, or consent decree to which the Issuer is subject, and there are no consents, approvals, authorizations and orders of governmental or regulatory authorities which are required to be obtained by the Issuer for consummation by the Issuer of the transactions hereby and thereby contemplated;

(h) an opinion of Counsel to the Developer and First National, addressed to the Issuer, Bond Counsel, and the Placement Agent, to the effect that: (i) the Developer and First National each is duly organized and validly existing under the laws of the State of Illinois, with all requisite power and authority to conduct the business now being conducted by it and contemplated to be conducted by it by the Redevelopment Agreement, and to enter into and perform its obligations under this Agreement and the Redevelopment Agreement; (ii) this Agreement and the Redevelopment Agreement have been duly authorized, executed and delivered by the Developer and First National and constitute legal, valid, and binding instruments enforceable against the Developer and First National in accordance with their terms, except to the extent limited by bankruptcy, reorganization, debt arrangement, insolvency or other laws and equitable principles of general application relating to or affecting the enforcement of creditors' rights; (iii) to the best of the knowledge of Counsel to the Developer and First National, the statements contained in the Memorandum under the headings "The Redevelopment Project Area," "Application of the Series 1987 Bond Proceeds," "The Project" and "Litigation" do not contain any untrue statements of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect; (iv) on the basis of Counsel's participation in the preparation of the

Memorandum and Counsel's representation of the Developer and First National, but without having undertaken to determine independently the accuracy or completeness of or to verify the statements in the Memorandum (except to the extent referred to in subparagraph (iii) above), nothing has come to the attention of Counsel to the Developer and First National which would lead Counsel to the Developer and First National to believe that the Memorandum contains any untrue statement of a material fact or omits to state a material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect; (v) no litigation or proceeding is pending or, to the best of the knowledge of Counsel to the Developer and First National, threatened, seeking to restrain or enjoin the issuance or delivery of the Bonds or the Redevelopment Agreement, or in any way contesting or affecting any authority for the issuance or validity of the Bonds or the Redevelopment Agreement, or seeking to restrain or enjoin the transactions contemplated by this Agreement or the Redevelopment Agreement, or questioning the validity thereof, or in any way contesting the existence or powers of the Developer or First National; (vi) there is no litigation pending or threatened against the Developer or First National that is not fully covered by liability insurance, or that in the aggregate could have a material and adverse effect on the financial condition or the operations of the Developer or First National; (vii) the execution and delivery of this Agreement and the Redevelopment Agreement, and compliance with the provisions hereof and thereof, do not and will not conflict with or constitute on the part of the Developer or First National, a breach of or a default under any agreement or instrument to which the Developer or First National is a party, or violate any law, regulation, court order, or consent decree to which the Developer or First National or their property is subject; (viii) no approval, consent, or authorization of any governmental or public agency or authority, including the Issuer, not yet received, is required in connection with the execution, delivery, and acceptance by the Developer or First National of the Redevelopment Agreement; (ix) the Developer and First National each has obtained, or if not necessary to obtain by the date of Closing, is authorized under its charter and by-laws to obtain all requisite approvals and permits for the acquisition, construction, and equipping of all improvements to be acquired, constructed, and equipped by the Developer or First National as described in the Redevelopment Agreement (which opinion may be based upon a certificate delivered to such counsel by a registered independent architect satisfactory to the Placement Agent); and (x) there is no stop order with respect to any securities of the Developer or First National in effect, and no proceeding for that purpose, or any related or similar purpose, is now pending before, or, to the best knowledge of Counsel to the Developer or First National after due inquiry, threatened by, the Securities and Exchange Commission or any state securities commission or authority;

(i) consent by Counsel to the Developer and First National to the references made to Counsel to the Developer and First National in the Memorandum;

(j) all documents required to be delivered by the Issuer, First National, and the Developer at or prior to the time of delivery of the Bonds pursuant to the terms of the Financing Documents; and

(k) such additional legal opinions, certificates, instruments, and documents as the Placement Agent or Bond Counsel may reasonably request to evidence compliance by

the Issuer and the Developer or First National with legal requirements, the truth and accuracy, as of the date of Closing, of the respective representations contained herein and in the Memorandum, and the due performance or satisfaction of all agreements to be performed by them, and all conditions to be satisfied by them.

Each opinion of Counsel required to be delivered hereunder shall be addressed to the identified addressees hereof.

Section 10. Terms of Agreement. If the Bonds have not been delivered on or before December 31, 1987, this Agreement shall terminate unless extended in writing by the parties hereto; in the event of such termination, the Developer and First National shall be jointly and severally obligated to pay such fees, costs, and expenses listed in Section 12.

Section 11. Termination. The Issuer may terminate its obligation to deliver the Bonds by notifying the Developer and the Placement Agent in writing of its election to do so at any time on or before the Closing, and the Placement Agent may terminate its obligations to place the Bonds by notifying the Issuer, First National, and the Developer in writing of its election to do so at any time on or before the Closing, if any of the following shall occur: (a) legislation shall be enacted, or actively considered for enactment, or a court decision announced, or a ruling, regulation or decision by or on behalf of a governmental agency having jurisdiction over the subject matter shall be made, to the effect that securities of the general character of the Bonds or the Bonds shall not be exempt from registration under the Securities Act of 1933, as amended, or that instruments of the general character of the Bond Ordinance shall not be exempt from qualification under the Trust Indenture Act of 1939, as amended; (b) there shall exist or occur any event or circumstance that, in the reasonable opinion of the Issuer or the Placement Agent, either makes untrue or incorrect, in any material respect, any statement or information contained in the Memorandum, or is not reflected in the Memorandum, but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect; (c) there shall have occurred any outbreak of hostilities, or national or international calamity or crisis, the effect of such outbreak, calamity or crisis on the financial markets of the United States of America being such as, in the reasonable opinion of the Placement Agent, would make it impracticable for the Placement Agent to place the Bonds; (d) there shall be in force a general suspension of trading on any national securities exchange, or minimum or maximum prices for trading shall have been established; (e) in the reasonable opinion of the Placement Agent, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be adversely affected because additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (f) a general banking moratorium shall have been declared by federal, New York, or Illinois authorities having jurisdiction, and shall be in force; or (g) between the date of this Agreement and the Closing, the Developer, First National, or any affiliate shall have suffered any adverse change of a material nature in its business, financial condition, results of operation, prospects or properties, which change, in the reasonable opinion of the Issuer or the Placement Agent, materially adversely affects the consummation of the transactions contemplated herein and in the Redevelopment Agreement; in any such event, the Developer and First National shall be jointly and severally obligated to pay such fees, costs and expenses listed in Section 12.

Section 12. Expenses. The following fees, costs and expenses shall be payable from the proceeds of the Bonds: fees and expenses of Bond Counsel; fees and expenses of the Issuer; fees and expenses (including fees of counsel) of the Placement Agent; costs and expenses of printing and distributing the Memorandum; costs and expenses of printing, signing and shipping the Bonds; and fees and expenses of counsel to the Developer. In the event the Bonds are not delivered to the Placement Agent for delivery to the purchasers thereof as herein contemplated, or if proceeds of the Bonds shall be insufficient to make such payments, the Developer and First National shall be jointly and severally obligated to pay all such fees, costs and expenses from their own funds.

Section 13. Parties and Interests; Survival of Representations and Warranties. This Agreement is made solely for the benefit of the Issuer, the Developer, First National, and the Placement Agent, and no other person, partnership, association or corporation shall acquire or have any rights hereunder or by virtue hereof. All representations, warranties and agreements by the Issuer, the Developer, First National, and the Placement Agent in this Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any party hereto, and all representations and agreements of all parties hereto shall survive the delivery of and payment for the Bonds.

Section 14. Indemnification. The Developer and First National jointly and severally agree to indemnify and hold harmless the Placement Agent, and the Issuer, and any person who controls the Placement Agent or the Issuer, within the meaning of the Securities Act of 1933, as amended, against any and all losses, claims, damages and liabilities arising out of any actual or alleged misstatement in the Memorandum that is untrue in any material respect, or the omission therefrom of any information that is required to be included therein, or that is necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect, and to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission if such settlement is effected with the written consent of the Developer and First National. In case any claim shall be made or action brought against the Placement Agent or the Issuer, or any controlling person (as aforesaid), based upon the Memorandum, with respect to which the Developer and First National are required to provide indemnification hereunder, then the Placement Agent or the Issuer, as appropriate, shall promptly notify the Developer and First National in writing setting forth the particulars of such claim or action, and the Developer and First National shall assume the defense thereof, including the retaining of counsel and the payment of all expenses. The Placement Agent or the Issuer, or any such controlling person, shall have the right to retain separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be the Placement Agent's or the Issuer's (as appropriate) expense, or the expense of such controlling person, unless the retention of such counsel has been specifically authorized by the Developer and First National.

For all purposes of this Section, references to the "Issuer" shall include all agents, employees and officials of the Issuer.

Section 15. Miscellaneous.

(a) Except as otherwise specifically provided in this Agreement, all notices, demands and formal actions under this Agreement shall be in writing and mailed (by certified mail, postage prepaid, return-receipt requested), telegraph or delivered to:

The Placement Agent:

Van Kampen Merritt
1001 Warrenville Road
Lisle, Illinois 60532
Attention: Paul D. (Pete) Speer, Jr.

The Developer or First National:

First National Realty &
Development Company, Inc.
910 West Van Buren Street
Suite 700
Chicago, Illinois 60607
Attention: Demetrios Dellaportas

The Issuer:

City of Chicago
Office of the Comptroller
Department of Finance
Room 501, City Hall
Chicago, Illinois 60602
Attention: _____

Each of the above named addressees may, by notice given under this Agreement, designate other addresses to which subsequent notices, requests, reports, or other communications shall be directed.

(b) Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such headings are not a part of this Agreement and will not be used in the interpretation of any provision of this Agreement.

(c) If any provisions of this Agreement shall be held or deemed to be, or shall in fact be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions, because it conflicts with any provisions of any constitution, statute, rule or public policy, or if for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

(d) This Agreement may be executed in several counterparts, each of which shall be regarded as an original, and all of which constitute one and the same document.

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

If the foregoing is satisfactory to you, please sign this enclosed copy of this letter in the blank provided for that purpose and return it to us, whereupon this Agreement will become binding in accordance with its terms.

[Signature forms omitted for printing purposes.]

Exhibit C.

Private Placement Memorandum Dated November _____, 1987.

New Issue

Assuming compliance with certain covenants, in the opinion of Chapman and Cutler, Bond Counsel, under present law interest on the within-described Bonds paid to the owners thereof will be exempt from present federal income taxation, except for the corporate environmental, branch profits and alternative minimum taxes more fully discussed under the heading "Tax Exemption".

Purchase Of The Bonds Involves A Significant Degree
Of Risk. See "Bondholders' Risks" Section Herein.

\$5,000,000

City of Chicago, Illinois

Chatham Ridge Tax Increment Revenue Bonds, Series 1987

Price: 100% (Accrued interest to be added)

Interest Rate _____%

Dated: Date of Issuance

Due: January 1, 2007

The Bonds will be issued in fully registered form in the denomination of \$5,000 or any integral multiple thereof. Principal of the Bonds will be payable at the principal corporate

trust office of American National Bank and Trust Company of Chicago, in the City of Chicago, Illinois, as trustee, registrar, and paying agent (the "Trustee"). The Bonds will bear interest from their date payable on July 1, 1988, and semiannually thereafter on January 1 and July 1 of each year and at maturity (in each case, an "Interest Payment Date"), by check or draft mailed to the registered owners of record as of the fifteenth day of the month next preceeding the applicable interest payment date. The Bonds are subject to mandatory and optional redemption as herein described, including mandatory sinking fund redemption in accordance with the schedule set forth under "The Bonds" -- "Mandatory Sinking Fund Redemption."

The issuer is authorized to issue the Bonds under and pursuant to Section 6 of Article VII of the Illinois Constitution of 1970; The Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended and supplemented from time to time, constituting Division 74.4 of Article II of the Illinois Municipal Code (The "Act"); and an ordinance adopted by the City Council of the issuer on _____, 1987, as supplemented and amended (the "Bond Ordinance"). Pursuant to the Bond Ordinance the proceeds of the Bonds after provision for payment of accrued interest on and costs of issuance of the Bonds, will be applied as follows: (i) provision for payment of capitalized interest on the Bonds through the _____, 198____ Interest Payment Date will be made by deposit of an amount equal to the amount of such capitalized interest into the Principal and Interest Account of the Incremental Taxes Fund; (ii) an amount will be paid to the Trustee and credited to the Reserve and Redemption Account equal to the lesser of the initial Debt Service Reserve Requirement or ten percent of the proceeds of the Bonds; and (iii) remainder shall be deposited into the Project Fund (1987) maintained by the Trustee and disbursed from time to time to pay costs of the Project.

The Bonds are limited obligations of the Issuer payable solely from Pledged Taxes (as herein defined) pledged under the Bond Ordinance to the payment thereof.

The Bonds Are Not General Obligations Of The Issuer, And Neither The Full Faith And Credit Nor The Taxing Power Of The Issuer, The State Of Illinois, Or Any Political Subdivision Of The State Of Illinois Is Pledged To The Payment Thereof.

The Bonds are offered when, as, and if issued by the Issuer, subject to the delivery of the approving legal opinion of Chapman and Cutler, Chicago, Illinois, Bond Counsel. A copy of the proposed legal opinion of Bond Counsel relating to the Bonds is set forth in Appendix 1 to this Memorandum. Certain legal matters will be passed upon for the Issuer by its Corporation Counsel; for the Developer by its counsel, Keck, Mahin & Cate; and for the Placement Agent, Van Kampen Merritt, by Rudnick & Wolfe, Chicago, Illinois. It is expected that the Bonds, in temporary or definitive form, will be available for delivery in Chicago, Illinois, on or about November _____, 1987.

Van Kampen Merritt.

November ____, 1987

Regarding Use Of This Memorandum.

No dealer, broker, salesman, or other person has been authorized by the Issuer, the Developer, First National, or the Placement Agent to give any information or to make any representations other than those contained herein, and, if given or made, such other information or representations must not be relied upon as having been authorized by the Issuer, the Developer, First National, or the Placement Agent. This Memorandum does not constitute an offer to sell or the solicitation of an offer to buy to any person to whom it is unlawful to make such offer, solicitation, or sale, nor shall there be any sale in any state in which such sale shall be unlawful. Information set forth herein has been obtained from the Issuer, the Developer, First National, and other sources believed to be reliable, but is not guaranteed as to accuracy or completeness.

No representation is made regarding whether the Bonds constitute legal investments under the laws of any state for banks, savings banks, savings and loan associations, life insurance companies, and other institutions organized in such state, or fiduciaries subject to the laws of such state.

Neither the delivery of this Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer, the within-named Developer, First National, or any other party since the dates as of which information is given herein.

The Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal, or other governmental entity will have passed upon the accuracy or adequacy of this Memorandum or, other than the Issuer, approved the Bonds for sale. Any representation to the contrary may be a criminal offense.

In Connection With The Offering Of The Bonds, The Placement Agent May Overallot Or Effect Transactions Which Stabilize Or Maintain The Market Prices Of The Bonds At Levels Above Those Which Might Otherwise Prevail In The Open Market. Such Stabilizing, If Commenced, May Be Discontinued At Any Time.

Private Placement Memorandum

Relating to

\$5,000,000

City Of Chicago, Illinois
Chatham Ridge Tax Increment Revenue Bonds,
Series 1987.

Introduction.

This Private Placement Memorandum (the "Memorandum"), including the cover page, Summary, and appendices, sets forth certain information concerning the City of Chicago, Illinois (the "Issuer"), and \$5,000,000 aggregate principal amount of its Chatham Ridge Tax Increment Revenue Bonds, Series 1987 (the "Bonds"). Certain terms used in this Memorandum, and not otherwise defined herein, are defined under the heading "Summary of the Bond Ordinance" - "Certain Definitions". The Bonds are authorized to be issued pursuant to Section 6 of Article VII of the Illinois Constitution of 1970; the Tax Increment Allocation Redevelopment Act of the State of Illinois, as amended and supplemented from time to time, constituting Division 74.4 of Article 11 of the Illinois Municipal Code (the "Act"); and Ordinance No. _____ adopted by the City Council of the Issuer on _____, 1987, as amended (the "Bond Ordinance"). Under the Bond Ordinance, the Issuer has designated American National Bank and Trust Company of Chicago, in the City of Chicago, Illinois, as trustee, registrar, and paying agent (the "Trustee").

The Issuer, by an ordinance adopted by its City Council on December ____, 1986 (the "Redevelopment Project Ordinance"), approved a tax increment redevelopment plan and designated as a redevelopment project area an approximately 90-acre area located in the City of Chicago, Illinois (the "Redevelopment Project Area"). (See "The Redevelopment Project Area.") By an ordinance also adopted by its City Council on _____, 1986 (the T.I.F. Ordinance"), the Issuer further adopted the use of tax increment allocation financing to facilitate redevelopment within the boundaries of the Redevelopment Project Area.

Descriptions of the Issuer, the Bonds, the Developer, First National, and the Redevelopment Project Area are included in this Memorandum, as well as summaries of the terms of the Bonds and the Bond Ordinance. Such summaries do not purport to be comprehensive or definitive, and are qualified in their entirety by reference to the entire Memorandum and Bond Ordinance. A prospective purchaser of the Bonds may obtain copies of the above-mentioned ordinances, the Bond Ordinance, the Redevelopment Plan, and the Redevelopment Agreement, from the Placement Agent at 1001 Warrenville Road, Lisle, Illinois 60532 (telephone (312) 719-6396).

*Tax Increment Financing In Illinois.**General.*

Pursuant to the Act, Illinois municipalities are authorized to issue bonds payable from, and secured by, among other things, real estate tax revenues expected to be generated from future increases in the value of real property, and increases in the amount of retailers' occupation use taxes (commonly referred to as "sales taxes") expected to be generated from future increases in the volume of retail sales resulting from successful redevelopment, in each case within a duly established redevelopment project area. In order to utilize such financing, a municipality must comply with certain planning and public notice and

hearing requirements that culminate in the municipality's designation of the redevelopment project area and approval of a redevelopment plan and project with respect to the area.

The redevelopment plan is required to set forth the program to be undertaken to accomplish the objectives described in the plan, including the estimated redevelopment costs, the sources of funds to pay such costs, and the general land uses to apply in the redevelopment project area. No plan may be adopted unless the municipality finds and determines that the redevelopment project area has not been the subject of growth and development through investment by private enterprise and would not reasonably be anticipated to be so developed without adoption of the redevelopment plan.

Following the adoption of tax increment financing with respect to a redevelopment project area, the County Clerk of the county in which such redevelopment project area is located is required to (a) determine the most recently ascertained equalized assessed value of each parcel of taxable real property within the redevelopment project area; (b) aggregate such equalized assessed values; and (c) certify the total initial equalized assessed value (the "Initial E.A.V."). In each year in which tax increment financing is in effect, local taxing districts authorized to levy property taxes on property in the redevelopment project area receive that portion of property taxes attributable to the lower of current equalized assessed value or Initial E.A.V. of the redevelopment project area (based on their current tax rates as applied to the lower of current equalized assessed value or Initial E.A.V.), while the municipality receives any portion of property taxes attributable to any increase in the current equalized assessed value of all taxable property in the redevelopment project area over the Initial E.A.V. (the "incremental tax revenues"). The incremental real property tax revenues to be derived from the Redevelopment Project Area in this manner are referred to herein as the "Incremental Property Taxes."

In a manner that approximates the procedures relating to incremental real estate taxes, the Issuer may pledge, and in this case has so pledged, a tax increment in connection with sales taxes and certain other taxes, collectively referred to herein as "Incremental Sales Taxes". The Incremental Sales Taxes include, among other sources, an amount of locally levied sales taxes equal to one percent of taxed transactions and a state sales tax in the amount of _____% of taxed transactions. The increment of such local sales taxes pledged to the payment of debt service on the Bonds is sometimes referred to herein as the "Incremental Local Sales Taxes," and the increment of state sales taxes pledged to the payment of such debt service is sometimes referred to herein as the "Incremental State Sales Taxes."

Incremental Property Taxes and Incremental Sales Taxes are referred to together in this Memorandum and in the Bond Ordinance as "Pledged Taxes."

The Act requires municipalities to deposit the appropriate incremental tax revenues into a special tax allocation fund and authorizes the pledge of such incremental tax revenues to the payment of debt service on obligations issued to pay qualified redevelopment project costs with respect to the redevelopment project area. In addition to the pledge of incremental tax revenues, the Act authorizes municipalities to pledge their full faith and credit, as well as the proceeds of future sales taxes generated within the

redevelopment project area, to secure the payment of debt service on such obligations. The Full Faith And Credit Of The Issuer Has Not Been Pledged To The Payment Of The Bonds.

Assessment And Collection Of Real Property Taxes.

Assessment. The Cook County Assessor (the "County Assessor") is responsible for the assessment of all taxable real property within Cook County (the "County") except for certain railroad property that is assessed directly by the State. One quarter of the County is regularly reassessed each year on a recurring quadrennial schedule established by the Cook County Board.

Property in the County is separated into ten classifications for assessment purposes. After the Assessor establishes the fair market value of a parcel of land, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for that parcel. The classification percentages range from 16% for certain residential, commercial and industrial property to 39.5% for other commercial and industrial property.

The County Assessor has established procedures enabling taxpayers to contest their Assessed Valuation. Taxpayers can also petition for review of their assessments by the Cook County Board of Appeals. In addition, limited judicial review of assessments is available during the collection process when the County Collector presents an application for judgment and order of sale (as described below) to the Circuit Court for judgment.

Equalization. After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Cook County Board of Appeals, the Illinois Department of Revenue is required by statute to review the Assessed Valuations. The Department of Revenue establishes an equalization factor (the "Equalization Factor"), commonly called the "multiplier", for each county, to make all valuations uniform among the 102 counties in the State. Under Illinois law, the aggregate of the assessments within each county is to be equalized at 33-1/3% of the estimated fair cash value of the real property located within the county prior to any applicable exemptions.

Once the Equalization Factor is established, the Assessed Valuations are multiplied by the Equalization Factor to determine the Equalized Assessed Valuations. The 1986 Equalization Factor for the County for taxes collected in 1987 is 1.8486. The Equalized Assessed Valuations are the final property valuations used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction, plus the valuation of certain railroad property assessed directly by the State, constitutes the total real estates tax base for that taxing body and is the figure used to calculate tax rates.

Tax Levy. There are over six hundred units of local government in whole or in part in the County having taxing powers (the "Units"). The major Units having taxing power over property within the City are the City, the Chicago Park District, the Chicago Board of Education, the Chicago School Finance Authority, Community College District No. 508, the Metropolitan Sanitary District of Greater Chicago, the County and the Forest Preserve District of Cook County.

As part of the annual budgetary process of the Units, ordinances are adopted by the designated body for each Unit in each year in which they determine to levy real estate taxes. These tax levy ordinances impose their respective real estate taxes in terms of a dollar amount. Each Unit certifies its real estate tax levy, as established by ordinance, to the County Clerk's Office. The remaining administration and collection of the real estate taxes is statutorily assigned to the County Clerk and the County Treasurer.

After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit by dividing the levy of each Unit by the Equalized Assessed Valuation of that Unit. If any tax rate thus calculated exceeds any applicable statutory rate limit, the County Clerk disregards the excessive levy and applies the maximum rate permitted by law.

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over that particular parcel. The County Clerk enters the tax determined by multiplying that total tax rate by the Equalized Assessed Valuation of that parcel in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. The Warrant Books are the Collector's authority for the collection of taxes and are used by the Collector as the basis for issuing tax bills to all property owners.

The Illinois Truth in Taxation Act purports to impose procedural limitations on a Unit's real estate taxing powers. Under the Act, notice in prescribed form must be published if the aggregate annual levy (exclusive of debt service levies) is estimated to exceed 105% of the levy of the preceding year, exclusive of election costs and of debt service levies. A public hearing must also be held, which may be in conjunction with the budget hearing of the taxing district. No amount in excess of 105% of the preceding year's levy may be extended unless the levy is accompanied by certification of compliance with the foregoing procedures.

Collection. Property taxes are collected by the Cook County Collector, who is also the Cook County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. The first installment is an estimated bill, and is one-half of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and reflects any changes from the prior year in those factors. Taxes on railroad real property used for transportation purposes are payable in one lump sum on the same date as the second installment.

During the periods of peak collections, tax receipts are forwarded to each Unit approximately twice each week. Upon receipt of taxes from the County Treasurer, the City Treasurer immediately credits the taxes received to the funds for which they were levied.

Tax Collection Enforcement Procedures. The Illinois Revenue Act (the "Revenue Act") grants first lien status to taxes on real property, together with all penalties, interest and costs accruing thereon. This priority makes this tax lien superior to all other liens and encumbrances, from and including the first day of January in the year in which the taxes are levied. This real estate tax lien remains in effect until the taxes are fully paid.

In the event of a delinquency in the payment of real estate taxes, the Revenue Act authorized procedures for the satisfaction of the tax lien. The County Collector is required to transcribe into a record a list of delinquent lands and lots, known as the tax judgment, sale, redemption and forfeiture record. The County Collector presents an application for judgment and order of sale, including this record, to the Circuit Court. The Court enters a judgment ordering the County Collector to sell the lien of real estate taxes on those parcels found to be delinquent and in which no objections to the taxes are pending. Upon entry of the judgment, and provided the delinquent taxes are not subsequently paid by the taxpayer, the County Collector conducts an annual tax sale. Successful purchasers at the tax sale pay the amount of the delinquent taxes, interest, penalties and fees incurred in this process. Upon full payment of this amount, the purchaser receives a certificate of purchase, and the lien for all delinquent taxes is shifted to the certificate holder. The certificate of purchase represents a lien which may, in the absence of the delinquent taxpayer's exercise of its right of redemption, entitle the holder to a tax deed and legal title to the parcel of real estate. Although redemption periods vary with the type of property involved and the procedure by which the certificate of purchase is obtained, the usual redemption period is two years from the date of the tax sale.

If the tax lien on a parcel is not purchased at the annual tax sale, the lien of taxes remains in favor of the county and penalties continue to accrue on the delinquent taxes. If the taxes on such parcels remain unpaid, the county may employ further statutory enforcement procedures to satisfy the original judgment and order of sale. Tax forfeiture sales, scavenger sales and foreclosure sales are devices enabling the county to realize some or all of the amount of the tax lien. Purchasers at these sales receive certificates of purchase and generally acquire the same rights as any other certificate of purchase holders, subject to different interest schedules and, in certain instances, a shorter redemption period. In addition to these sales devices, the County Board, by direction to the state's attorney, may sue to recover the taxes from the owner of the property on the date the tax lien arose. The Revenue Act establishes personal liability for the payment of real estate taxes January 1 of the year in which the delinquent taxes were first levied.

Delay in Tax Collections. The final Equalization Factor for 1986 taxes, collectible in 1987, was confirmed on July 24, 1987. As a result, the mailing of the second installment tax bills was delayed. The penalty date, after which any unpaid taxes are considered delinquent, was September 4, 1987. Since 1973 the first installment penalty date has been March 1; the second installment penalty dates from 1976 through 1987 have ranged from August 1 to October 1.

[Tax Rates attached to this Memorandum printed
on page 5872 of this Journal.]

(Continued on page 5873)

Tax Rates of the City and Other Major Local Governmental Units
(per \$100 Equalized Assessed Valuation)

	City of Chicago	Chicago Board of Education	Chicago Park District	Chicago School Finance Authority	Metropolitan Sanitary District	Cook County	Cook Co. Forest Preserve District	Community College District No. 508	Total
1986	\$3.068	\$3.776	\$.983	\$.399	\$.635	\$.858	\$.106	\$.521	\$10.346
1985	2.536	3.721	1.061	.472	.612	.847	.107	.363	9.719
1984	2.768	3.720	1.062	.492	.694	.929	.118	.377	10.160
1983	2.769	3.777	.987	.442	.715	.865	.116	.371	10.042
1982	2.929	3.827	.956	.371	.664	.820	.117	.369	10.053
1981	2.944	3.445	.912	.507	.643	.703	.107	.277	9.538
1980	2.998	3.597	.862	.565	.551	.790	.104	.326	9.793

(Continued from page 5871)

Partial Assessments for New Construction. For projects not completely constructed or occupied for the entire tax year, the Cook County Assessor's Office may assign a partial assessment based on the market value of the project upon completion. The partial assessment is a percentage of the total assessed value determined by the portion of the year during which the project was completely constructed and occupied. Such a partial assessment does not assume a change in the market value of the assessed project. Any complaints or challenges may result in a reduction in the market value of the project. For newly constructed improvements, the Cook County Assessor's Office generally applies the following schedule to determine partial assessments:

Completed Construction Time	Taxes collected From Percentage of Total Assessment
January 2--February 1	92%
February 2--March 1	83%
March 2--April 1	75%
April 2--May 1	67%
May 2--June 1	58%
June 2--July 1	50%
July 2--August 1	42%
August 2--September 1	33%
September 2--October 1	25%
October 2--January 1	20%

Incremental Property Taxes will be available to pay debt service on the Bonds only to the extent that the total current equalized assessed value of property within the Redevelopment Project Area exceeds the Initial E.A.V., and assuming that tax rates are not materially decreased or materially affected by a change in the Multiplier (as defined below). The full valuation of the improvements to be constructed within the Redevelopment Project Area will not occur until the improvements have been completed and are substantially occupied. (See "Bondholders' Risks"--"Completion of Project" and Changes in Multiplier and Tax Rate Limits.")

Tax Collections.

In Illinois, real property taxes levied in one year become payable during the following year. In Cook County the first installment is due on March 1 of the next year and the second installment is due on August 1 of such year (or 30 days after the mailing of the tax bill, if later). The first installment is an estimated bill and is equal to one-half of the prior year's tax bill. The second installment is based on the balance due under the prior year's levy.

At the end of each collection year, the County Treasurer applies to the Circuit Court of Cook County for a judgment for all unpaid taxes. The Circuit Court order resulting from that application for judgment provides for a sale of all property with unpaid taxes. A public sale is held, at which time successful bidders pay the unpaid taxes plus penalties. Unpaid taxes accrue penalties at the rate of 1-1/2 percent per month from their due date until the date of sale. Taxpayers can redeem their property by paying the purchaser of the property at the tax sale the amount paid at the sale, plus a penalty. If redemption does not occur within two years, the purchaser of the property at the tax sale can receive a deed to the property. (See "Bondholders' Risks"--"Failure to Pay Real Estate Taxes.")

The Redevelopment Project Area.

The Redevelopment Project Area.

The Redevelopment Project Area is an approximately 90-acre site on the northwest corner of the intersection of Lafayette Avenue and 87th Street, immediately west of I-94, the Dan Ryan Expressway, on the south side of Chicago, Illinois. The Redevelopment Project Area is currently undeveloped, except for a 200,000-square foot industrial/warehouse building, a steel salvage yard, a flea market, a gasoline service station, a church, a construction yard and storage building, and railroad trackage and related buildings.

The Redevelopment Plan.

Under the Act, a redevelopment plan is a comprehensive program of development that is designed to reduce or eliminate the conditions of blight, vacancy, or deterioration that qualified a redevelopment project area for the use of tax increment financing. Pursuant to appropriate ordinances, the Issuer has adopted a redevelopment plan for the Redevelopment Project Area (the "Redevelopment Plan") designed to reverse the current deterioration and decline of the Redevelopment Project Area and encourage the development of the Redevelopment Project Area by private enterprise.

The Redevelopment Plan provides for the development of the shopping mall within the Project, together with the Public Improvements (as herein described).

The Project--Summary.

The Redevelopment Plan involves the construction of the approximately 186,500 square foot Chatham Ridge shopping center, which is intended to contain several "anchor" tenants, plus a number of tenants operating smaller retail shops. The shopping center also

is intended to contain four or more retail food outlets. A site plan of the shopping center, together with accompanying data regarding the status of leasing of the various premises as of the date of this Memorandum, are set forth in Appendix 3.

As of the date of this Memorandum approximately _____ square feet, or _____ % of the total rentable square footage of the shopping center, is not yet the subject of any definitive lease, purchase contract, or other enforceable commitment to take and occupy space.

The ability of the Issuer to generate incremental tax revenues sufficient to pay principal of, premiums, if any, and interest on the Bonds will depend in material part on the development and occupancy of those portions of the Redevelopment Project Area that currently are undeveloped and not the subject of any existing leases or binding commitments. See "Bondholders' Risks."

The Public Portions Of The Property And Public Improvements.

The Redevelopment Agreement requires the Developer, among other things, to make significant public improvements on behalf of the Issuer within the Redevelopment Project Area in order to compensate for the conditions currently existing within the Redevelopment Project Area. The "Public Improvements" include street repair and the installation of sidewalks and curbs, the installation of a traffic signal, and provision of electric lighting.

The Bonds.

General Description.

The Bonds will be issued as fully registered bonds, without coupons, in the denomination of \$5,000 or any integral multiple thereof, in an aggregate principal amount of \$5,000,000. Under the Bond Ordinance, each Bond is to be dated and bear interest from, as the case may be, (a) the date of original issuance of the Bonds, if registered prior to January 1, 1988; (b) the Interest Payment Date on which it is registered, if registered on an Interest Payment Date; (c) the Interest Payment Date immediately preceding the date on which it is registered, if not registered on an Interest Payment Date or before January 1, 1988; or (d) if interest is in default, the last Interest Payment Date to which interest has been paid or made available for payment. Interest on the Bonds is payable by the Trustee on July 1, 1988, and on each January 1 and July 1 thereafter, and at maturity, at the interest rate or rates per annum set forth on the cover of this Memorandum, to the order of the persons appearing in the bond register as the registered owners of the Bonds on the 15th day of the month (whether or not a business day) next preceding the applicable Interest Payment Date, by check or draft mailed to each such registered owner. The Bonds will mature on January 1, 2007, subject to prior redemption. The principal of the Bonds is payable upon surrender of the Bonds at maturity or upon prior redemption at the principal corporate trust office of the Trustee. Under the circumstances described below under the heading "Additional Bonds", the Issuer may issue one or more series of additional bonds, on a parity with the Bonds, for the purpose of paying certain Redevelopment Project Costs

contemplated by the Redevelopment Agreement, and subject to satisfaction of certain conditions precedent.

Mandatory Sinking Fund Redemption.

The Bonds are subject to mandatory sinking fund redemption prior to maturity at a redemption price, in each case, equal to the principal amount thereof, without premium, plus accrued interest thereon to the redemption date, from funds deposited in the Bond Fund pursuant to the terms of the Bond Ordinance. The Trustee shall select by lot for such mandatory sinking fund redemption the Bonds in the amounts and on the dates, as follows:

January 1 of the Year	Principal Amount	January 1 of the Year	Principal Amount
1988	\$	1998	\$
1989	\$	1999	\$
1990	\$	2000	\$
1991	\$	2001	\$
1992	\$	2002	\$
1993	\$	2003	\$
1994	\$	2004	\$
1995	\$	2005	\$
1996	\$	2006	\$
1997	\$		

There will remain \$_____ principal amount of Bonds maturing on January 1, 2007 to be repaid at maturity, unless previously redeemed. (See "Security and Source of Payment for the Bonds" and "Summary of the Bond Ordinance.")

Optional Redemption.

Other than scheduled sinking fund redemption, Bonds shall be subject to redemption by the Issuer on any Interest Payment Date on and after _____ 1, 19____, in whole or in part, in the inverse order of maturity and within a maturity by lot in such manner as may be designated by the Trustee at the redemption prices (expressed as a percentage of principal amount redeemed) on the dates as follows, plus accrued interest to the date fixed for redemption:

Redemption Date
(both inclusive)

Price (%)

Special Redemption.

[To Come]

Partial Redemption Procedures.

In the event that less than all of the Bonds are called for redemption, the particular Bonds or portion of Bonds to be redeemed shall be selected by lot not more than 60 days prior to the redemption date by the Trustee by such method of lottery as the Trustee shall deem fair and appropriate; provided, that such lottery shall provide for the selection for redemption of bonds or portions thereof so that any \$5,000.00 bond or \$5,000.00 portion of a bond shall be as likely to be called for redemption as any other such \$5,000.00 bond or \$5,000.00 portion.

Notice Of Redemption.

Notice of redemption of Bonds shall be given by registered or certified mail, not less than 30 nor more than 60 days prior to the Redemption Date by the Issuer, to the registered owner of each Bond to be redeemed at the address of such registered owner shown on the Trustee's bond register. Delivery of such notice shall not be a condition precedent to such redemption, and failure to mail any such notice to the owner of any Bond designated for redemption, or any defect in such notice, shall not affect the validity of the proceedings for the redemption of any other Bonds. All Bonds so called for redemption shall cease to accrue interest on the specified redemption date, provided funds for their redemption have been duly deposited with the Trustee.

Registration Transfer, And Exchange.

The Trustee will cause a bond register to be kept for the registration of transfers of Bonds. Bonds may be transferred only upon an assignment duly executed by the registered owner or his duly authorized representative in such form as shall be satisfactory to the Trustee, and upon surrender of such Bonds to the Trustee for cancellation at the principal office of the Trustee in Chicago, Illinois. Upon each such transfer, new fully registered Bonds, of authorized denominations, of the same series, maturity and interest rate, and for the unpaid principal amount of such Bonds so surrendered, will be issued to the transferee.

Bonds may be exchanged at the principal corporate trust office of the Trustee for new fully registered Bonds, of the same series, maturity, and interest rate, of any authorized denominations, and for the aggregate amount of such Bonds then remaining outstanding.

In all cases in which Bonds shall be transferred or exchanged, the Trustee may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange. The Trustee shall not be required to transfer or exchange Bonds during the 15 days next preceding the selection of Bonds for redemption. The Trustee shall not be required to transfer or exchange Bonds called for

redemption in whole or in part between the date of selection of such Bonds for redemption and the Redemption Date.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of, premium, if any, and interest on any such Bond shall be made only to or upon the order of the registered owner thereof.

Additional Bonds.

The Issuer may issue one or more series of additional bonds ("Additional Bonds") under the Bond Ordinance, upon execution of appropriate amendments to the Redevelopment Plan, for the purpose of paying Redevelopment Project Costs contemplated by the Redevelopment Agreement.

Pursuant to the Bond Ordinance, the Issuer is authorized to issue Additional Bonds, if (i) during the immediately preceding Bond Year, the Pledged Taxes received and deposited into the Incremental Taxes Fund for the completed tax year immediately preceding the date of adoption of any ordinance authorizing the issuance of Additional Bonds shall have been equal to at least 120% of the average annual principal and interest requirements for all succeeding years on all Bonds then outstanding and the Additional Bonds then proposed to be issued; or (ii) the Issuer shall have received a report of a recognized Independent consultant knowledgeable as to urban development and municipal finance, which report shall include the information and conclusions as follows: (A) a description of the purposes for which such Additional Bonds are to be issued; and (B) a statement that, in such Independent consultant's opinion, based upon his review of executed redevelopment agreements and such other documents as he reasonably deems pertinent, Pledged Taxes to be generated will be equal to at least 140% of the average annual principal and interest requirements for all succeeding years on all Bonds then outstanding and the Additional Bonds proposed to be issued.

Any such Additional Bonds issued in compliance with the foregoing provisions shall be payable as to principal on January 1 and as to interest on January 1 or July 1, or both, in each year in which principal and interest come due.

If, prior to payment of the Bonds, the Issuer shall determine to refund part or all of the Bonds then outstanding, said Bonds may be refunded, and any refunding Bonds so issued shall share ratably and equally in the Pledged Taxes with the portion, if any, of the Bonds which are not refunded; provided, further, that if any Bonds are refunded such that the interest rate is increased or the refunding bonds mature at a date earlier than the maturity of any Bonds not refunded, then such refunding bonds shall not share ratably and equally in the Pledged Taxes with the portion of the Bonds remaining outstanding, except that if it is found necessary to refund any annual installment of the Bonds at maturity or within one year of maturity thereof in order to prevent a default, such refunding bonds may be issued to share ratably and equally in the Pledged Taxes with the portion of the Bonds not refunded notwithstanding the fact that the interest rate is increased, provided, however, that such refunding bonds shall not mature at a date earlier than the maturity of any installment of principal of and interest on said Bond not refunded and then outstanding.

Security And Source Of Payment For The Bonds.

Pledge Of Incremental Tax Revenues.

Under the Bond Ordinance, payment of the Bond is secured by an assignment and pledge of all funds, moneys, and securities (including investment earnings thereon) held by the Trustee under the terms of the Bond Ordinance, including all Pledged Taxes to be derived from the Redevelopment Project Area, subject, however, to the provisions of the Bond Ordinance requiring or permitting the use, setting apart, or payment of moneys held thereunder for or to the purposes and on the terms, conditions, priority and order set forth therein. The Pledged Taxes are to be paid to the City Treasurer by the officers who collect or receive the Pledged Taxes. Whenever the City Treasurer receives any of the Pledged Taxes, he shall promptly deposit the same into the Incremental Taxes Fund. The moneys on deposit in the Incremental Taxes Fund shall be used by the City solely and only for the purpose of carrying out the terms and conditions of the Bond Ordinance and shall be deposited as therein provided to the separate accounts created thereby within the Incremental Taxes Fund to be known as the "Principal and Interest Account"; the "Reserve and Redemption Account"; the "General Account"; and the "Rebate Account". The General Account shall be held by the Issuer, and all other accounts of the Incremental Taxes Fund shall be held by the Trustee, except as otherwise provided in the Bond Ordinance.

The Bonds are limited obligations of the Issuer payable solely from Pledged Taxes. The Bonds do not constitute general obligations of the Issuer, and neither the full faith, credit, resources, nor taxing power of the Issuer, the State of Illinois, or any political subdivision of the State of Illinois is pledged to the payment of the principal of, premium, if any, or interest on the Bonds.

Incremental Taxes Fund.

As moneys are deposited by the Issuer into the Incremental Taxes Fund, they shall be credited as follows:

(a) The Principal and Interest Account. The City Treasurer shall first credit to and immediately pay to the Trustee for deposit into the Principal and Interest Account the Pledged Taxes and, except as otherwise provided in the Bond Ordinance, such moneys shall be used solely and only for the purpose of paying principal of, redemption premium (if any), and interest on the Bonds and any Additional Bonds as required, together with related fees of the Trustee. If any funds in the Principal and Interest Account in excess of the amount needed to pay such principal, premium, interest, and expenses remain, such funds shall first be transferred to the Reserve and Redemption Account and thereafter paid to and credited by the City Treasurer to the General Account.

(b) The Reserve and Redemption Account. The Trustee shall next transfer the balance of the Pledged Taxes into the Reserve and Redemption Account until such account aggregates the Debt Service Reserve Requirement, and thereafter no payment shall be made into such Account except to replenish any draws thereon. Moneys in the

Reserve and Redemption Account may be used by the Trustee to redeem any Bonds or redeem any Additional Bonds and shall be transferred to the Principal and Interest Account as necessary to prevent or remedy a default in the payment of interest on, premium, if any, or principal of the Bonds or Additional Bonds. When the Trustee holds funds sufficient to satisfy the Debt Service Reserve Requirement, the City Treasurer shall then deposit remaining funds to the credit of the Incremental Taxes Fund into the General Account.

(c) The General Account. All moneys remaining in the Incremental Taxes Fund, after crediting amounts to the accounts as provided above, shall be credited to the General Account and used for one or more of the following purposes, without any priority among them:

- (1) paying any Project Costs; or
- (2) redeeming the Bonds or Additional Bonds; or
- (3) purchasing Bonds or Additional Bonds at a price not in excess of par and accrued interest and applicable redemption premium to the date of purchase; or
- (4) refunding, advance refunding, or prepaying any Bonds; or
- (5) establishing such additional reserves as may be deemed necessary by the Issuer;
or
- (6) distributing such funds to the taxing districts or municipal corporations having the power to tax the real property in the Project Area or to the State of Illinois in accordance with the Act; or
- (7) for any other purpose related to the Project or the Redevelopment Plan.

(d) The Rebate Account. The Bond Ordinance also creates a separate and special account within the Incremental Taxes Fund known as the "Rebate Account", to be held by the Trustees for deposits as necessary of investment earnings in the Principal and Interest Account and the Reserve and Redemption Account to the extent required to maintain the tax-exempt status of interest on the Bonds. All rebates, special impositions, or taxes for such purpose payable to the United States of America (Internal Revenue Service) shall be payable from the Rebate Account.

Investments.

Moneys on deposit in the Incremental Taxes Fund and the accounts therein may be invested from time to time in Qualified Investments pursuant to directions from the Issuer to the Trustee or by the Issuer directly if held by the City Treasurer in the General Account.

Projections Of Retail Sales.

The due diligence/analysis department of V.M.S. Realty Partners, an affiliate of the Placement Agent ("V.M.S."), has prepared sales projections for the shopping center to be constructed in the Redevelopment Project Area, which projections are set forth in Appendix 2. These projections are not a projection of Pledged Taxes. They project only anticipated retail sales at retail outlets expected to be opened at the Project. Based solely on Incremental Sales Taxes anticipated by the Developer to be generated from retail and commercial outlets currently expected to occupy the Project (i.e., disregarding any sales tax revenues currently being generated within the Redevelopment Project Area), the Incremental Local Sales Taxes are anticipated by the Developer to be collected in the amounts of \$_____ in calendar 1988; \$_____ in 1989; and \$_____ in 1990. The Incremental State Sales Taxes anticipated to be collected in respect of the Project are \$_____ in 1988, \$_____ in 1989, and \$_____ in 1990. However, There Can Be No Assurances That Either (i) Tenants Will Be Obtained To Occupy The Project Whose Businesses Will Generate Sales Tax Collections In The Amounts Indicated In The Two Preceding Sentences; Or (ii) Future State Legislative Appropriations Will Be Made That Will Permit The Application Of Incremental State Sales Taxes To The Payment Of Debt Service On The Bonds. (See "Bondholders' Risks" -- "Completion of Project"; "No Independent Projections; No Projections of Pledged Taxes"; "Assumptions in V.M.S. Report"; and "Changes in State Sales Tax Program.")

V.M.S. is an affiliate of Van Kampen Merritt, the Placement Agent. No Independent planning or consulting firm has prepared any analyses or projections with respect to the Project except as set forth above and in Appendix 2, and no other statements or summaries regarding any projections or analyses of Pledged Taxes should be relied upon by any prospective purchaser of the Bonds.

V.M.S. has made certain assumptions, including, but not limited to, dates of completion and occupancy of various components of the Project. These assumptions are based on representations made to V.M.S. by the Developer. Some assumptions may not materialize, and unanticipated events and circumstances may occur; therefore, the actual results achieved during the retail sales projection period may vary from the projections and the variations could be material. (See "Bondholders' Risks"--"Assumptions in V.M.S. Report.")

Anticipated Incremental Property Taxes.

The Developer anticipates, but does not guarantee that the equalized assessed valuation of the Project after redevelopment, on the basis of currently planned new construction, will be \$_____, representing a net increase of \$_____ over the current assessment for the Project site. Based on that assumption, the Developer anticipates, but cannot guarantee, future annual real property taxes generated by the Project to be approximately \$_____ for tax year 1988 (to be collected in 1989), the first partial year of operation and occupancy. Thereafter, the Developer anticipates that real property taxes will be generated and collected in respect of the Project in the amounts of \$_____ for tax year 1989 (payable in 1990); and \$_____ in tax year 1990 (payable in 1991). All such real property taxes to be collected in respect of the Project are expected to be Incremental Property Taxes included within the Pledged Taxes. (See "Bondholders' Risks"--"Completion of Project"; "Changes in Multiplier and Tax Rate Limits"; "Failure to Pay Taxes"; and "Assessed Valuation Petitions.")

Application Of Bond Proceeds.

Generally.

Proceeds derived from the sale of the Bonds will be deposited by the Trustee as follows: (a) accrued interest, if any, will be deposited in the Principal and Interest Account; (b) an amount equal to \$_____ shall be deposited to the credit of the Principal and Interest Account to pay capitalized interest on the Bonds, up to and including the _____ 1, 198__ interest payment date; (c) an amount for expenses incurred in the issuance of the Bonds to be paid from such proceeds shall be deposited into an "expense fund" to be maintained by the City Treasurer and disbursed for such issuance expenses from time to time in accordance with usual procedures of the Issuer for the disbursement of funds; (d) a sum equal to the lesser of the Debt Service Reserve requirement or 10% of the proceeds of the Bonds shall be paid to the Trustee and credited to the Reserve and Redemption Account; and (e) the balance of such proceeds shall be set aside in a separate fund designated as the "Project Fund (1987)" (the "Project Fund"), which the Issuer shall maintain with the Trustee.

Disbursement Preconditions.

No disbursement shall be made of funds from the Project Fund until (i) the Developer shall have secured financing from a lender acceptable to the Issuer and shall have on hand and available the proceeds thereof for the construction of a community shopping center and necessary appurtenances, as set forth in the Redevelopment Agreement; and (ii) the Developer shall have delivered to the Trustee executed leases for at least 60% of the net leasable space in said shopping center, provided that (x) each of such leases shall be for a term of at least five years and shall be renewable for at least a term of five years, and (y) no more than 30,000 square feet subject to such leases shall be leased for use by entities other than retailers and servicemen that do pay or that will pay those taxes on transactions at places of businesses within the Redevelopment Project Area that is identified in Section 8a(1) of the Act.

Project Fund Disbursements.

Money in the Project Fund shall be withdrawn from time to time as needed for the payment of costs of the Project and paying the fees and expenses incidental thereto not paid out of the expense fund referred to in clause (c) of the second preceding paragraph, and said money shall be disbursed by the Trustee from time to time upon submission to the Trustee of appropriate construction draw documentation. Upon completion of the Project, subject to any applicable provisions of the Bond Ordinance requiring special redemption of Bonds from unspent proceeds, any funds remaining in the Project Fund shall be transmitted by the Trustee to the City Treasurer, and said Treasurer shall credit such funds to the Reserve and Redemption Account, or, if such account is fully funded, to the General Account, and the Project Fund shall then be closed.

Redevelopment Project Costs.

The Developer has agreed to construct the Project at an aggregate cost, including, related architectural, engineering, legal, consultants, and planning fees, estimated at \$_____, exclusive of capitalized interest in the amount of \$_____, and costs of issuance of the Bonds in the amount of approximately \$_____. The cost of acquisition of the structure currently existing on the land on which the Project is being constructed, approximately \$_____, together with the cost of demolition of the structure currently in place on such land, approximately \$_____, and site preparation costs estimated at \$_____, will be paid from proceeds of the Bonds deposited in the Project Fund. In the event that the cost of constructing the Project exceeds the available proceeds from the sale of the Bonds and any lawfully available investment income thereon, then such additional costs will be paid by the Developer in accordance with the terms and provisions of the Redevelopment Agreement. Investment income earned on the funds deposited in the Project Fund may be used to complete the Project and to pay other Redevelopment Project Costs, subject to any rebate requirements under the Internal Revenue Code and regulations promulgated thereunder.

In addition to payment of the costs of acquiring and constructing the Project, the Act, the Bond Ordinance and the Redevelopment Plan permit the payment of capitalized interest and of certain costs relating to the issuance of the Bonds as redevelopment project costs. These issuance costs include consulting and legal fees of the Issuer and the expenses and fees of the Placement Agent.

Issuance costs to be paid from the Bond proceeds are estimated at \$_____.

Bondholders' Risks.

Limited Source Of Payment.

The Bonds are limited obligations of the Issuer, payable solely from Pledged Taxes collected by the Issuer and deposited into the Incremental Taxes Fund, consisting of the Incremental Property Taxes and the Incremental Sales Taxes derived by the Issuer from the Redevelopment Project Area. The Bonds are not general obligations of the Issuer and accordingly the Bonds are not repayable from *ad valorem* taxation, without limitation as to rate or amount, of taxable property within the territory of the Issuer. Neither the full faith and credit nor the taxing power of the Issuer, the State of Illinois, or any political subdivision of the State of Illinois is pledged to the payment of the Bonds. (See "Security and Source of Payment for the Bonds"--"Pledge of Incremental Tax Revenues.")

Completion Of Project.

The amount of Pledged Taxes to be available from the Redevelopment Project Area will be determined in part by the value of improvements to be made to and on the land which comprises the Redevelopment Project Area, and by the volume of taxable retail sales generated within said area following completion of such improvements. Therefore, the completion of the Project, the only improvements in the Redevelopment Project Area

planned as of the date of this Memorandum and assumed for purposes of the V.M.S. Report, is a material risk to be considered by any purchaser of the Bonds. The Developer anticipates, assuming closing of the sale of the Bonds not later than _____, 1987, that demolition of the existing improvements on the Project site will be completed by _____, 1987; site grading and other site improvements will be completed by _____, 198__; and the shopping center improvements included within the Project together with related parking lots, will be completed by _____, 1988, with occupancy of a substantial portion of the shopping center by _____, 198__. In that regard, leases have been executed by the Developer with _____ tenants of the Project, which leases provide for occupancy between _____, and _____, 1988. According to the Redevelopment Agreement, the Developer has agreed to complete the Project on or before _____, 19__ (subject to extensions for unavoidable delays); however, there can be no assurance that the Project or any major users' facilities, will be completed by such dates. To date, the only executed leases of, or binding commitments with respect to property included in the Project are the leases described in Appendix 3.

No Independent Projections; No Projections Of Pledged Taxes.

Neither the Issuer, the Developer, nor the Placement Agent has caused to be prepared (and none of them intends to cause to be prepared) any independent projections of either Incremental Property Taxes or Incremental Sales Taxes, which, other than accrued and capitalized interest held by the Trustee and amounts (if any) from time to time on deposit in the Reserve and Redemption Account, are the only sources for payment of principal of, interest on, or any redemption premium with respect to the Bonds. The only projections that have been prepared in connection with the sale of the Bonds are those sales projections for the shopping center component of the Project prepared by V.M.S. that are set forth as Appendix 2 to this Memorandum. V.M.S. is an affiliate of the Placement Agent, and therefore these projections cannot be considered to have been prepared by an "independent" expert.

Furthermore, the sales projections by V.M.S. set forth in Appendix 2 project only retail sales anticipated at the shopping center, and do not purport to be projections of Incremental Sales Tax Revenues, the amount of which depends on applicable tax rates, effectiveness of collection by state officials charged with responsibility for collecting sales taxes, timely appropriation by the State, and the prompt transmittal to the Issuer by the State of sales tax revenues that the Issuer is entitled to receive under State law. The V.M.S. retail sales projections do not address the amount of Incremental Property Taxes that might be generated by the Project. The Developer has estimated, based on an as-built appraisal dated as of _____, prepared by _____, that the real estate property taxes levied on the Project in 1988 (which would be collected by the Issuer in 1989) will be approximately \$_____; and that real estate property taxes levied on the Project in 1989 (and collected in 1990) and thereafter will be approximately \$_____. There can be no assurance that the Developer's estimates in this regard are accurate or reasonable, and such estimates have not been reviewed or confirmed by the Issuer, the Placement Agent, or any other person.

Dependence On Dellaportas.

The successful development of the Project is dependent upon the personal efforts and abilities of Demetrios Dellaportas, the principal of First National and the managing general partner of the Developer. The loss or unavailability to First National and the Developer of the services of Mr. Dellaportas would have a material adverse effect on the ability of the Developers to successfully complete and operate the Project. Mr. Dellaportas is 60 years old and in excellent health.

Assumptions In V.M.S. Report.

The retail sales projections for the shopping center to be included in this Project made by V.M.S. and set forth in the V.M.S. Report are based on certain assumptions generated by the Developer. (See "Security and Source of Payment for the Bonds"--"Projections of Retail Sales"). However, some assumptions may not materialize due to unanticipated events and circumstances, including, without limitation, "slippage" in the Developer's timetable for completion and occupancy of various components of the Project. Therefore, the actual results achieved during the projection period may vary from the retail sales conclusions set forth in the V.M.S. Report, and the variations could be material.

Changes In Multiplier And Tax Rate Limits.

The Multiplier may vary substantially in future years. (See "Tax Increment Financing in Illinois"--"State Multiplier and Equalized Assessed Valuation.") A decrease in the Multiplier would reduce the equalized assessed value of the taxable real property in the Redevelopment Project Area and, therefore, the Incremental Property Taxes available to pay debt service on the Bonds.

The future tax rate limits of the Taxing Units, either individually or on a composite basis, may differ from their historical levels. Any decrease in the composite tax rate of the Taxing Units would decrease the amount of Incremental Property Taxes available to pay debt service on the Bonds. Decreases in the composite tax rate of the Taxing Units could occur in future years as a result of various factors, including, but not limited to, one or more of the following: (a) reduced governmental costs; (b) constitutional or statutory spending or tax rate limitations; or (c) governmental reorganization or consolidation.

Changes In State Sales Tax Program.

The Act was amended by Illinois Senate Bill 1700, "An Act in relation to municipal tax increment allocation financing, amending certain Acts therein named" (the "Amendment"). The Amendment permitted Illinois municipalities to participate in a state-administered program permitting certain Incremental State Sales Taxes to be applied to qualifying redevelopment project costs in the same manner in which Incremental Local Sales Taxes had been permitted to be applied to such costs under the Act prior to the Amendment. As amended by the Amendment, Section 8a(1) of the Act provides that the Illinois Department of Revenue shall annually budget, and the Illinois General Assembly shall annually appropriate from the General Revenue Fund of the State, an amount sufficient to pay to each eligible municipality the amount of Incremental Tax Revenue attributable to Incremental State Sales Tax Revenues permitted to be pledged to payment of redevelopment project costs under the Act, as amended by the Amendment.

It is not clear that the current and future Illinois legislatures will make the appropriation of such Incremental State Sales Tax Revenues as provided in the Act. It is also unclear whether the legislature could be mandated, by judicial action, to appropriate funds as provided in the Act. Accordingly, there can be no certainty that all or any portion of the Incremental State Sales Tax Revenues will be available in any year to pay debt service in respect on the Bonds.

Additional Bonds.

Subject to the satisfaction of the issuance test described above under "Additional Bonds", additional bonds, secured on a parity with the Bonds by the Pledged Taxes under the Bond Ordinance and subject to the Bond Ordinance may be issued by the Issuer for the purpose of paying Redevelopment Project Costs contemplated by the Redevelopment Agreement.

Damage Or Destruction Of Improvements.

Substantial damage to or destruction of improvements that have been or will be constructed in the Redevelopment Project Area could cause a material decline in the assessed value of property in the Redevelopment Project Area, and could impair the Developer's and major users' ability to pay their real estate taxes and to generate retail sales that would produce Incremental Sales Taxes. While it is expected that the improvements will be insured under one or more fire and extended coverage policies, there can be no assurance that such insurance will be available throughout the term of the Bonds, and the proceeds of any such insurance policies will not be assigned as security for the payment of real estate taxes or of the Bonds. In addition, any insurance proceeds may not be sufficient to repair or rebuild the improvements, or the restoration of the improvements may be delayed by other factors, or the terms of then-applicable mortgage financing could require the application of insurance proceeds to the reduction of mortgage balances. Any of the foregoing circumstances could result in the assessed values of property in the Redevelopment Project Area remaining depressed for some time. Any such decline in the assessed value of the Redevelopment Project Area would decrease, and could eliminate, the amount of Incremental Tax Revenues available to pay debt service on the Bonds.

Foreclosure Of Project.

In the event that the Developer, or any one of the major users of the Project, should have its portion of the improvements within the Project foreclosed upon, such foreclosure may have an adverse impact on the valuations of such improvements for real estate tax purposes, thereby decreasing the Incremental Property Taxes available to pay debt service on the Bonds. In addition, such a foreclosure could have a material adverse effect on the amount of retail sales generated by such portion of the Project and in turn could reduce Incremental Sales Taxes.

[Insert From Loan Commitment Discussion Of Terms Of Any Construction Mortgages.]

Failure To Pay Taxes.

If the Developer, or any one of the major users of the Project, should fail to pay real estate taxes as they become due and payable, or to collect and remit to the Illinois Department of Revenue sales taxes as they become due and payable, such failure will decrease the Pledged Taxes available to pay debt service on the Bonds. The Developer will "pass through" to its tenants the real estate taxes due and payable for the Developer's portion of the Project. However, (except for portions of the Project, if any, owned by major users), the primary responsibility to pay real estate taxes will be the Developer's, and there can be no assurance that, in the event that a significant number of the Developer's tenants fail to pay their portion of the real estate taxes, the Developer would be able to make such payment.

No Public Market For The Bonds; No Rating Of The Bonds.

No public market is expected to exist for the Bonds, and the Bonds will not be listed on any exchange. Neither the Placement Agent nor any other person is obligated to make a secondary market in the Bonds. No application has been made to any rating agency for the purpose of obtaining a rating on the Bonds. Accordingly, no person should purchase Bonds with funds such person may need to convert readily into cash.

New Project; No Operating History.

Results of operation of the Project will depend, in part, on the rental rates and tenant occupancy rates of the Project, which may be adversely affected by competition, suitability of the Project in its local market, local unemployment, availability of transportation, neighborhood changes, crime levels in the area of the Project, vandalism, rising operating costs, and similar factors, many of which are beyond the control of the Developers and the major users of the Project. Poor operating results for the Project may cause the assessed value of the Project to be reduced, and may increase the risk that a foreclosure could occur for one or more of the parcels in the Project.

Competition.

The shopping center to be located in the Project will be subject to considerable competition. The Project is located within one-quarter mile of a large neighborhood shopping center on the southwest corner of Lafayette Avenue and West 87th Street, which is anchored by Zayre, Jewel/Osco, Toys-R-Us, and Highland Appliances. In addition, numerous vacant properties and projects now under construction or proposed to be constructed that are or may be competitive with the commercial development proposed for the Project are within the same market area as the Project. Furthermore, the construction or rehabilitation of other shopping centers and/or retail establishments and commercial projects (by the Developer or others) in the area of the Project could adversely affect the success of the Project and, thus, the assessed valuation of retail sales volume of the Project.

Assessed Valuation Petitions.

A taxpayer may contest the assessed valuation of a parcel as determined by the County Assessor. The Developer, on behalf of itself and its agents, representatives, successors, assigns, or transferees has agreed not to contest or petition for review of the assessed valuation of the Project below _____ while the Bonds remain outstanding.

The Issuer.

The City of Chicago was incorporated in 1837 and is a municipal corporation and home rule unit of local government under the 1970 Illinois Constitution. As a home rule unit of government, the City of Chicago "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." The General Assembly of the State of Illinois may by 3/5 vote of each legislative house, limit the amount of debt incurred by home rule municipalities. To date the General Assembly has not done so.

Officials Of The City Of Chicago.

Responsibility for the Issuer's finances is vested by Illinois law in the Mayor, the City Comptroller, the Budget Director, the City Treasurer, and the City Council.

The Mayor. The Mayor is the Chief Executive Officer of the City of Chicago and is elected at a general election to a four year term. The Mayor is responsible for preparing and recommending the City's annual budget to the City Council, and for initiating the issuance of general obligation tax anticipation notes, general obligation bonds, local improvement bonds and any other written debt instrument as authorized by law. The Mayor has the power to appoint, by and with the advice and consent of the City Council, all officers of the City whose appointment is not otherwise provided by law. The Mayor also presides over the City Council and is empowered to cast a vote in the event of a tie.

The City Comptroller. The City Comptroller is the head of the Department of Finance and as such is the City's Chief Financial Officer and is responsible for the management and control of all matters pertaining to that Department.

The Budget Director. The Budget Director heads the Office of Budget and Management, which prepares the Mayor's Annual Executive Budget.

The City Treasurer. The City Treasurer is an elected official of the City. The Treasurer receives and is custodian of all moneys belonging to the City, keeps books and accounts of each fund or appropriation, and is custodian of securities held by the City and its various pension and trust funds.

The City Council. The City Council is the legislative body of the City of Chicago and consists of 50 members, each of whom represents one of fifty wards. The members of the City Council are elected through popular vote by ward for terms of four years. The City Council adopts the various financial and other ordinances of the City.

The Project.

General Description.

The Project, when completed, will be an approximately 186,500 square foot shopping center containing approximately four "anchor" retail tenants, three or more restaurants, and 25 smaller retail establishments (depending upon final space configurations). While the Developer and First National currently are negotiating terms of leases with a number of prospective tenants of the Project, the only information now available regarding leases that have been executed for the Project is the information set forth in Appendix 3.

The Project is adjacent to the Dan Ryan Expressway, which runs directly to downtown Chicago. The Dan Ryan/Lake Street line of the Chicago Transit Authority's commuter rail division (commonly known as the "el") also runs down the median strip of that expressway, with a stop at 87th Street, providing local rail service between downtown and 95th Street. The Project is located within one-quarter mile of a neighborhood shopping center at the southwest corner of Lafayette Avenue and West 87th Street (See "Bondholders' Risks"--"Competition"). Within two miles of the Project are numerous other retail developments.

Construction of the Project improvements consists of steel frames on concrete pads with standards storefront and brick and block walls and built-up flat roofs [?]. There are solid block walls between each tenant, and each tenant has its own heating and air conditioning system and lavatories.

The space leases for the Project are generally to be written on a triple net basis, with each tenant being responsible for the payment of, in addition to its basic rental, such tenant's own utility expenses and a pro rata share of real estate taxes, insurance, and common area costs.

Acquisition Of Land.

An Illinois land trust controlled by the Developer has obtained an option to purchase the real property upon which the Project will be located from _____, an Illinois general partnership (the "Seller"), on _____, 198__, on or before _____, 1987. The Developer will pay the purchase price of the land. The Purchase price for the improvements now existing on the land (\$ _____), together with costs of demolition (\$ _____) and certain site improvements (\$ _____) will be paid from the proceeds of the sale of the Bonds.

The Developer.

Under the Redevelopment Agreement, L&O Partnership No. 2, an Illinois limited partnership will be the owner and Developer of the Project. The administrative general partner of the Developer is Dellaportas.

The Developer will be responsible for all of the real estate taxes to be collected from the Project; therefore, the Developer's successful operation of the Project is a material matter to be considered by a purchaser of the Bonds. The Developer is a newly formed partnership and does not have an operating history. The Developer's leases with its tenants are on a triple net basis; therefore, while the Developer is primarily responsible for the payment of

real estate taxes, the cost thereof will be borne by each tenant, pro rata, based on such tenant's leased square footage.

No leases have yet been executed between the Developer and any tenants of the Project except as summarized on Appendix 3. However, the Developer has engaged in negotiations of various levels of specificity with prospective operators of one or more automotive product dealerships proposed to be included in the Project; and with prospective operators of several restaurants, a financial institution, several department stores and specialty clothing stores, and operators of numerous, smaller, retail stores.

As a general partner of the Developer and the Owner, Mr. Dellaportas has general responsibility for all aspects of the Developer's operations. Mr. Dellaportas came to the United States in 1954 from Greece as an exchange student attending Navaro Junior College and received a Bachelor of Arts degree in Business Administration from Texas Christian University in Fort Worth, Texas. Mr. Dellaportas created Modern Way Cleaners, Inc., in 1960. Modern Way is a developer and operator of dry cleaning and laundry facilities. Mr. Dellaportas is a member of the following professional organizations:

- International Council of Shopping Centers
- South Suburban Chamber of Commerce
- Executive Committee, United Hellenic American Congress
- International Fabricare Institute
- Illinois State Fabricare Association

Mr. Dellaportas is the chief executive officer, director, and the sole shareholder of a number of affiliated companies known as the "First National Companies." Modern Way Cleaners, Inc. is the parent company of the First National Companies. Care Equipment & Construction Co. was formed in 1972 to serve as a general contractor to construct commercial real estate. The other two First National Companies are involved with the Project and are described below. Attached as Appendix 4 is a listing of properties developed or being developed by Dellaportas or his affiliates. Further information about any of these properties will be made available upon request of the Developer at (312) 829-5200.

First National Realty Management Company, Inc.

First National Realty Management Company, Inc. (the "Management Company") serves as the commercial management affiliate of the First National Companies. As such, the Management Company manages _____ shopping centers, with a total of approximately _____ square feet of commercial space. The Management Company started managing shopping centers in 1974. Of the centers managed, _____ are owned by affiliates and _____ by non-affiliate entities. The Management Company will provide on-site management for the Project. The Developer will pay the Management Company a management fee equal to _____% of its gross rental income from the Project (excluding certain reimbursable costs).

First National Realty & Development Company, Inc.

First National Realty & Development Company, Inc. ("First National") was formed in 1970 to develop commercial shopping centers in Northern Illinois and Indiana. First National is responsible for the initial leasing of the Project to various space tenants. First National has developed _____ shopping centers, containing in excess of approximately _____ square feet of commercial space. These centers have ranged from _____ to approximately _____ square feet per center.

Major Users.

General Description.

Each of the major users will either lease or purchase the real estate on which its store will be located. Major users who do not lease their premises will, pursuant to development agreements between the users of the Developer, construct, own, and operate their stores. The major users and the Developer will enter into a reciprocal easement agreement, which provides, among other things, for complete access for parking across any area of the Project and the pass-through and sharing of certain common area expenses. Each user who will own its own premises will be responsible for the real estate taxes on the real property owned by it. The following is a description of the major users that have executed leases as of the date of this Memorandum and certain arrangements between them and the Developer. Financial data for each major user was obtained by the Developer from each major user's most recent annual report, or from its most recent Quarterly Report on Form 10-Q as filed with the Securities and Exchange Commission, if applicable.

[Insert Available Information On Major Users.]

Project Coordinator.

The project coordinator for the Project is Lawrence Design Collaborative, Ltd. ("Lawrence Design"). Lawrence Design will oversee all phases of the construction process. Walter J. Lawrence is the founder and president of Lawrence Design. Mr. Lawrence received his Bachelor of Architecture degree from the University of Illinois in 1970, and is a registered architect in the State of Illinois. Mr. Lawrence has been a practicing architect since 1971 and formed Lawrence Design in 1979. His experience includes architectural project management and land planning. Mr. Lawrence's past projects include three residential projects and two shopping center projects in the Chicago area.

Contractors.

The general contractor for the Project is _____ (the "Contractor"). [add information of contractor.] The Contractor's prior commercial construction projects included _____ shopping centers in the Chicago area, which projects were constructed at a total cost of approximately \$ _____ million.

Engineers And Architects.

The firm of Camburas & Theodore, Inc., Des Plaines, Illinois, is the engineer and architect for the Project. This firm was founded in 19____ by Peter E. Camburas and has been performing professional architectural services continuously since its inception. Management of the firm is provided by partners Peter E. Camburas and Theodore J. Theodore. Theodore J. Theodore joined the firm in 19____, was named an associate in 19____, and has been a partner since 19____. Camburas & Theodore, Inc. have acted as architects and/or engineers of a number of commercial shopping center projects in Illinois and other states; the firm has also acted as architect and engineer for various facilities built for financial institutions, office projects, churches, industrial and institutional facilities, and municipal projects. Information regarding prior projects of Camburas & Theodore, Inc. may be obtained from that firm upon request at (312) 298-1525.

First Mortgage Loan Commitment.

[Describe Commitment]

Adequacy Of Sources Of Financing.

Dellaportas represents that the money the Developer and the Owner will receive from mortgage financing anticipated for the Project real estate will be sufficient to complete the Project and pay all related fees, expenses, and costs. Dellaportas further represents that the portions of the proceeds of the Bonds allocated for such purposes by the Issuer will be sufficient to complete the Public Improvements and pay all related fees, expenses, and costs.

Placement Of The Bonds.

Van Kampen Merritt, the Placement Agent, has agreed, subject to certain conditions, to place all but not less than all of the Bonds at a purchase price of par plus accrued interest. The Issuer will pay to the Placement Agent from proceeds of the Bonds a placement fee of \$50,000.

Pursuant to the Private Placement Agreement, the Developer and First National have agreed to indemnify the Issuer and the Placement Agent against certain civil liabilities, including liabilities under federal securities laws.

Summary Of The Bond Ordinance.

The following is a summary of certain provisions of the Bond Ordinance. This summary does not purport to be comprehensive or definitive, and is subject to all of the terms and provisions of the Bond Ordinance, to which reference is hereby made. Certain other provisions of the Bond Ordinance have been summarized elsewhere in this Memorandum.

"Corporate Authorities" means the City Council of the Issuer.

"Debt Service Reserve Requirement" means an amount not less than Maximum Annual Debt Service.

"Designated Officer" means the Commissioner of the Department of Economic Development of the Issuer; the First Deputy Commissioner of the Department of Economic Development of the Issuer; or successors or assigns of either of such officers.

"Government Securities" means bonds, notes, certificates of indebtedness, treasury bills or other securities constituting direct obligations of the United States of America and all securities or obligations, the prompt payment of principal and interest of which is guaranteed by a pledge of the full faith and credit of the United States of America.

"Incremental Property Taxes" means the *ad valorem* taxes, if any, arising from the taxes levied upon taxable real property in the Redevelopment Project Area by any and all taxing districts of municipal corporations having the power to tax real property in the Project Area, which taxes are attributable to the increase in the then current equalized assessed valuation of each taxable lot, block, tract or parcel of real property in the Project Area over and above the Total Initial Equalized Assessed Value of each such piece of property, all as determined by the County Clerk of the County of Cook, Illinois, in accord with Section 11-74.4-9 of the Act.

"Incremental Sales Taxes" means those taxes, if any, credited to the Incremental Taxes Fund pursuant to Section 11-74.4-8a(1) of the Act.

"Incremental Taxes Fund" means the 1986 Chatham Ridge Tax Increment Redevelopment Project Area Special Tax Allocation Fund of the Issuer, which is a special tax allocation fund for the Project Area established pursuant to Section 11-74.4-8 of the Act and created by an ordinance heretofore adopted by the Corporate Authorities on December ____, 1986, as continued and further described by Section 8 of the Bond Ordinance.

"Independent" when used with respect to any specified person means such person who is in fact independent and is not connected with the Issuer as an officer, employee, underwriter, or person performing a similar function. Whenever it is herein provided that the opinion or report of any Independent person shall be furnished, such person shall be appointed by the Issuer, and such opinion or report shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

"Maximum Annual Debt Service" means at any given time of determination an amount equal to the maximum principal and interest requirement on the Bonds and any Additional Bonds then outstanding in the then current or in any succeeding calendar year by reason of stated maturities, scheduled mandatory prepayments or by operation of any mandatory sinking fund.

"Pledged Taxes" means Incremental Property Taxes and Incremental Sales Taxes.

"Project" means the redevelopment project heretofore approved by the Corporate Authorities pursuant to an ordinance, adopted on December ____, 1986, in furtherance of the objectives of the Redevelopment Plan.

"Project Area" means the Chatham Ridge Tax Increment Redevelopment Project Area described more fully in Exhibit A attached to the Bond Ordinance and heretofore established by the Corporate Authorities in accord with the provisions of the Act.

"Project Costs" means the sum total of all reasonable or necessary costs incurred or estimated to be incurred which are incidental to the Redevelopment Plan and the Project, including, without limitation, the following:

(i) Costs of studies, surveys, development of plans and specifications, implementation and administration of the Redevelopment Plan including but not limited to staff and professional service costs for architectural, engineering, legal, marketing, financial, planning or other services, provided however that no charges for professional services may be based on a percentage of the tax increment collected;

(ii) Property assembly costs, including but not limited to acquisition of land and other property, real or personal, or rights or interests therein, demolition of buildings, and the clearing and grading of land;

(iii) Costs of rehabilitation, reconstruction or repair or remodeling of existing buildings and fixtures;

(iv) Costs of the construction of public works or improvements;

(v) Costs of job training and retraining projects;

(vi) Financing costs, including but not limited to all necessary and incidental expenses related to the issuance of obligations and which may include payment of interest on any obligations issued under the Bond Ordinance accruing during the estimated period of construction of any redevelopment project for which such obligations are issued and for not exceeding 36 months thereafter and including reasonable reserves related thereto;

(vii) All or a portion of a taxing district's capital costs resulting from the redevelopment project necessarily incurred or to be incurred in furtherance of the objectives of the redevelopment plan and project, to the extent the municipality by written agreement accepts and approves such costs;

(viii) Relocation costs to the extent that a municipality determines that relocation costs shall be paid or is required to make payment of relocation costs by federal or state law;

(ix) Payment in lieu of taxes; and

(x) Costs of job training, advanced vocational education or career education, including but not limited to courses in occupational, semi-technical or technical fields leading directly to employment, incurred by one or more taxing districts, provided that such costs (i) are related to the establishment and maintenance of additional job training, advanced vocational education or career education programs for persons employed or to be employed by employers located in a redevelopment project area; and (ii) when

incurred by a taxing district or taxing districts other than the municipality, are set forth in a written agreement by or among the municipality and the taxing district or taxing districts, which agreement describes the program to be undertaken, including but not limited to the number of employees to be trained, a description of the training and services to be provided, the number and type of positions available or to be available, itemized costs of the program and sources of funds to pay for the same, and the term of the agreement. Such costs include, specifically, the payment by community college districts of costs pursuant to Sections 3-37, 3-38, 3-40 and 3-40.1 of the Public Community College Act and by school districts of costs pursuant to Sections 10.22.20a and 10-23.3a of The School Code.

"Qualified Investments" means investments in Government Securities, investments fully collateralized by Government Securities, and such other investments as may be permissible under Illinois law from time to time.

"Redevelopment Plan" means the comprehensive program of the City for the Project Area heretofore approved by the Corporate Authorities by an ordinance adopted on December ____, 1986, and together with any further amendments and supplements thereto.

"Total Initial Equalized Assessed Value" means \$_____, being the total initial equalized assessed value of the taxable real property within the Project Area determined by the County Clerk of the County of Cook, Illinois, in accordance with the provisions of Section 11-74.4-9 of the Act.

Establishment Of Accounts.

The Bond Ordinance provides that the Trustee shall act as custodian of the Incremental Taxes Fund, and the following accounts therein:

- (1) Principal and Interest Account;
- (2) Reserve and Redemption Account; and
- (3) Rebate Account.

In addition, the General Account within the Incremental Taxes Fund is to be held and maintained by the Issuer. In addition, an amount of Bond proceeds allocated to the payment of certain expenses incurred in the issuance of the Bonds shall be deposited, pursuant to the Bond Ordinance, into an "expense fund" to be maintained by the City Treasurer and disbursed for such issuance expenses.

Project Fund.

Amounts on deposit in the Project Fund for the Bonds are required to be disbursed by the Trustee to pay Redevelopment Project Costs in accordance with requisitions signed by an authorized officer of the Issuer, and stating in respect to each such disbursement:

(1) if such disbursement is for payment to a supplier, materialman, or contractor for work done in connection with the Project, a certificate executed by the engineer in charge of the construction of the Project stating the amount of material supplied or the nature of the work completed; that such materials have been properly accepted or work approved by him; the amount due; and the amount remaining to be paid in connection with the Project; and

(2) a duplicate copy of the order signed by the Designated Officer, stating specifically the purpose for which the order is issued and indicating that the payment for which the order is issued has been approved by the Issuer.

In addition to the preceding requirements, the following additional conditions precedent must be satisfied prior to any disbursement of funds from the Project Fund:

A. The Developer shall have secured financing from a lender acceptable to the Issuer and shall have on hand and available the proceeds thereof for the construction of a community shopping center and necessary appurtenances, as set forth in the Redevelopment Agreement; and

B. The Developer shall have delivered to the Trustee executed leases for at least 60% of the net leasable space in the shopping center, provided that (x) each of such leases shall be for a term of at least five years and shall be renewable for at least a term of five years and (y) no more than 30,000 square feet subject to such leases shall be leased for use by the entities other than retailers and servicemen that do pay or that will pay those taxes on transactions at places of businesses within the Redevelopment Project Area that are identified in Section 8a(1) of the Act.

Reserve And Redemption Account.

The Bond Ordinance provides for the deposit into the Reserve and Redemption Account, after Pledged Taxes have been applied to pay then-due principal of and interest on the Bonds, and subject to compliance with the applicable provisions of the Code, of all amounts necessary to be deposited therein pursuant to the Bond Ordinance.

If on any Interest Payment Date or Redemption Date, the amount in the Principal and Interest Account in connection with the Bonds is insufficient to pay the principal of, if any, and interest due and payable on the Bonds on such date, the Trustee shall transfer amounts from the Reserve and Redemption Account sufficient to make up such deficiency.

Supplemental Ordinances.

Supplemental ordinances may be entered into without the consent of the registered owners of the Bonds to (i) add to the covenants and agreements of the Issuer in the Bond Ordinance contained, other covenants and agreements thereafter to be observed or to surrender, restrict or limit any right or power herein reserved to or conferred upon the Issuer; (ii) make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Bond Ordinance, or in regard to matters or questions arising under the Bond Ordinance, as the Issuer may deem necessary or desirable and not inconsistent with the Bond Ordinance and which in the

opinion of the Trustee shall not adversely affect the interests of the registered owners of the Bonds; (iii) designate one or more bond registrars or paying agents; (iv) comply with the provisions of Section 18(c) of the Bond Ordinance, regarding defeasance, when money and the Government Securities designated therein sufficient to provide for the retirement of Bonds shall have been deposited with the Trustee; and (v) as to the Bonds which are authorized but unissued hereunder: (1) to change the amount of Bonds authorized, or (2) to change in any way the terms upon which such Bonds may be issued or secured.

Any supplemental ordinance authorized by the provisions described above may be passed by the Issuer and accepted by the Trustee without the consent of or notice to the registered owners of any of the Bonds at the time outstanding, notwithstanding any of the provisions of the following paragraph, but the Trustee shall not be obligated to accept any such supplemental ordinance which affects the Trustee's own rights, duties, or immunities under the Bond Ordinance or otherwise.

With the consent of the registered owners of not less than 25% in aggregate principal amount of the Bonds at the time outstanding, the Issuer, by the Corporate Authorities, may pass, and the Trustee may accept from time to time and at any time an ordinance or ordinances supplemental to the Bond Ordinance for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the Bond Ordinance or of any supplemental ordinance; provided that no such modification or amendment shall extend the maturity of, reduce the interest rate on, or otherwise alter or impair the obligation of the Issuer to pay the principal, interest or redemption premium, if any, at the time and place and at the rate and in the currency provided therein of any Bond without the express consent of the registered owner of such Bond, or permit the creation of a preference or priority of any Bond or Bonds over any other Bond or Bonds, or reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification, or deprive the registered owners of the Bonds of the right to payment of the Bonds from the taxes pledged thereto without the consent of the registered owner of all of the Bonds then outstanding.

Events Of Default.

Each of the following is an "Event of Default" under the Indenture:

(i) default in the payment of the principal of or redemption premium, if any, on any Bond when the same shall become due and payable, either at maturity or by proceedings for redemption or otherwise; or

(ii) default in the payment of any installment of interest on any Bond when and as such installment of interest shall become due and payable; or

(iii) default shall be made by the Issuer in the performance of any obligation in respect of the Reserve and Redemption Account and such default shall continue for 30 days thereafter; or

(iv) the Issuer shall (1) commence a voluntary case under the Federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law; (2) make an assignment for the benefit of

its creditors; (3) consent to the appointment of a receiver of itself or of the whole or any substantial part of its property; or (4) be adjudicated as bankrupt or have entered against it any order for relief in respect of an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law and such order continue in effect for a period of 60 days without stay or vacation; or

(v) a court of competent jurisdiction shall enter an order, judgment or decree appointing a receiver of the Issuer, or of the whole or any substantial part of its property, or approving a petition seeking reorganization of the Issuer under the federal bankruptcy laws or any other applicable federal or state law or statute and such order, judgment or decree shall not be vacated or set aside or stayed within 60 days from the date of the entry thereof; or

(vi) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the issuer or of the whole or any substantial part of its property, and such custody or control shall not be terminated or stayed within 60 days from the date of assumption of such custody or control; or

(vii) the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or in the Bond Ordinance on the part of the Issuer to be performed, and such default shall continue for 30 days after written notice specifying such default and requiring the same to be remedied shall have been given to the Issuer by the Trustee (which may give such notice whenever it determines that such a default is subsisting and shall give such notice at the written request of the holders of not less than 25% in principal amount of the Bonds then outstanding).

Remedies.

Upon the happening and continuance of any Event of Default specified above, the Trustee may, and upon the written request of the holders of 25% in principal amount of the Bonds affected by the Event of Default and the outstanding hereunder shall, proceed to protect and enforce its rights and the rights of the holders of the Bonds by a suit, action or special proceeding in equity or at law, by mandamus or otherwise, either for the specific performance of any covenant or agreement contained in the Bond Ordinance or in aid or execution of any power therein granted or for any enforcement of any proper legal or equitable remedy as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce the rights aforesaid.

During the continuance of an Event of Default, all monies received by the Trustee under the Bond Ordinance from the Issuer or from any other source shall be applied by the Trustee as follows:

All monies, securities and funds received by the Trustee pursuant to any right given or action taken under the provisions of the Bond Ordinance shall be applied as follows and in the following order:

(i) Principal or redemption premium, if any, and interest on the Bonds to the payment of the interest and principal or redemption premium, if any, then due on the Bonds and otherwise as follows:

(1) Unless the principal of all the Bonds shall have become due and payable, all such monies shall be applied as follows:

(A) first, to the payment to the persons entitled thereto of all installments of interest then due, in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

(B) second, to the payment to the persons entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which monies are held pursuant to the provisions of this Ordinance), in the order of their due dates, with interest upon such Bonds from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment first of such interest, ratably according to the amount of such interest due on such date, and then to the payment of such principal ratably according to the amount of such principal due on such date, to the persons entitled thereto without any discrimination or preference; and

(C) third, to the payment of the redemption premium, if any, on and the principal of any Bonds called for redemption pursuant to the provisions of this Ordinance.

(2) If the principal of all the Bonds shall have become due and payable, all such monies shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, with interest thereon as aforesaid, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or preference.

Whenever monies are to be applied by the Trustee pursuant to the provisions of this paragraph, such monies shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such monies available for application and the likelihood of additional monies becoming available for such application in the future. The deposit of such monies with the paying agents, or otherwise setting aside such monies, in trust for the proper purpose, shall constitute proper application by the Trustee; and the Trustee shall incur no liability whatsoever to the Issuer, to any Bondholder or to any other person for any delay in applying any such funds, so long as the Trustee acts with reasonable diligence, having due regard to the circumstances, and ultimately applies the same in accordance with such provisions of the Bond Ordinance as may be applicable at the time of application by the Trustee.

Whenever the Trustee shall exercise such discretion in applying such funds, it shall fix the date (which shall be in interest payment date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date and of the endorsement to be entered on each Bond on which payment shall be made, and shall not be required to make payment to the holder of any unpaid Bond until such Bond shall be presented to the Trustee for appropriate endorsement, or some other procedure deemed satisfactory by the Trustee shall have been observed.

Defeasance.

If the Issuer shall pay, or cause to be paid, to the registered owners of the Bonds the principal, premium, if any, and interest to become due thereon at the times and in the manner stipulated therein and in the Bond Ordinance, and provision shall be made for the payment of all fees and expenses of the Trustees, and if the Issuer keeps, performs, and observes, all and singular, the covenants and promises in the Bonds and in the Bond Ordinance expressed as to be kept, performed, and observed by it or on its part, then the lien of the Bond Ordinance will be cancelled, discharged, and satisfied.

Bonds, prior to the maturity or redemption date thereof, shall be deemed to have been paid if the following conditions shall have been fulfilled: (a) in case any of the Bonds are to be redeemed on any date prior to their maturity, the Issuer shall have given to the Trustees, in form satisfactory to it, irrevocable instructions to provide notice of redemption of such Bonds on said date; (b) there shall be on deposit with the Trustee either moneys or direct obligations of, or obligations guaranteed by, the United States of America ("Federal Obligations"), the principal of and interest on which will be sufficient, together with the moneys, if any, deposited with the Trustee at the same time, to pay when due the principal or redemption price, if applicable, and interest due and to become due on the Bonds on and prior to such Redemption Date or maturity thereof, as the case may be; and (c) in such manner as does not result in the loss of the exemption from federal income taxation of the interest on the Bonds, in the event said Bonds do not mature and are not by their terms subject to redemption within the next succeeding 60 days, the Issuer shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, as soon as practicable, notice to the registered owners of such Bonds that the deposit required by (b) above has been made, and stating such maturity or Redemption Date upon which moneys are to be available for the payment of the principal of, or redemption price, if applicable, and interest on said Bonds.

Taxation Of Interest On Bonds.

The Tax Reform Act of 1986 contains a number of requirements and restrictions which apply to the Bonds, including investment restriction, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The proceedings of the Issuer and the documents relating to the Bonds include provisions that, if complied with by the Issuer,

meet the requirements of the Tax Reform Act of 1986. Failure to comply with certain of such document provisions may cause interest on the Bonds to become subject to federal income taxation retroactive to the date of issuance of the Bonds.

Assuming compliance by the Issuer with the above-referenced document provisions, in the opinion of Bond Counsel, interest on the Bonds will not be, under present law, includible in the gross income of the owners thereof for federal income tax purposes, and therefore will be exempt from present federal income taxation, except to the extent that such interest will be taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations, in computing the environmental tax imposed on certain corporations, and in computing the "branch profits tax" imposed on certain foreign corporations.

The Tax Reform Act of 1986 includes provisions for an alternative minimum tax ("A.M.T.") for corporations, which is levied for taxable years beginning after December 31, 1986 in addition to the corporate regular tax in certain cases. The A.M.T., if any, depends upon the corporations's alternative minimum taxable income ("A.M.T.I."), which is the taxable income with certain adjustments. One of the adjustment items used in computing A.M.T.I. of a corporation (excluding S Corporations, Regulated Investment Companies, Real Estate Investment Trusts, or R.E.M.I.C.s) is an amount equal to 50% of the excess of such corporation's "adjusted net book income" over an amount equal to its A.M.T.I. (before such adjustment item and the alternative tax net operating loss deduction). For taxable years beginning after 1989, such adjustment item will be 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its A.M.T.I. (before such adjustment item and the alternative tax net operating loss deduction). Both "adjusted net book income" and "adjusted current earnings" would include all tax exempt interest, including interest on the Bonds.

The "Superfund Revenue Act of 1986" imposes an additional tax (the "environmental tax") on a corporation at a rate of 0.12 percent on the excess over \$2,000,000 of such corporation's "modified alternative minimum taxable income", which would include a portion of the interest on the Bonds.

Under the provisions of Section 884 of the Code, a branch profits tax may be levied (for taxable years beginning after December 31, 1986) on the "effectively connected earnings and profits" of certain foreign corporations, which include tax-exempt interest such as interest on the Bonds. A branch profits tax will not be imposed under Section 884 if the increase in United States "net equity" (i.e., United States assets reduced by United States liabilities) for the taxable year equals or exceeds the amount of "effectively connected earnings and profits" taken into account under such Section.

Ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

Legal Matters.

Legal matters incident to the authorization, issuance and sale by the Issuer of the Bonds are subject to the delivery of the approving legal opinion of Chapman and Cutler, Chicago, Illinois, Bond Counsel. A copy of the proposed opinion of Bond Counsel is set forth in Appendix 1 attached hereto. Certain legal matters will be passed upon for the Issuer by its Corporation Counsel; for the Developer by Keck, Mahin & Cate, Chicago, Illinois; and for the Placement Agent by Rudnick & Wolfe, Chicago, Illinois.

Litigation.

At the time of delivery of and payment for the Bonds, the Issuer will deliver a certificate stating that there is no litigation or proceeding pending or, to the best knowledge of the officer signing such certificate, threatened, seeking to restrain or enjoin the issuance or delivery of the Bonds, or seeking to restrain or enjoin the transactions contemplated by the Bond Ordinance, or questioning the validity thereof, or in any way contesting the existence or powers of the Issuer. Concurrently, Dellaportas will deliver a certificate on behalf of himself, the Developer, and First National, stating that there is no litigation pending or, to his knowledge, threatened, seeking to restrain or enjoin the issuance or delivery of the Bonds, or seeking to restrain or enjoin the transactions contemplated by the Bond Ordinance, or questioning the validity thereof.

Other Matters.

The foregoing summaries and explanations do not purport to be comprehensive, and are expressly made subject to the exact provisions of documents referred to herein. Copies of the ordinances hereinabove described, the Bond Ordinance, the Redevelopment Plan, and the Redevelopment Agreement may be obtained from the Placement Agent. As far as any statements are made in this Memorandum involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

The information contained under the caption "Placement of the Bonds" has been provided by the Placement Agent. The information contained under the captions "The Issuer" and "Litigation" (insofar as the latter caption relates to the Issuer) has been provided by the Issuer. All other information in the Memorandum has been provided by the Developer and First National.

The agreement of the Issuer with the registered owners of the Bonds is fully set forth in the Bond Ordinance, and this Memorandum is not to be construed as constituting an agreement with the purchasers of the Bonds.

The Issuer Has Not Participated In The Preparation Of This Memorandum And Makes No Representation With Respect To The Accuracy Or Completeness Hereof, Except For The Information Furnished By It, As Set Forth Herein.

The Owner and the Developer have executed this Memorandum to evidence their approval of the use of this Memorandum in connection with the initial issuance and sale of the Bonds.

[Signature forms omitted for printing purposes.]

Appendix 1

Opinion Of Bond Counsel.

Appendix 2

V.M.S. Report.

Appendix 3

*Chatham Ridge Shopping Center-
Tenant Information.*

Appendix 4

Summary Of Prior Projects.

Exhibit D.

Chatham Ridge Community Shopping Center

Redevelopment Agreement.

This Agreement made this _____ day of _____, 1987 by and among the City of Chicago, Illinois, an Illinois municipal corporation (the "City"), L & O Partnership No. 2, an Illinois limited partnership (the "Developer"), and American National Bank and Trust Company of Chicago, not personally but as Trustee under Trust Agreement dated July 9, 1986 and known as Trust Number 67592 (the "Trust").

Recitals.

A. The City has the authority to promote the health, safety and welfare of the City and its inhabitants, to prevent the spread of blight and to encourage private development in order to enhance the local tax base and create employment, and to enter into contractual agreements with third parties for the purpose of achieving the aforesaid purposes.

B. Developer desires to purchase certain property (sometimes hereinafter referred to as the "Property" or "Redevelopment Site") legally described on Exhibit A attached hereto and made a part hereof, consisting of approximately 14 acres, and desires to construct thereon a shopping center consisting of approximately 186,000 square feet of gross rentable area. The Property is located within a tax increment redevelopment area which is legally described on Exhibit B attached hereto and made a part hereof, and designated the Chatham Ridge Redevelopment Project Area (the "Redevelopment Project Area") by an ordinance hereinafter described. The Property together with all improvements contemplated pursuant to the redevelopment plan adopted by the City Council for the Redevelopment Project Area ("Redevelopment Plan") are herein sometimes referred to as the "Project."

C. The City is authorized under the provisions of the Tax Increment Allocation Redevelopment Act, Sections 11-74.4-1 *et seq.*, of Ch. 24, Ill. Rev. Stat., as amended (the "Act"); to finance redevelopment in accordance with the conditions and requirements set forth in the Act.

D. To stimulate and induce the acquisition and redevelopment of the Redevelopment Project Area, and pursuant to the Act, the City Council of the City of Chicago ("City Council"), on December 18, 1986, adopted the following ordinances: (1) "An Ordinance of the City of Chicago, Illinois, approving a Tax Increment Redevelopment Plan and Redevelopment Project, for the Chatham Ridge Redevelopment Project Area," (2) "An Ordinance of the City of Chicago, Illinois, designating the Chatham Ridge Redevelopment Project Area of said City a Redevelopment Project Area pursuant to the Tax Increment Allocation Redevelopment Project Act," (3) "An Ordinance of the City of Chicago, Illinois, adopting Tax Increment Allocation financing for the Chatham Ridge Redevelopment Project Area," and (4) "An Ordinance authorizing the Department of Revenue to certify and cause to be paid to the City of Chicago, Illinois, an amount equal to the increase in certain taxes paid in a portion of said City". Said ordinances are collectively referred to as the "Ordinances."

E. For the purpose of paying a portion of the redevelopment project costs for the Project (hereinafter defined), the City Council, on _____ adopted "An Ordinance of the City of Chicago, Illinois, providing for the issuance of not to exceed \$5,585,000 Tax Increment Revenue Bonds, Series 1987 (the "Bond Ordinance")." The proceeds from the sale of the bonds ("T.I.F. Funds") will be used to finance certain costs relating to the Project, the construction of public improvements and certain other costs and expenses related to such improvements and/or otherwise authorized for payment pursuant to the Bond Ordinance as described in Exhibit C attached hereto and incorporated by

reference herein ("T.I.F. Improvements") and as described in Exhibit D attached hereto and incorporated by reference herein ("City T.I.F. Improvements").

For And In Consideration of the mutual covenants described above and the agreements contained below, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

I.

Incorporation Of Recitals.

The recitations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though they were fully set forth in this Section I, and this Agreement shall be construed in accordance therewith.

II.

*Certain Developer's Covenants,
Representations And Warranties.*

Developer represents, warrants and covenants to the City as follows:

A. Developer shall be governed by, adhere to and obey any and all applicable federal, state and local laws, statutes, ordinances, rules, regulations and executive orders applicable to the Project as may be in effect from time to time.

B. Developer shall proceed diligently to carry out the purchase of the Property and the construction of the Project as required pursuant to this Agreement.

C. (i) Developer is a limited partnership organized and validly existing and in good standing under the laws of the State of Illinois; (ii) Developer has the right and power and is authorized to enter into, execute, deliver and perform this Agreement; (iii) the execution, delivery and performance by Developer and the Trust 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 Developer's limited partnership agreement, the Trust's trust agreement, or any instrument or document to which either Developer, or the Trust or any general partner of Developer is now a party or by which any of them is bound; (iv) Developer, including its general partners, and the Trust shall cause title to the Property to be maintained in merchantable condition as granted to it free and clear of all liens, claims, security interest and encumbrances except those of the initial mortgage as provided in Section XI, any liens or encumbrances otherwise permitted pursuant to this Agreement and any exceptions to title approved by the City; (v) Developer and its general partners are now solvent and able to pay their debts as they mature; (vi) there are no

actions at law or similar proceedings which are pending or threatened against Developer, any of its general partners, the Trust or the Property which might result in any material and adverse change to either the Trust's, Developer's or any of Developer's general partners' financial condition, or materially affect the Trust's, or Developer's or any of Developer's general partners' assets as of the date of this Agreement; (vii) the Trust and Developer have all government permits, certificates and consents (including without limitation, appropriate environmental clearances and approvals) necessary to continue to conduct its business and to own or lease and operate its properties (including, without limitation, the Property) as now owned or leased by it; (viii) no default has been declared with respect to any indenture, loan agreement, mortgage, deed or other similar agreement relating to the borrowing of monies to which any of the Trust, Developer or any of Developer's general partners is a party or by which any of them is bound; (ix) the financial materials furnished by or on behalf of Developer to the City ("Financials") fairly and accurately present the assets, liabilities and financial conditions and results of operations of Developer, including its general partners, as of the dates thereof; and (x) there has been no material or adverse change in the assets, liabilities or financial condition of Developer or its general partners since the dates of the Financials and the date of this Agreement other than as a result of the ordinary and customary conduct of its business.

D. Developer shall not, without the prior written consent of the Commissioner of the Department of Economic Development or his or her designee (the "Commissioner"), which the Commissioner may or may not give in his or her sole discretion, concurrently or hereafter, except as permitted under Section 11.01 or under Section 11.02, (i) grant, suffer or permit a lien, claim or encumbrance upon the Project or any portion thereof, provided that this shall not be construed to preclude, limit or require the Commissioner's consent to any lessee mortgaging its leasehold estate; (ii) permit or suffer any levy, attachment or restraint to be made affecting any of the Property; (iii) enter into any transaction not in the ordinary course of its business which materially and adversely affects Developer's ability to pay its debts as such may then exist. This subsection shall apply until full payment of the indebtedness evidenced by the outstanding T.I.F. Bonds.

E. Developer shall pay promptly when due all Charges (hereinafter defined) arising or incurred from and after the date hereof with respect to the Project. Subject to Section XVI hereof, Developer may permit or suffer Charges to attach to its assets and may dispute the same without prior payment thereof, provided that Developer in good faith shall be contesting said Charges in an appropriate proceeding and Developer has given such additional collateral and/or assurances as the Commissioner, in his or her sole discretion, deems necessary under the circumstances, except that with respect to real estate taxes, such taxes may only be disputed if prior payment is made. In the event, at any time or times after the date hereof and prior to the later to occur of issuance of a certificate of completion by the Commissioner or full payment of the indebtedness evidenced by the T.I.F. Bonds, Developer shall fail to pay the Charges or to obtain discharge of the same, Developer shall so advise the Commissioner thereof in writing, at which time the City may, without waiving or releasing any obligation or liability of Developer 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 the Commissioner deems advisable. All sums so paid by the City and any expenses, including reasonable attorneys' fees, court costs, expenses and other charges relating thereto, shall be payable by Developer to the City with interest at the rate of interest per annum being paid on the

T.I.F. Bonds from the date expended until paid. As used herein the term "Charges" shall mean all national, federal, state, county, city, municipal or other governmental (or any instrumentality, division, agency, body or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances or non-governmental claims or liens upon relating to the Project, Developer's business, Developer's income or gross receipts.

F. (i) The Trust is a duly organized and existing land trust in the State of Illinois; (ii) Developer is the owner of one hundred percent of the beneficial interest of the Trust and has the sole power of direction over the Trust; and (iii) the Trust has the right and power and authority to enter into, execute, deliver and perform this Agreement.

G. All of the information contained in the Redevelopment Plan regarding the Redevelopment Project Area, the Project, the Property and Developer is true, correct and complete to the best of the Developer's knowledge.

H. All of the information contained in that certain Private Placement Memorandum dated _____, 1987 City of Chicago, Illinois _____% _____ Chatham Ridge Tax Increment Allocation Revenue Bonds, Series 1987 ("Private Placement Memo") set forth in the sections titled Project And Tax Increment Project: Source And Use Of Funds is true, correct and complete to the best of Developer's knowledge.

I. The tax receipts estimated to be received from the Property for the years set forth in Exhibit E hereto are accurate to the best of Developer's knowledge and are incorporated herein by reference.

III.

City's Covenants.

The City represents and warrants that it has authority under its home rule powers to execute, deliver and perform the terms and obligations of this Agreement, including, without limitation, the right, power and authority to issue and sell the T.I.F. Bonds for payment of the T.I.F. Improvements.

IV.

Construction Of The Shopping Center And Other Improvements.

4.01 Developer's Covenant to Redevelop. Promptly after the date hereof, Developer shall redevelop the Property in accordance with the Redevelopment Plan, the ordinances adopted with respect to the Redevelopment Project Area referred to in the Recitals (the "Ordinances") and the Site Plan attached hereto as Exhibit M and incorporated herein by reference and shall plan and construct a multi-tenant retail shopping center (the

"Shopping Center") consisting primarily of a one-story part two-story structure containing approximately 153,000 square feet of gross leasable area, approximately 6 outlot buildings aggregating approximately 33,000 square feet of gross leasable area, parking for approximately 660 cars and landscaping, all as more particularly described on Exhibit F consistent with the Redevelopment Plan and the Ordinances, in accordance with the Plans and Specifications to be prepared by Developer and approved by the Department of Economic Development of the City of Chicago (the "Department") or the Commissioner as provided in this Section IV.

4.02 Time For Commencement and Completion of Improvements. Developer shall commence work on the T.I.F. Improvements within 4 months after the date of this Agreement and shall commence construction of the Shopping Center within 6 months after the date of this Agreement. Except as otherwise provided in this Agreement, Developer shall complete construction of the Shopping Center and the T.I.F. Improvements within 24 months after the date hereof.

4.03 Compliance With Laws. The Shopping Center and the T.I.F. Improvements shall be constructed in accordance with the requirements of this Agreement and shall be in conformity with all applicable laws, ordinances and regulations.

4.04 Plans and Specifications. Prior to commencing construction of the Shopping Center or the T.I.F. Improvements, Developer shall cause to be delivered to the Commissioner for review and approval complete construction documents containing working drawings and specifications for such improvements ("Plans and Specifications"). Developer shall cause the Shopping Center and T.I.F. Improvements to be constructed in accordance with the Plans and Specifications approved by Commissioner. The Plans and Specifications to be prepared by Developer shall conform to the Site Plan and the Redevelopment Plan as amended from time to time, and all applicable state and local laws, ordinances and regulations. Any amendment to any of the Plans and Specifications or change in the Site Plan must be submitted by Developer to the Commissioner for approval, which approval shall not be unreasonably withheld or delayed. The Site Plan shall set forth the outline of the exterior perimeters of buildings. The location of interior walls may be changed to suit various tenants' needs without securing the City's approval. Developer may simultaneously submit Plans and Specifications to the Commissioner, the City Building Department and other City regulatory agencies as required.

4.05 Time for Submission of Plans and Specifications. The time within which the Developer shall submit its Plans and Specifications to the Commissioner, in any event, shall not be later than seventy-five (75) days from the date hereof with respect to T.I.F. Improvements and no later than ninety (90) days from the date hereof with respect to the Shopping Center.

4.06 Time for Submission of Corrected Plans and Specifications. Except as provided in subsection 4.05, the time within which Developer shall submit any new or corrected Plans and Specifications shall not be later than fifteen (15) days after the date Developer receives written notice from the Commissioner of his or her rejection of any of the Plans and Specifications referred to in the last such notice.

4.07 Time for Department Action. The time within which the Commissioner may reject the Plans and Specifications or any change in the Plans or Specifications or the Site Plan hereof shall be twenty-one (21) days after the date of Commissioner's receipt of written notice of such change. If the City disapproves any drawing, plan or specification, it shall state its reasons in a written statement to the Developer. Failure to give such written statement within the period specified in Section 4.07 shall be deemed approval by the City of such Plans and Specifications or change therein.

4.08 Limited Applicability of the Commissioner's Approval. Any approvals made by the Commissioner or the Department of the Plans and Specifications and the Site Plan are for the purposes of this Agreement only and do not affect or constitute approvals required for building permits or the approvals required pursuant to any other ordinance of the City nor does any approval by the Commissioner or the Department pursuant to this Agreement constitute approval of the quality, structural soundness or the safety of the Shopping Center, the T.I.F. Improvements and other improvements.

4.09 Time for Submission of Evidence of Equity, Capital and Mortgage Financing. Developer shall submit evidence to the Commissioner as to its commitment for equity capital and a preliminary commitment for financing from _____ for an initial first mortgage loan of not less than \$ _____ not later than the day preceding the date of the closing of the sale of the T.I.F. Bonds.

V.

Certification Of Completion.

After completion of the construction of the Shopping Center and the T.I.F. Improvements in accordance with this Agreement, the Commissioner, at the Developer's request, shall promptly furnish Developer with an appropriate instrument so certifying. The certification by the Commissioner shall be conclusive determination of satisfaction and termination of the covenants in this Agreement with respect to the obligations of Developer and its successors and assigns to construct or cause to be constructed the Shopping Center and the T.I.F. Improvements. The certification shall be in such form as will enable it to be recorded. The Commissioner shall respond to Developer's request within sixty (60) days after the Commissioner's receipt thereof, either with a certificate of completion or a written statement, indicating in adequate detail, how Developer has failed to complete the construction in conformity with the Redevelopment Plan or this Agreement, or is otherwise in default, and what measures or acts will be necessary, in the opinion of the Commissioner, for Developer to take or perform in order to obtain the certification. If the Commissioner requires additional measures or acts of Developer to assure compliance, Developer shall resubmit a written request for a certificate of completion upon compliance with the Commissioner's response. Failure of the City to respond to Developer's request for a certificate of completion within such sixty (60) day period shall be deemed an approval of the completion of the Project.

VI.

Utility Connections And Permit Fees.

6.01 Utility Connections. The City hereby agrees that Developer shall have the right to connect all on-site water lines and sanitary and storm sewer lines constructed on the Property to City utility lines existing on the Property or near the perimeter of the Property, provided that Developer complies with all requirements of general applicability promulgated by the City for such connections.

6.02 Permit Fees. The City agrees that Developer shall be obligated to pay, in connection with the development of the Shopping Center, only those buildings, permit, engineering, tap on, and inspection fees that are assessed on a uniform basis throughout the City and are of general applicability to other property within the City.

VII.

Performance Bond.

Developer shall require each contractor and subcontractor for the T.I.F. Improvements and the Shopping Center to be bonded to the extent they actually engage in construction work as a Major Construction Contractor (as herein defined). With respect to construction of the Shopping Center, however, Major Construction Contractors shall be bonded, with the City being shown as additional obligee, as required by Construction Lender, provided that the bonds are in form, substance and amounts reasonably satisfactory to the City. A "Major Construction Contractor" is any contractor or subcontractor performing work or supplying materials for the Project in an amount of Two Hundred Thousand Dollars (\$200,000) or more. Bonds required by this Section shall be issued by sureties having a AA rating or better using American Institute of Architects' form No. A311 or its equivalent with the City being shown as obligee.

VIII.

T.I.F. Improvements.

8.01 Developer Authorized To Construct Certain T.I.F. Improvements. In order to further the development of the Redevelopment Project Area, the City hereby authorizes Developer to cause the T.I.F. Improvements as set forth in Exhibit C, to be carried out in accordance with this Agreement and the Plans and Specifications approved by the City pursuant to Section IV at an aggregate cost not to exceed the costs set forth in Exhibit C.

8.02 Bid Requirement. Prior to entering into an agreement with a contractor for construction of the T.I.F. Improvements, Developer shall solicit bids from qualified contractors eligible to do business with and having an office located in the City. Developer shall solicit bids in accordance with the requirements of the Illinois Purchasing Act, Ill. Rev. Stat. Ch. 24, par. 8-10-1 *et seq.*, a copy of which is attached hereto as Exhibit G and incorporated herein by reference and the City Guidelines attached hereto as Exhibit H. Developer shall select the contractor submitting the lowest responsible bid who can complete the T.I.F. Improvements in a timely manner. The City shall have the right to inspect all bids submitted and shall have final approval over the selection of the Contractor. Developer shall enter into a contract with said contractor in accordance with this Agreement to build said T.I.F. Improvements. The contract shall conform to the guidelines prescribed by the Purchasing Agent of the City of Chicago for city purchasing contracts and provide for payment in accordance with this Agreement and the Bond Ordinance. Nothing herein contained shall be construed to permit construction to commence before the Plans and Specifications for the Work are completed and approved by applicable City departments as provided in this Agreement. Developer shall incorporate into the contract with each contractor all obligations contained in this Agreement regarding construction of the T.I.F. Improvements, compliance with the First Source and Affirmative Action Agreements, and shall require each contractor to include all such requirements in each subcontract.

8.03 City T.I.F. Improvements. Notwithstanding anything contained in this Agreement to the contrary, the City shall prepare the plans and specifications for, and install, the City T.I.F. Improvements as designated on Exhibit D. The cost of such design and construction shall be paid for from the T.I.F. Funds specifically allocated for said City T.I.F. Improvements. The City further reserves the right to complete additional improvements (which shall be deemed City T.I.F. Improvements) necessary to protect the health, safety or welfare of the public, as may be determined by the City and pay for the cost thereof from the T.I.F. Funds.

8.04 Costs of T.I.F. Improvements. The parties anticipate that the T.I.F. Funds will be sufficient to pay for the construction of the T.I.F. Improvements and City T.I.F. Improvements. If the costs of the T.I.F. Improvements undertaken by Developer as described in Exhibit C or the costs of the City T.I.F. Improvements undertaken by the City as described in Exhibit D are in excess of the amounts specifically allocated for such improvements as set forth in Exhibit C or Exhibit D, as the case may be, Developer shall be fully responsible for, and shall hold the City harmless from all costs and expenses of completing the T.I.F. Improvements and the City T.I.F. Improvements in excess of the allocated T.I.F. Funds. If any portion of the T.I.F. Improvements listed in Part I of Exhibit C are completed or anticipated to be completed, at a cost which is less than the amount listed on any line item contained in Exhibit C, the savings shall first be applied to any excess costs for the City T.I.F. Improvements, then to other T.I.F. Improvements listed in Part I of Exhibit C, and subject to the approval of the Department, any amounts remaining shall be applied to T.I.F. Improvements listed on Part II of Exhibit C. If costs savings yet remain after completion of all T.I.F. Improvements listed in Exhibit C and City T.I.F. Improvements, then remaining T.I.F. funds may or may not be applied to other T.I.F. eligible Redevelopment Project Costs (as defined in the Bond Ordinance) at the Department's sole discretion.

8.05 Preconditions For Disbursement Of T.I.F. Funds.

Developer understands that the T.I.F. Funds shall not be available for disbursement unless that is compliance with certain preconditions set forth in the Bond ordinance, the Private Placement Memo or that certain Purchase Contract dated _____ between the City and _____ (the "Purchase Contract"). Developer agrees to comply and satisfy the preconditions to disbursement of the T.I.F. funds as provided in the Bond Ordinance, Private Placement Memo or the Purchase Contract, and shall furnish evidence of compliance with such preconditions prior to disbursement of the T.I.F. Funds.

IX.

Failure Of Developer To Complete T.I.F. Improvements.

If Developer fails to complete the T.I.F. Improvements in accordance with the terms hereof, after notice and after expiration of all cure periods as provided for herein, then the City shall have the right (but not the obligation) to complete said improvements and to pay for the costs thereof (including interest costs) out of the T.I.F. Funds, as appropriate. If and to the extent, the aggregate cost of the City of completing T.I.F. Improvements and City T.I.F. Improvements exceed the amount of T.I.F. funds available for such purpose, Developer agrees to pay to the City all costs and expenses expended by the City to complete the T.I.F. Improvements and City T.I.F. Improvements in excess of the T.I.F. Funds then available for disbursement together with interest thereon at the rate of interest per annum being paid on the T.I.F. Bonds from the date expended until paid.

X.

Disbursement And Obligations.

10.01 T.I.F. Bonds. The parties agree that tax increment allocation financing implemented in accordance with the terms and provisions of the Act shall be the primary source of funding for the T.I.F. Improvements and City T.I.F. Improvements, provided however, Developer shall pay the amount to which the actual costs of the T.I.F. Improvements and City T.I.F. Improvements exceed the T.I.F. funds. The City agrees to issue bonds in accordance with the Bond Ordinance (the "T.I.F. Bonds") in an amount not to exceed \$5,585,000. The City agrees to apply the proceeds realized upon the sale of T.I.F. Bonds to the extent available to the costs and in the manner set forth in the Bond Ordinance. In no event shall the T.I.F. Bonds be or become general obligations of the City nor shall the costs of the T.I.F. Improvements and City T.I.F. Improvements be paid from any funds other than the T.I.F. Funds or Developer's own funds.

10.02 Depository of Funds. The City, in its sole discretion, with consent of the underwriter from the T.I.F. Bonds, and subject to the terms of the Bond Ordinance, shall determine whether the T.I.F. Funds shall be held by the City Treasurer for disbursement on an "as expended" basis as provided in this Section or deposited with the Trustee (as defined in the Bond Ordinance but herein referred to as the "Depository") chosen by the City and designated as a depository for City funds.

10.03 Disbursement of Funds. The parties shall enter into a construction escrow agreement (the "Escrow") in form and substance customarily used by the City for projects similar in nature to the Project and reasonably acceptable to the City and Developer with a title insurance company reasonably acceptable to both parties (the "Escrowee"). The Escrow shall allow Developer to present the Escrowee with invoices and accompanying documentation approved for payment by the Commissioner after inspection and approval of work completed for which payment is being submitted. Not less than fourteen (14) days before Developer submits a written request for payment or reimbursement to the City, Developer shall notify the City that the City or the City's representative may visit the Project and submit to the City or its representative all documentation which the Developer is required to submit to the Commissioner with its written request for payment, as hereinafter provided. Not less than fourteen (14) days prior to any date upon which Developer desires payment or reimbursement hereunder to be deposited by the City or the Depository, as the case may be, into the Escrow, Developer shall submit a written request therefore to the Commissioner setting forth the amount for which payment or reimbursement is sought and, if applicable, Developer's estimate of the percentage of completion of each T.I.F. Improvement with respect to which payment or reimbursement is sought. Each request for payment or reimbursement shall be accompanied by a Developer's sworn statement recommending payment, the General Contractor's sworn statement, and such bills, contracts, invoices, contractors' sworn statements, lien waivers and other evidence as the Commissioner and the Escrowee shall reasonably require to evidence Developer's right to payment or reimbursement hereunder, and Developer's records relating to all costs paid by Developer, and such other information as is necessary for Commissioner to evaluate Developer's compliance with the terms hereof. The Commissioner shall have fourteen (14) days after receipt of any request for payment or reimbursement to approve or disapprove any such request. Upon approval of the request the City shall be obligated to promptly disburse the funds needed for such payment or reimbursement or send a disbursement authorization to the Depository authorizing payment to the Escrowee, as the case may be. In the event the Commissioner finds an error in the request or disputes the work performed in respect thereto or finds that the request is not in accordance with this Agreement, the Commissioner shall specify such error or dispute in detail in writing within such fourteen (14) days after receipt of any request for payment or reimbursement, and the request or the work shall be corrected prior to approval of the request affected. Failure of the Commissioner to respond to Developer's request for payment within such ten (10) business day period shall constitute approval of the request. No funds shall be disbursed from the Escrow until the Escrowee is prepared to issue its title insurance endorsement to the City and Developer insuring that there are no liens affecting the Redevelopment Project Area and that all documents received have been reviewed and are sufficient to waive all rights of lien.

10.04 Amount of Payment for T.I.F. Improvements. Developer shall be paid no more than the applicable amount set forth in Exhibit C for the T.I.F. Improvements. Payments

to Developer shall be made based upon the percentage of each item of work satisfactorily completed as determined in the sole judgment of the Commissioner, provided that there shall be withheld from each such payment an amount equal to 10% of such payment until such time as 50% of the T.I.F. Improvements are completed, and 5% of each such payment thereafter. The retained amount shall be held by the City or Depository, as the case may be, and shall be paid upon completion of the T.I.F. Improvements in accordance with this Agreement. No funds in excess of the amounts budgeted for each of the T.I.F. Improvements described in Exhibit C shall be disbursed unless Developer satisfies the Department that there are sufficient funds available with which to complete the remaining T.I.F. Improvements, or Developer, with the City's consent as provided in Section 10.07, has reduced the scope of the T.I.F. Improvements so that the remaining funds are adequate to pay for the cost of completion.

10.05 Amount of Payment for Redevelopment Planning and Bond Issuance Costs. Developer represents and warrants that all planning costs incurred by Developer were incurred before December 18, 1986, when the City adopted tax increment financing and created the Redevelopment Project Area.

10.06 Warranties and Representations. Each request for payment or reimbursement submitted by Developer to the Commissioner shall have incorporated therein a warranty by Developer that there are no material defects in design, materials or workmanship in the work heretofore completed and that all construction completed to date has been performed in a good and workmanlike manner in accordance with the Plans and Specifications relating thereto, and in compliance with all applicable laws, ordinances and regulations. Notwithstanding the foregoing, the Commissioner may withhold his or her approval of any request for payment or reimbursement if, and so long as, Developer or any contractor or subcontractor is in material default in connection with the redevelopment of the Shopping Center or any provision of this Agreement or the Redevelopment Plan.

10.07 Modification to T.I.F. Improvements. Developer may, with the prior written approval of the Commissioner, reduce costs which are in excess of the amounts budgeted in Exhibit C by changing the scope of the T.I.F. Improvements, provided that there is full compliance with the Redevelopment Plan and Act.

10.08 Title Insurance. At Developer's expense, Developer shall provide the City with a commitment for an owner's title insurance policy naming the City as insured in the amount of \$_____ covering the portion of the Redevelopment Project Area owned by the City or upon which T.I.F. Improvements are to be constructed. Said commitment shall be later dated and appropriately endorsed at the time of each request for payment or reimbursement.

XI.

Developer's Obligation To Obtain Other Financing.

11.01 Bank Financing. Developer agrees to procure an initial first mortgage loan in an amount no less than _____ for construction of the Project from _____ (the "Financial Institution") under the terms contained in that certain loan commitment dated _____. Developer shall not obtain its initial first mortgage loan from an alternative financial institution without the prior written consent of the Commissioner, which consent shall not be unreasonably withheld. The Developer may refinance the initial first mortgage loan prior to issuance of the Certificate of Completion provided that it provides written notice to the City of the refinancing which notice contains the substantive terms of the refinancing, the new loan is not in excess of \$ _____ plus the amount, if any, expended by Developer to complete the T.I.F. Improvements and the City T.I.F. Improvements in excess of the T.I.F. Funds and said notice is given not less than 30 days prior to the disbursement of funds resulting from the refinancing. After the issuance of the Certificate of Completion, Developer may refinance the initial first mortgage loan subject to provisions of Section XXVI.

11.02 Equity Financing. Developer agrees to contribute a minimum in equity funds for the Project, as more fully described in Exhibit I attached hereto, which is hereby incorporated by reference.

11.03 Default. Any default under the financing referred to in Sections 11.01 or 11.02 above shall be a material default under this Agreement.

XII.

Performance.

12.01 Time of the Essence. Time is of the essence of this Agreement.

12.02 Delay. For the purposes of any of the provisions of this Agreement, neither the City nor Developer, as the case may be, nor any successor in interest, shall be considered in breach of, or default in, its obligations under this Agreement in the event of any delay caused by damage or destruction by fire or other casualty, strike, shortage of materials, unusually adverse weather conditions such as, by way of illustration and not limitation, severe rain storms or below freezing temperatures of abnormal degree or quantity for an abnormal duration, tornadoes or cyclones and other like event or condition beyond the reasonable control of the party affected which in fact interferes with the ability of such party to discharge its respective obligations hereunder; nor shall either the City or Developer be considered in breach of, or default in its obligations under this Agreement, in the event of any delay resulting from the conduct of any judicial, administrative or legislative proceeding or caused by litigation or proceedings challenging the authority or right of the City or Developer to act or perform under the Redevelopment Plan, the Ordinances, or this Agreement. The City shall diligently contest any such proceedings and any appeals therefrom. The City may settle a contested proceeding at any point, so long as the settlement results in the City's ability to perform pursuant to this Agreement and so long as any such settlement does not impose additional obligations on the Developer or increase its obligations under this Agreement; provided, however, that the party seeking

the benefit of the provisions of this Section 12.02 shall, within ten (10) days after the beginning of any such enforced delay, have first notified the other party thereof in writing, and of the cause or causes thereof, and requested an extension for the period of the enforced delay.

12.03 No Waiver by Delay. Any delay by the City in instituting or prosecuting any actions or proceedings or otherwise asserting its rights shall not operate as a waiver of such rights or to deprive it of or limit such rights in any way (it being the intent of this provision that the City and the Developer should still hope otherwise to resolve the problems created by the default involved). No waiver in fact made by the City with respect to any specific default by Developer should be considered or treated as a waiver of the rights of the City with respect to any other defaults by Developer or with respect to the particular default except to the extent specifically waived in writing. No waiver in fact made by the Developer with respect to any specific default by City should be considered or treated as a waiver of the rights of the Developer with respect to any other defaults by City or with respect to the particular default except to the extent specifically waived in writing.

12.04 Breach. Upon a breach of this Agreement, either of the parties in any court of competent jurisdiction, by any action or proceeding at law or in equity, may secure the specific performance of the covenants and agreements herein contained or may be awarded damages for failure of performance or both. Before any failure of any party of this Agreement to perform its obligations under this Agreement shall be deemed to be a breach of this Agreement, the party claiming such failure shall notify, in writing, the party alleged to have failed to perform of the alleged failure and shall demand performance. No breach of this Agreement may be found to have occurred if performance has commenced to the satisfaction of the complaining party within thirty (30) days of giving such notice. In addition to the foregoing, in the event of a default under this Agreement by Developer or the Trust, the City may suspend disbursement of T.I.F. Funds until such breach is cured within the applicable cure period.

XIII.

Indemnity.

Developer hereby agrees to indemnify, defend and hold the City harmless from and against any losses, costs, damages, liabilities, claims, suits, actions, causes of action and expenses (including without limitation, attorneys' fees and court costs) suffered or incurred by the City arising from or in connection with (i) the failure of Developer or the Trust to comply with any of the terms, covenants and conditions contained in this Agreement, or (ii) the failure of the Developer, the Trust or any contractor to pay contractors, subcontractors, or materialmen in connection with T.I.F. Improvements or the Shopping Center, or (iii) the existence of any material misrepresentations or omissions in the Private Placement Memorandum dated _____ or Redevelopment Plan which are the result of information supplied or omitted by the Developer or by agents, employees, contractors, or persons acting under the control or at the request of the Developer, or (iv) the failure of

Developer to cure any misrepresentations or omissions in this Agreement or any other agreement relating hereto.

XIV.

Insurance.

Developer agrees to provide the City with all policies of insurance which the City may reasonably require in forms, coverage, companies and amounts satisfactory to the City including without limitation, comprehensive liability, workmen's compensation and builder's risk insurance coverage naming the City as an additional insured on said policies.

XV.

Department's Right To Audit Developer's Books And Records.

Developer agrees that the Commissioner shall have the right and authority to review and audit, from time to time, the books and records of the Trust, the Developer and its general partners relating to the Project, including without limitation, the T.I.F. Improvements (including Developer loan statements, general contractor's sworn statements, general contracts, subcontracts purchase orders, waivers of lien, paid receipts and invoices) in order to confirm that the T.I.F. Funds are or have been expended for purposes of undertaking the T.I.F. Improvements or other purposes permitted under the Act. Developer further agrees to incorporate the Commissioner's right to audit books and records as described herein into all contracts entered into by Developer, the Trust or any contractor with respect to this Agreement or the Project.

XVI.

Real Estate Taxes/Tax Increment Financing.

16.01 Acknowledgement of Taxes. The Trust and Developer agree: (i) that for the purpose of this Agreement the estimates of the total minimum assessed value ("Minimum Assessed Value") of the respective portions of the Property and the Project are shown on Exhibit J attached hereto and incorporated by reference herein for the years as noted on that Exhibit; and

(ii) that the real estate taxes anticipated to be generated and derived from the respective portions of the Property and the Project pledged from the incremental tax revenues described in the Bond Ordinance are estimated as shown in Exhibit E attached hereto.

16.02 No Exemption. With reference the Property and the Project or any part thereof, neither the Trust nor Developer nor any assignee or transferee of, or successor in interest to, either the Trust or the Developer shall for any year that the Chatham Ridge Tax Increment Redevelopment Area Plan and Project as provided in the Ordinances, as may be amended from time to time, is in effect apply for, seek, or authorize any exemption (as such term is used and defined in the Illinois Constitution, Article IX, Section 6 (1970).

16.03 No Reduction. Neither the Trust nor Developer nor any agent, representative, lessee, tenant, assignee or transferee of, or successor in interest to, either the Trust or Developer shall for any year referred to in Exhibit E attached hereto directly or indirectly, initiate, apply for, or seek to lower the assessed values below the amount of the Minimum Assessed Value as shown in Exhibit J while any portion of the T.I.F. Bonds are outstanding.

16.04 No Objections. Neither the Trust nor Developer nor any agent, representative, lessee, tenant, assignee or transferee of, or successor in interest to, Developer or the Trust shall, for any year referred to in Exhibit E or for any year that the Chatham Ridge Tax Increment Redevelopment Area Plan and Project is in effect, as may be amended from time to time, object to or in any way seek to prevent, on procedural or any other grounds, the filing of any underassessment complaint with, and full participation in all related proceedings before, the Cook County Assessor or the Cook County Board of Appeals, by either the City, or by any taxpayer.

16.05 Understanding of the Parties. The foregoing covenants in subsections 16.02, 16.03 and 16.04 above shall be construed and interpreted as an express agreement by Developer with the City that a major incentive inducing the City to enter into the arrangements and transactions described in this Agreement is to increase the assessed valuation of and the general real estate taxes payable with respect to the Property and Project. This Agreement and the Exhibits attached hereto may be used by the City, in the City's discretion, as admissions against Developer's interest in any proceeding.

16.06 Covenants Running with Land. The parties agree that the restrictions contained in this Section 16 are covenants running with the land and a memorandum thereof or this Agreement shall be recorded with the Cook County Recorder of Deeds. These restrictions shall be binding upon the Trust and Developer, and their respective agents, representatives, tenants, lessees, successors, assigns and transferees from and after the date hereof; provided, however that the covenants shall be null and void if and when the T.I.F. Bonds have been fully redeemed or paid. The Trust and Developer agree that any sale, conveyance or transfer of title to all or any portion of the Property from and after the date hereof shall be made subject to such covenants and restrictions. The Trust and Developer further agree, that to the extent either of them is obligated to pay any portion of the real estate tax bills for the Property, they shall pay such taxes promptly before the date of delinquency of such tax bills.

XVII.*City Fees.*

At time of the closing of the sale of the T.I.F. Bonds, the City shall be paid a fee of \$100,000.00 out of T.I.F. Funds to reimburse various departments of the City for the cost of administration and monitoring of the construction of the T.I.F. Improvements and the City T.I.F. Improvements and legal and other expenses incurred by the City with respect to the T.I.F. Improvements and the City T.I.F. Improvements.

XVIII.*Restrictions.*

The Trust and the Developer agree for themselves, their successors and assigns, and every successor in interest to the Property, or any part thereof, that the Trust, Developer and their successors and assigns shall:

- A. develop the Property in accordance with the uses set forth herein and in the Redevelopment Plan; and
- B. not discriminate upon the basis of race, color, religion, sex or national origin, in the sale, lease or rental, or in the use or occupancy of the Property or any improvements located or to be erected thereon, or any part thereof.

XIX.*Transfers And Encumbrances.*

19.01 Prohibition Against Transfers. Prior to the issuance of a certificate of completion for the T.I.F. Improvements and the Shopping Center, neither the Trust nor Developer shall make, create or suffer to be made any sale, transfer, assignment, or conveyance with respect to this Agreement or the Property, or any part thereof or any interest therein, including without limitation, any transfer or assignment of the beneficial interest in the Trust or any part thereof, or contract or agree to do any of the same, without the prior written approval of the Commissioner, which approval may not be unreasonably withheld, except Developer may mortgage the Property pursuant to Section XI.

19.02 Limitation Upon Encumbrance of Property. Prior to the issuance of a certificate of completion for the T.I.F. Improvements and the Shopping Center, neither Developer, the Trust nor any successor in interest to the Property or the beneficial interest in the Trust

shall engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Property, except as specifically permitted in this Agreement.

XX.

Covenants Running With The Land.

It is intended and agreed, that all covenants provided in Sections II, IV, VII, VIII, IX, X, XI, XII, XIII, XIV, XV, XVI, XVII, XVIII, XIX, XX, XXIV, XXV, and XXVI of this Agreement on the part of the Trust or Developer to be performed or observed shall be covenants running with the land binding to the fullest extent permitted by law and equity on the Trust and the Developer and their respective agents, representatives, tenants, lessees, successors, assigns and transferees from and after the date hereof for the benefit and in favor of, and enforceable by the City, and any successor in interest to the Property, or any part thereof, and the owner of any other land (or of any interest in such land) in the Redevelopment Project Area which is subject to the land use requirements and restrictions of the Redevelopment Plan; provided, however, that the covenants with respect to the construction of the T.I.F. Improvements shall be released upon the filing of the Certificate of Completion with the Recorder of Deeds of Cook County, Illinois.

XXI.

Amendment.

This Agreement, and any exhibits attached hereto, may be amended only by the mutual consent of the parties by the adoption of an ordinance or resolution of the City approving said amendment, as provided by law, and by the execution of said amendment by the parties or their successors in interest.

XXII.

No Other Agreements.

Except as otherwise expressly provided herein, this Agreement supersedes all prior agreements, negotiations and discussions relative to the subject matter hereof and is a full integration of the agreement of the parties.

XXIII.

Consent.

Except as otherwise provided in this Agreement, whenever herein consent or approval of either party is required, such consent or approval shall not be unreasonably withheld.

XXIV.

Conflict Of Interest: City's Representatives Not Individually Liable.

No member, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement; or shall any such member, official, or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is directly or indirectly interested. No member, official, or employee of the City shall be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to Developer or successor or on any obligation under the terms of this Agreement.

XXV.

Equal Employment Opportunity.

The Trust and Developer, for themselves and their successors, assigns, contractors, subcontractors, tenants and lessees, agree that so long as any T.I.F. Bonds remain outstanding:

A. Developer will not discriminate against any employee or applicant for employment because of race, religion, national origin. Developer will take affirmative action to ensure that applicants are employed and employees are treated during employment without regard to their race, religion, color, 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; rates of pay or other forms of compensation; and selection for training, including apprenticeship. Developer agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the City setting forth the provisions of this nondiscrimination clause.

B. To the greatest extent feasible, Developer is required to present opportunities for training and employment that are to be given to lower income residents of the project area, hereby defined as the City of Chicago; and that contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the area of project.

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

D. Simultaneously upon the execution and delivery of this Agreement, the Developer and the City of Chicago, Mayor's Office of Employment and Training ("M.E.T.") will enter into a "First Source Agreement" to be substantially in the form attached hereto as Exhibit K and as amended from time to time by mutual consent.

E. Developer agrees to comply with the Affirmative Action Plan, attached hereto as Exhibit L, and incorporated herein by reference, and to comply with Federal and State of Illinois Equal Employment and Affirmative Action statutes, rules and regulations, including but not limited to the Illinois Human Rights Act, as in effect from time to time, and regulations promulgated pursuant thereto.

F. Developer will include the provisions of paragraphs (A), (B), (C), (D) and (E) in every contract, and will require the inclusion of these provisions in every subcontract entered into by any of its contractors, and every lease or sublease so that such provision will be binding upon each such contractor, or subcontractor, tenant or subtenant as the case may be. Failure to comply with these provisions will be a basis to institute remedies under the provision of Section XII of this Agreement. For purposes of this Section XXV, the term Developer shall be deemed to include Developer's successors, assigns, contractors, subcontractors, tenants and lessees.

XXVI.

City Equity Participation.

In the event of a Sale (as hereinafter defined) of all or any portion of the Project, Developer shall pay to the City an amount ("Equity Payment") equal to eighteen percent (18%) of the Net Proceeds (as hereinafter defined) from any such Sale, provided, however, that no Equity Payment shall be due upon a refinancing of the initial first mortgage construction loan to a permanent loan in an amount not in excess of \$ _____ plus the amount, if any, expended by Developer to complete the T.I.F. Improvements and the City T.I.F. Improvements in excess of the T.I.F. Funds. The term "Sale" shall mean the consummation of any of the following transactions: (1) any sale (including contract for sale, or sale under articles of agreement), exchange, assignment, conveyance, lease under any master lease, or any single lease covering all or substantially all of the Project, or any lease which includes any option to purchase the Project, refinancing of any debt secured by the Property or the beneficial interest in the Trust, mortgage or any further encumbrance, hypothecation or any other transfer of the Project and/or any part or interest in the Project, directly or indirectly (but excluding the transfer of an interest arising out of condemnation); or (2) any termination or liquidation of the Developer (except if Developer is a land trust); or (3) if Developer is a partnership, (a) any sale, conveyance, transfer, hypothecation, assignment or pledge by a general partner of the Developer of any of its

right, title or interest in the Developer; (b) the addition or removal of any general partner of Developer, or (c) the sale by the Developer of any limited partnership interests or the sale or transfer by any limited partners of their interests in the Developer, but in either event, only if after any such sale or transfer 50% or more of the limited partnership interests shall be owned by persons who did not own interests in the limited partnership on the date of execution of this Agreement; or (d) if Developer is a Trust, the sale, conveyance, assignment or transfer by any beneficiary of any interest in the Trust. The Term "Net Proceeds" shall mean all proceeds received from the Sale and a grant of an option less (1) repayment of the initial loan described in Section 11.01; (2) Developer's documented reasonable and customary costs and expenses approved by the City associated with a Sale, and (3) the Developer's equity as set forth in Exhibit I, and approved by the City. The Equity Payment shall be paid to the City at the closing of each Sale.

XXVII.

Mutual Assistance.

The Parties agree to take such actions, including the execution and delivery of such documents, instruments, petitions and certifications, as may be necessary or appropriate to carry out the terms, provisions and intent of this Agreement.

XXVIII.

Conveyance Of Foundations To The City.

On or before the closing of the Bonds, Developer shall cause the Johnson Products Company to convey to the City by quitclaim deed all buildings, building foundations, any improvements, building debris and construction material located below, at and above grade level of the Property at the date hereof.

XXIX.

Miscellaneous Provisions.

29.01 Definition of "Developer" to Include "Trustee". It is the intention of the parties that the word "Developer" as used herein shall be construed to include the Trust.

29.02 Remedies Cumulative. The remedies of a party hereunder are cumulative and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any of the other remedies of such party unless specifically so provided herein.

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

29.04 Exculpation Of Trustee.

29.05 Notices. All notices, certificates, approvals, consents or other communications desired or required to be given hereunder shall be in writing and shall be sufficiently given on the second day following the day on which same shall have been mailed by registered or certified mail, postage and fees prepaid, return receipt requested addressed as follows:

If To City:

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

With Copies To:

City of Chicago
Department of Economic Development
Capital Improvement Division
Room 6A
510 North Peshtigo Court
Chicago, Illinois 60611
Attention: Deputy Commissioner

City of Chicago
Department of Law
Finance and Economic
Development Division
Room 511, City Hall
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Deputy Corporation Counsel

If To Developer:

L & O Partnership No. 2
910 West Van Buren Street, Suite 700
Chicago, Illinois 60607

With Copies To:

Kai Nebel
Keck, Mahin and Cate
233 South Wacker Drive--83rd Floor
Chicago, Illinois 60606

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

29.06 Paragraph Headings. The paragraph headings and references are for the convenience of the parties and are not intended to limit, vary, define or expand the terms and provisions contained in this Agreement and shall not be used to interpret or construe the terms and provisions of this Agreement.

29.07 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

29.08 Recordation of Agreement. The parties agree to execute and deliver the original of this Agreement in proper form for recording and/or indexing in the appropriate land for governmental records.

29.09 Successors and Assignees. The terms, covenants and conditions of this Agreement are to apply to and bind the successors and assignees of the City and their successors and assigns of Developer and the Trust.

29.10 Severability. If any provision of the Agreement, or any paragraph, sentence, clause, phrase, or word, or the application thereof, in any circumstance, is held invalid, the remainder of the Agreement shall be construed as if such invalid part were never included herein and the Agreement shall be and remain valid and enforceable to the fullest extent permitted by law.

29.11 Conflict. If there is a direct conflict between any of the terms of this Agreement and the terms of the Bond Ordinance, the Bond Ordinance shall control and the parties agree that with respect to such term and conflict, they will each comply with the Bond Ordinance.

In Witness Whereof, the parties hereto have caused this Agreement to be executed on or as of the day and year first above written.

[Signature forms omitted for printing purposes.]

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for the County and State aforesaid, do hereby certify that _____, to be the managing general partner of an Illinois partnership, and 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 acknowledge that he signed said instrument as his free and voluntary act and as the free and voluntary act of said partnership for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of _____, 1987.

Notary Public

My Commission expires: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State
aforesaid, do hereby certify that _____,
_____, President and _____,
_____, Secretary of _____ as
Trustee under Trust Agreement dated and known as Trust Number
_____, a Bank organized and existing under the laws of
the _____ and 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 being _____ President and _____
Secretary, they signed and delivered the said instrument as their own free and voluntary
act and as the free and voluntary act of said Bank for the uses and purposes therein set
forth; and the said _____ Secretary, as custodian of the corporate
seal of said Bank caused the corporate seal of said Bank to be affixed to said instrument as
said _____ Secretary's own free and voluntary act
and as the free and voluntary act of said Bank for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of _____, 1987.

Notary Public

(SEAL)

My Commission expires: _____

Exhibits A through M attached to Redevelopment Agreement read as follows:

*Exhibit A.**Legal Description Of Redevelopment Site.*

The South 10 acres (except the East 370 feet as measured at right angles to the East line) of the East 1/2 of the Southeast 1/4 of Section 33, Township 38 North, Range 14, East of the Third Principal Meridian, excepting that part of aforesaid 10 acres taken for Public Street, recorded May 22, 1916 as document 5837765, in Cook County, Illinois.

The South 300 feet of the North 25 acres of the South 35 acres of the East 1/2 of the Southeast 1/4 of Section 33, Township 38 North, Range 14, East of the Third Principal Meridian lying West of a line that is 370 feet (measured perpendicularly) West of and parallel to the East line of said Section 33, in Cook County, Illinois.

The South 51.50 feet of the West 450.00 feet of the South 351.00 feet of the North 25 acres of the South 35 acres of the East 1/2 of the Southeast 1/4 of Section 33, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

*Exhibit B.**Legal Description Of Redevelopment Project Area.***Parcel I.**

That Part Of The South 35.00 Acres (Except The East 304 Feet As Measured At Right Angles To The East Line Thereof) Of The East 1/2 Of The Southeast 1/4 Of Section 33, Township 38 North, Range 14 East Of The Third Principal Meridian In Cook County, Illinois, Lying South Of The Following Described Line:

Commencing At A Point In The East Line Of The Aforesaid South East 1/4 That Is 629.10 Feet North Of The South East Corner Of The Aforesaid Section 33; Thence West In A Line Parallel To The South Line Of The Aforesaid South East 1/4 (Being The North Line Of The South 300 Feet Of The North 25.00 Acres Of The Said South 35 Acres) To A Point That Is 450.00 Feet East Of The West Line Of The Aforesaid East Half Of The South East 1/4; Thence North On A Line At A Right Angle To The Last Described Line A Distance Of 51.5 Feet; Thence West On A Line At A Right Angle To The Last Described Line And Parallel To The South Line Of The Aforesaid South East 1/4 A Distance Of 450.00 Feet More Or Less To The West Line Of The East 1/2 Of The Southeast Quarter Of Said Section 33, Including That Part Falling In West 87th Street.

Parcel II.

That Part Of The Northeast Quarter And The East 1/2 Of The Northwest 1/4 Of Section 4, Township 37 North, Range 14 East Of The Third Principal Meridian In Cook County, Illinois Lying Northerly Of The Southerly Line, And Said Southerly Line Extended, Of West 87th Street, West Of A Line 304 Feet (Measured At Right Angles Thereto) West Of The East Line Of Said Northeast 1/4 Section And East Of The West Line Of Parnell Avenue.

Parcel III.

That Part Of The West 1/2 Of The Southeast 1/4 Of Section 33, Township 38 North, Range 14 East Of The Third Principal Meridian, In Cook County, Illinois Lying South Of The South Line, And Said South Line Extended West, Of Lots 4 And 14 In Seymour Estate Subdivision (A Subdivision Of The West 1/2 Of The Said Southeast Quarter) And Including 87th Street And Holland Road Falling Within, Excepting Therefrom That Portion Of The Above Described Land Lying South And Adjoining Lots 4 And 14 In Said Seymour Estate Subdivision Bounded As Follows: Commencing On A Point On The Center Line Of South Stewart Avenue Extended Southerly, Which Point Is Also On The Southerly Line Of Said Lot 4, Extended Westerly; Thence Easterly Along Said Extended Line And The Southerly Lines Of Said Lots 4 And 14, 815 Feet, More Or Less; Thence Southerly At Right Angles To The Last Described Line 125 Feet, More Or Less; Thence Westerly On a Line Parallel To The Southerly Line Of Said Lots 4 And 14, A Distance Of 500 Feet; Thence Southerly On A Line At Right Angles To The Last Described Line, A Distance Of 625.00 Feet; Thence Westerly On A Line Parallel To The Southerly Line Of Said Lots 4 And 14, 312.50 Feet More Or Less To A Point On The Easterly Boundary Line Of The C.&W.I. Railroad Right-Of-Way; Thence Northwesterly Along Said Line Until Intersecting With The Line Of The Center Line Of South Stewart Avenue Extended Southerly; Thence Northerly Until Reaching The Point Of Beginning.

Parcel IV.

That Part Of The East 1/2 Of The West 1/2 Of Section 33, Township 38 North, Range 14 East Of The Third Principal Meridian In Cook County, Illinois Lying Southwesterly Of The Northerly Line Of 83rd Street, And Said Northerly Line Extended Northwesterly To The Westerly Line Of Vincennes Avenue And Southeasterly Of The Westerly Line Of Vincennes Avenue, (Excepting Thereof Those Parts Falling In Blocks 1 And 3 Of William O. Cole's South Englewood Park Subdivision, A Subdivision Of That Part Of South Englewood Known On The Original Plat As Steven A. Newman's Private Grounds In The East 1/2 Of The Southwest 1/4 Of Said Section Recorded September 11, 1873, Book 5, Page 99 And Block 17 Of The Plat Of Part Of South Englewood, A Subdivision Of That Portion Of Said Section, Which Lies West And Southwest Of Holland Settlement Road And South And Southeast Of Vincennes Avenue And East Of The Center Line Of The C.R.I. & P.R.R. Recorded January 16, 1873, Book 3, Page 80, And Those Parts Of 85th Street, 86th Street And 87th Street Which Lie West Of The West Line, And Said West Line Extended, Of Parnell Avenue), Including Those Parts Falling In 83rd Street, 84th Street, 87th Street And Vincennes Avenue, And Including All Those Other Streets And Alleys, Dedicated Or Otherwise, Falling Within Said Land Or Which May Revert To The Public In The Future; But Excepting Therefrom The Parcel Of Land Bounded As Follows: By The Easterly Boundary Line Of The C&W.I. Railroad Right-Of-Way, The Northerly Line Of South

Vincennes Avenue, The Northerly Line of West 83rd Street And The Westerly Line Of South Stewart Avenue, (Consisting Of Approximately 8.2206 Acres, More Or Less).

Exhibit C.

T.I.F. Improvements To Be Completed By Developer.

Part I.

1.	Building	\$1,115,000
2.	Site Improvements	1,509,886
	(a) Demolition	
	(b) Clear and remove infrastructure	
	(c) Grading	
3.	Relocate electric utility lines electrical and lighting street repair side walks and curb cuts	396,114
		\$3,021,000

Part II.

1.	Architect & Engineer fees related to tax increment financing planning	61,600
2.	Tax increment financing planning expenses	28,000
3.	Tax increment financing legal expense pertaining to plan	38,000
4.	Tax increment financing market study	2,800
		\$130,400

Exhibit D.

City T.I.F. Improvements To Be Completed By The City.

Traffic signal

\$100,000

*Exhibit E.**Estimated Tax Revenue
From The Property.*

Year	Estimated Tax Revenues
1990 (1)	\$555,246 (2)
1991	555,246
1992	555,246
1993	555,246
1994	555,246
1995	555,246
1996	555,246
1997	555,246
1998	555,246
1999	555,246
2000	555,246
2001	555,246
2002	555,246
2003	555,246
2004	555,246
2005	555,246
2006	555,246
2007	555,246

- (1) First year that Property is fully assessed.
- (2) The tax rate utilized is the 1985 tax rate of 9.719 per \$100 of assessed value.

Exhibit F.

Detailed Description Of Project.

The Chatham Ridge Community Shopping Center is a multitenant retail shopping center to be located on the south side of Chicago at 87th and the Dan Ryan Expressway. The site will consist primarily of a one-story part two-story structure containing approximately 153,000 square feet of gross leaseable area, approximately 6 outlot buildings containing approximately 33,000 square feet of gross leaseable area and parking for approximately 660 cars. The shopping center will accommodate approximately eighteen (18) retailers, both nationally and locally based. Some of the retailers who have expressed interest in the site include Pier 1 Imports, Child World, Kids R-Us, Saxons, Montgomery Wards and T.J. Max.

The Center is scheduled to open in the Fall of 1988. Development of the shopping center will provide approximately 225 construction jobs and an additional 450 jobs at the retail service level.

[Exhibit G attached to this Redevelopment Agreement
printed on pages 5933 through 5938
of this Journal.]

Exhibit H.

City's Guidelines For Bidding.

(To Be Inserted Prior To Execution.)

Exhibit I.

Developer's Equity Contribution.

(To Be Added Prior To Closing.)

(Continued on page 5939)

**DIVISION 10. PURCHASING AND PUBLIC WORKS
CONTRACTS IN CITIES OF MORE THAN 500,000**

Par.

- 8-10-1. Short title.
- 8-10-2. Additional powers and duties.
- 8-10-3. Purchase orders and contracts—Competitive bids.
- 8-10-4. Contracts not requiring competitive bids.
- 8-10-5. Emergency contracts.
- 8-10-6. Requisition agents.
- 8-10-7. Advertisements for bids—Deposits.
- 8-10-8. Collusion among bidders and disclosures—Prohibition.
- 8-10-9. Opening of bids.
- 8-10-10. Awarding of contracts—Filing of purchase order or contract—Public inspection.
- 8-10-11. Responsibility of bidders—Determination.
- 8-10-12. Rejection of bids.
- 8-10-13. Bonds of bidders.
- 8-10-14. Assignment of contracts.
- 8-10-15. Purchasing agents—Tenure—Removal—Salary—Bond—Exemption from civil service.
- 8-10-16. Purchasing agent—Powers and duties.
- 8-10-17. Revolving fund—Pecuniary interest in contracts—Penalty.
- 8-10-18. Purchasing agent—Execution of contracts.
- 8-10-19. Board of standardization—Powers and duties.
- 8-10-20. Ordinances—Adoption and publication.
- 8-10-21. Contracts executed in violation of this division—Effect.
- 8-10-22. Local improvement contracts.
- 8-10-23. Audits of expenditures—Reports.
- 8-10-24. Specifications relating to construction, alteration, rehabilitation or repair of realty—Preparation—Approval—Modification.

8-10-1. Short title

§ 8-10-1. This division shall be known and is hereafter designated as "Municipal purchasing act for cities of 500,000 or more population."

8-10-2. Additional powers and duties

§ 8-10-2. In addition to all the rights, powers, privileges, duties, and obligations conferred thereon elsewhere in this division or any other Acts, all cities of 500,000 or more population shall have the rights, powers and privi-

leges and shall be subject to the duties and obligations conferred thereon by this Division 10.

8-10-3. Purchase orders and contracts—Competitive bids

§ 8-10-3. Except as otherwise herein provided, all purchase orders or contracts of whatever nature, for labor, services or work, the purchase, lease, or sale of personal property, materials, equipment or supplies, involving amounts in excess of \$10,000, made by or on behalf of any such municipality, shall be let by free and open competitive bidding after advertisement, to the lowest responsible bidder, or in the appropriate instance, to the highest responsible bidder, depending upon whether such municipality is to expend or to receive money. All such purchase orders or contracts, as defined above, which shall involve amounts of \$10,000, or less, shall be let in the manner described above whenever practicable, except that such purchase orders or contracts may be let in the open market in a manner calculated to insure the best interests of the public, after solicitation of bids by mail, telephone, or otherwise. The provisions of this Section are subject to any contrary provision contained in "An Act concerning the use of Illinois mined coal in certain plants and institutions", filed July 13, 1937, as heretofore and hereafter amended.¹

Amended by P.A. 81-1376, § 1, eff. Aug. 9, 1980.

¹ Chapter 29, § 36 et seq.

8-10-4. Contracts not requiring competitive bids

§ 8-10-4. Contracts which by their nature are not adapted to award by competitive bidding, such as but not limited to contracts for the services of individuals possessing a high degree of professional skill where the ability or fitness of the individual plays an important part, contracts for supplies, materials, parts or equipment which are available only from a single source, contracts for printing of finance committee pamphlets, comptroller's estimates, and departmental reports, contracts for the printing or engraving of bonds, water certificates, tax warrants and other evidences of indebtedness, contracts for utility services such as water, light, heat, telephone or telegraph, and contracts for the purchase of magazines, books, periodicals and similar articles of an educational or instructional nature, and the binding of such magazine, books, periodicals, pamphlets, reports and similar articles shall not be subject to the competitive bidding requirements of this Article. The purchasing agent hereinafter provided for is hereby expressly authorized to procure from any federal, state or local governmental unit or agency thereof such materials, supplies, commodities or equipment as may be made available through the operation of any legislation heretofore or hereafter enacted without conforming to the competitive bidding requirements of this Division 10. Regular employment contracts in the municipal service, whether with respect to the classified service or otherwise, shall not be subject to the provisions of this Division 10, nor shall this Division 10 be applicable to the granting or issuance pursuant to powers conferred by laws, ordinances or resolutions, of franchises, licenses, permits or other authorizations by the corporate authorities of the municipality, or by departments, offices, institutions, boards, commissions, agencies or other instrumentalities thereof, nor to contracts or transactions, other than the sale or lease of personal property, pursuant to which the municipality is the recipient of money. The purchasing agent may sell or cause to be loaned with proper surety, materials common only to the municipal water distribution sys-

tem, to such corporations and individuals, upon a proper showing that they are unable to obtain such materials for the purpose of obtaining water from the water system, or while awaiting shipment from manufacturers or vendors of such material, provided, that proper charges for the sale of such material shall be made to such extent as to save the municipality from monetary losses in such transactions.

Amended by Laws 1967, p. 3599, eff. Sept. 5, 1967.

8-10-5. Emergency contracts

§ 8-10-5. In the case of an emergency affecting the public health or safety, so declared by the corporate authorities of the municipality at a meeting thereof duly convened, which declaration shall require the affirmative vote of a majority of all the members thereof and shall set forth the nature of the danger to the public health or safety, contracts may be let to the extent necessary to resolve such emergency without public advertisement. The resolution or ordinance in which such declaration is embodied shall fix the date upon which such emergency shall terminate, which date may be extended or abridged by the corporate authorities as in their judgment the circumstances require.

The purchasing agent hereinafter provided for, may purchase or may authorize in writing any agency of such municipal government or of the institutions, boards or commissions thereof, if any, to purchase in the open market without filing requisition or estimate therefor, and without advertisement, any supplies, materials or equipment, for immediate delivery to meet bona fide operating emergencies where the amount thereof is not in excess of \$40,000. A full written account of any such emergency together with a requisition for the materials, supplies or equipment required therefor shall be submitted immediately to the purchasing agent and shall be open to public inspection for a period of at least one year subsequent to the date of such emergency purchase. The exercise of the authority herein vested in the purchasing agent in respect to purchases for such bona fide operating emergencies shall not be dependent upon a declaration of emergency by the corporate authorities under the first paragraph of this section.

Amended by P.A. 81-1376, § 1, eff. Aug. 9, 1980.

8-10-6. Requisition agents

§ 8-10-6. The responsible head of each major department, office, institution, board, commission, agency or instrumentality of such municipal government shall certify in writing to the purchasing agent the names of such officers or employees who shall be exclusively authorized to sign requests for purchase for such respective department, office, institution, board, commission, agency or instrumentality, and all requests for purchase shall be void unless executed by such certified officers or employees and approved by the purchasing agent.

Except as to emergency contracts authorized by Section 8-10-5, no undertaking involving amounts in excess of \$10,000 shall be split into parts, by the requisitioning agent or otherwise, so as to produce amounts of \$10,000 or less, for the purpose of avoiding the provisions of this Division 10.

The term "responsible head" as used herein shall, in the case of the corporate authorities of the municipality, be such member, members, or committee thereof as shall be

designated by appropriate resolution or order adopted by such corporate authorities.

Amended by P.A. 81-1376, § 1, eff. Aug. 9, 1980.

8-10-7. Advertisements for bids—Deposits

§ 8-10-7. All proposals to award purchase orders or contracts involving amounts in excess of \$10,000 shall be published at least 10 days, excluding Sundays and legal holidays, in advance of the date announced for the receiving of bids, in a secular English language daily newspaper of general circulation throughout such municipality and shall simultaneously be posted on readily accessible bulletin boards in the office of the purchasing agent. Nothing contained in this section shall be construed to prohibit the purchasing agent from placing additional announcements in recognized trade journals. Advertisements for bids shall describe the character of the proposed contract or agreement in sufficient detail to enable the bidders thereon to know what their obligations will be, either in the advertisement itself, or by reference to detailed plans and specifications on file at the time of the publication of the first announcement. Such advertisement shall also state the date, time and place assigned for the opening of bids, and no bids shall be received at any time subsequent to the time indicated in the announcement. However, an extension of time may be granted for the opening of such bids upon publication in a secular English newspaper of general circulation throughout such municipality of the date to which the bid opening has been extended. The time of the bid extension opening shall not be less than 5 days after the publication thereof, Sundays and legal holidays excluded.

Cash, cashier's check, a certified check or a comptroller's certificate of moneys owed the particular vendor, as a deposit of good faith, in a reasonable amount but not in excess of 10% of the contract amount may be required of each bidder by the purchasing agent on all bids involving amounts in excess of \$10,000 and, if so required, the advertisement for bids shall so specify.

Amended by P.A. 81-1376, § 1, eff. Aug. 9, 1980.

8-10-8. Collusion among bidders and disclosures—Prohibition

§ 8-10-8. Any agreement or collusion among bidders or prospective bidders in restraint of freedom of competition by agreement to bid a fixed price, or otherwise, shall render the bids of such bidders void. Each bidder shall accompany his bid with a sworn statement, or otherwise swear or affirm, that he has not been a party to any such agreement. Any disclosure in advance of the opening of bids, of the terms of the bids submitted in response to an advertisement, made or permitted by the purchasing agent shall render the proceedings void and shall require re-advertisement and re-award.

8-10-9. Opening of bids

§ 8-10-9. All sealed bids shall be publicly opened by the purchasing agent of such municipality, or by an officer or employee in the office of the purchasing agent duly authorized in writing by the purchasing agent to open such bids, and all such bids shall be open to public inspection in the office of the purchasing agent for a period of at least 48 hours before award is made.

8-10-10. Awarding of contracts—Filing of purchase order or contract—Public inspection

§ 8-10-10. The award of any contract involving amounts in excess of \$10,000 shall be made by the purchasing agent to the lowest or highest responsible bidder as provided in Section 8-10-3. Every contract involving amounts in excess of \$10,000 shall be signed by the mayor or his duly designated agent, by the comptroller and by the purchasing agent, respectively, of such municipality. Each bid, with the name of the bidder, shall be entered on a record which record with the name of the successful bidder indicated thereon, shall, after award of contract, be open to public inspection in the office of the purchasing agent of such municipality.

All purchase orders or contracts involving amounts of \$10,000 or less shall be awarded by the purchasing agent to the lowest or highest responsible bidder as provided in Section 8-10-3 and shall be signed by the purchasing agent and by the comptroller.

An official copy of each awarded purchase order or contract together with all necessary attachments thereto, including assignments and written consents thereto of the purchasing agent as authorized by Section 8-10-14, shall be retained by the purchasing agent in an appropriate file open to the public for such period of time after termination of contract during which action against the municipality might ensue under applicable laws of limitation. After such period such purchase orders, contracts and attachments may be destroyed by direction of the purchasing agent.

Amended by P.A. 81-1376, § 1, eff. Aug. 9, 1980.

8-10-11. Responsibility of bidders—Determination

§ 8-10-11. In determining the responsibility of any bidder the purchasing agent may take into account other factors in addition to financial responsibility, such as past records of transactions with the bidder, experience, adequacy of equipment, ability to complete performance within a specified time limit and other pertinent considerations.

8-10-12. Rejection of bids

§ 8-10-12. Any and all bids received in response to an advertisement may be rejected by the purchasing agent if the bidder is not deemed responsible, or the character or quality of the services, supplies, materials, equipment or labor does not conform to requirements or if the public interest may otherwise be served thereby.

8-10-13. Bonds of bidders

§ 8-10-13. Bond, with sufficient sureties, in such amount as shall be deemed adequate, not only to insure performance of contract in the time and manner prescribed in the contract, but also to save, indemnify, and keep harmless the municipality against all loss, damages, claims, liabilities, judgments, costs, and expenses which may in anywise accrue against the municipality in consequence of the granting of the contract, or which may in anywise result therefrom, may be required of each bidder upon contracts involving amounts in excess of \$10,000 when, in the opinion of the purchasing agent, the public interests will be served thereby.

Amended by P.A. 81-1376, § 1, eff. Aug. 9, 1980.

8-10-14. Assignment of contracts

§ 8-10-14. No contract awarded to the lowest responsible bidder or to the highest responsible bidder, as the case may be, shall be assignable or sublet by the success-

ful bidder without the written consent of the purchasing agent. In no event shall a contract or any part thereof be assigned or sublet to a bidder who had been declared not to be a responsible bidder in the consideration of bids submitted in response to advertisement for the particular contract.

Amended by Laws 1967, p. 3599, eff. Sept. 3, 1967.

8-10-15. Purchasing agents—Tenure—Removal—Salary—Bond—Exemption from civil service

§ 8-10-15. In all municipalities within the purview of this Division 10, there shall be a purchasing agent who shall be appointed by the mayor by and with the consent of the corporate authorities of the municipality. The purchasing agent shall hold office for a term of 4 years and until his successor is appointed and qualified. Such purchasing agent may be removed from office for cause after public hearing before the corporate authorities at which hearing the purchasing agent with counsel shall be entitled to be heard. His salary shall be fixed by the corporate authorities and he shall be required to give bond, with adequate surety, for the faithful performance of his duties in an amount to be determined by the corporate authorities. He shall be exempt from the provisions of Division 1 of Article 10,¹ relating to civil service, in any municipality which has or may hereafter adopt that Division 1. In making the appointment of the purchasing agent, the mayor and corporate authorities shall give due consideration to the executive experience and ability required for the proper and effective discharge of the duties of the office, and no person shall be appointed purchasing agent unless he has served for at least 3 years in a responsible executive capacity requiring knowledge of and experience in large scale purchasing activities.

¹ Paragraph 10-1-1 et seq. of this chapter.

8-10-16. Purchasing agent—Powers and duties

§ 8-10-16. The purchasing agent may appoint the necessary employees of his office in accordance with law. The number and salaries of such employees shall be fixed by the corporate authorities. The purchasing agent shall: (a) adopt, promulgate and from time to time revise rules and regulations for the proper conduct of his office; (b) constitute the sole agent of the municipality in contracting for labor, materials, services, or work, the purchase, lease, or sale of personal property, materials, equipment or supplies, in conformity with the provisions of this Division 10; (c) open all sealed bids; (d) determine the lowest or highest responsible bidder, as the case may be, as required by this Division 10, and purchase orders in conformity with this Division 10; (e) enforce written specifications describing standards established in conformity with this Division 10; (f) operate or require such physical, chemical or other tests as may be necessary to insure conformity to such specifications with respect to quality of materials; (g) exercise, or require, at central storerooms or otherwise, such control as may be necessary to insure conformity to contract provisions with respect to quantity; (h) distribute or cause to be distributed, to the various requisitioning agencies of such municipality, such supplies, materials or equipment, as may be purchased by him; (i) transfer materials, supplies and equipment to or between the various requisitioning agencies and to trade in, sell or dispose of such materials, supplies or equipment as may become surplus, obsolete or unusable; (j) control inventories and inventory records of all stocks of materials, supplies and equipment of common usage contained in any central or principal

storeroom, stockyard or warehouse of such municipality; (k) assume such related activities as may be assigned to him from time to time by the mayor or the corporate authorities of such municipality, and (l) submit to the mayor of such municipality an annual report faithfully describing the activities of his office, which report shall be spread upon the official public records of the corporate authorities of such municipality or given comparable public distribution.

Amended by Laws 1967, p. 3599, eff. Sept. 5, 1967.

8-10-17. Revolving fund—Pecuniary interest in contracts—Penalty

§ 8-10-17. The corporate authorities of any such municipality may establish a revolving fund in such amount as may be necessary to enable the purchasing agent to purchase items of common usage in advance of immediate need, the revolving fund to be reimbursed from the annual appropriation of the requisitioning agencies. Neither the purchasing agent, nor any officer or employee of his office, nor any member of the board of standardization herein-after provided for, shall be financially interested, directly or indirectly, in any purchase order or contract coming under the purview of his official duties. The above named officials and employees are expressly prohibited from accepting, directly or indirectly, from any person, company, firm or corporation to which any purchase order or contract may be awarded, any rebate, gift, money, or anything of value whatsoever. Any officer or employee, as above defined, convicted of violating this section, shall be guilty of a business offense and shall be fined not to exceed \$10,000 and shall forfeit the right to his public office, trust or employment and shall be removed therefrom.

Amended by P.A. 77-2500, § 1, eff. Jan. 1, 1973.

8-10-18. Purchasing agent—Execution of contracts

§ 8-10-18. No department, office, institution, commission, board, agency or instrumentality of any such municipality, or any officer or employee thereof, shall be empowered to execute any purchase order or contract as defined in Section 8-10-3 except as herein specifically authorized, but all such purchase orders or contracts shall be executed by the purchasing agent in conformity with the provisions of this Division 10.

8-10-19. Board of standardization—Powers and duties

§ 8-10-19. In all municipalities to which the provisions of this Division 10 shall apply, there shall be a board of standardization, which board shall be composed of the purchasing agent for such municipality, who shall be chairman, and 6 other members who shall be appointed by the mayor of such municipality. Three of the members shall be responsible heads of a major office, department, institution, commission or board of such municipality and shall receive no compensation for their services on the board of standardization. The other 3 members may be officers or employees of the municipality but only those such members who are not officers or employees shall be entitled to receive such compensation as the corporate authorities may provide. Any member, excepting the purchasing agent, may deputize a proxy to act in his stead. The board of standardization shall meet at least once each 2 calendar months upon notification by the chairman at least 5 days in advance of the date announced for such meeting. Official action of the board shall require the vote of a majority of all members of the board. The

chairman shall cause to be prepared a report faithfully describing the proceedings of each meeting, which report shall be transmitted to each member and shall be made available to the mayor and to the corporate authorities, respectively, of such municipality within 5 days, excluding Sundays and legal holidays, subsequent to the date of the meeting.

The board of standardization shall: (a) classify the requirements of such municipality, including the departments, offices, institutions, commissions and boards thereof, with respect to supplies, materials, and equipment, of common usage; (b) adopt as standards, the smallest numbers of the various qualities, sizes and varieties of such supplies, materials and equipment as may be consistent with the efficient operation of such municipal government; and (c) prepare, adopt, promulgate, and from time to time revise, written specifications describing such standards.

Specifications describing in detail the physical, chemical and other characteristics of supplies, material or equipment to be acquired by purchase order or contract shall be prepared by the board of standardization.

In the preparation or revision of standard specifications the board of standardization shall solicit the advice, assistance and cooperation of the several requisitioning agencies and shall be empowered to consult such public or non-public laboratory or technical services as may be deemed expedient. After adoption, each standard specification shall, until rescinded, apply alike in terms and effect to every purchase or contract for the purchase of any commodity, material, supply or equipment and shall be made available to the public upon request.

Amended by Laws 1967, p. 3599, eff. Sept. 5, 1967.

8-10-20. Ordinances—Adoption and publication

§ 8-10-20. Official ordinances in conformity with the provisions of this Division 10 shall be adopted by formal action of the corporate authorities of such municipality and shall be published for the information of the public.

8-10-21. Contracts executed in violation of this division—Effect

§ 8-10-21. Any purchase order or contract executed in violation of this Division 10 shall be null and void as to the municipality and if public funds shall have been expended thereupon the amount thereof may be recovered in the name of the municipality in an appropriate action instituted therefor.

8-10-22. Local improvement contracts

§ 8-10-22. Nothing contained in this Division 10 shall be deemed to apply to the letting of contracts and accepting of bids for the construction of local improvements pursuant to Division 2 of Article 9.¹

¹ Paragraph 9-2-1 et seq. of this chapter.

8-10-23. Audits of expenditures—Reports

§ 8-10-23. The comptroller of each municipality to which this Division 10 applies shall conduct audits of all expenditures incident to all purchase orders and contracts awarded hereunder by the purchasing agent. The comptroller shall make reports on such audits to the mayor and corporate authorities.

8-10-24. Specifications relating to construction, alteration, rehabilitation or repair of realty—Preparation—Approval—Modification

§ 8-10-24. All specifications pertaining to the construction, alteration, rehabilitation or repair of any real

property of such municipality shall be prepared by the engineering agency engaged in the design of such construction, alteration, rehabilitation or repair, prior to approval by the purchasing agent, and any such specification shall form a part of any such purchase order or contract, and the performance, inspection and testing of all such contracts shall be supervised by the engineering agency designated in such contracts.

If after award of such contracts changes or modifications are necessitated therein, such changes or modifications may be accomplished or ordered in writing by the engineering agency, but if the costs thereof are estimated to exceed \$5,000 written approval of the purchasing agent must be first obtained. A modification agreement therefor shall thereafter be executed by the contractor, the mayor or his duly designated agent, by the comptroller and by the purchasing agent.

Added by Laws 1967, p. 3599, eff. Sept. 5, 1967.

DIVISION 11. CERTAIN REVENUE TAXES

Par.

- 8-11-1. Municipal Retailers' Occupation Tax Act.
- 8-11-2. Taxation of occupations or privileges.
- 8-11-3. Cigarette tax.
- 8-11-4. Motor vehicle tax.
- 8-11-5. Municipal Service Occupation Tax Act.
- 8-11-6. Municipal Use Tax Act.
- 8-11-7. Municipal Automobile Renting Occupation Tax Act.
- 8-11-8. Municipal Automobile Renting Use Tax Act.
- 8-11-9. Replacement vehicle tax.
- 8-11-9. Quarterly tax report—Contents.
- 8-11-10. Repealed.
- 8-11-11. Motor vehicle leasing tax.
- 8-11-13. Motor fuel tax—Referendum—Liability.

8-11-1. Municipal Retailers' Occupation Tax Act

§ 8-11-1. The corporate authorities of a municipality may impose a tax upon all persons engaged in the business of selling tangible personal property at retail in the municipality at the rate of not to exceed $\frac{1}{4}$ of 1% prior to October 1, 1969, and 1% commencing October 1, 1969, of the gross receipts from such sales made in the course of such business. The tax imposed by a municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the "Retailers' Occupation Tax Act", approved June 28, 1933, as amended,¹ shall permit such retailer to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of

terms, and employ the same modes of procedure, as are prescribed in Sections 1, 1a, 2² (in respect to all provisions therein other than the State rate of tax, and shall include exemptions (a-1), (a-2), (a-3), (d), (f) and (g) therein unless the corporate authorities provide otherwise by ordinance), 2c, 3³ (except as to the disposition of taxes and penalties collected and except for the provision allowing retailers a deduction from the tax to cover certain costs), 4, 5, 5a, 5b, 5c, 5d, 5e, 5f, 5g, 5h, 5i, 5j, 6⁴ (except that credit memoranda issued hereunder may not be used to discharge any State tax liability), 6a, 6b, 6c, 7, 8, 9, 10, 11, 12, 13 and 13 $\frac{1}{2}$ of the "Retailers' Occupation Tax Act", as the same are now or may hereafter be amended,⁵ as fully as if provisions contained in those Sections of the "Retailers' Occupation Tax Act" were set forth herein.

The exemption provided for in Sections 1d, 1e and 1f of the "Retailers' Occupation Tax Act", as now or hereafter amended,⁶ shall be applicable to the tax imposed by this Section, as fully as if the provisions contained in those Sections of the "Retailers' Occupation Tax Act" were set forth herein, except that the corporate authorities shall determine which officer shall certify whether a business enterprise meets the criteria specified in Section 1f of that Act; provided further, the corporate authorities must adopt an ordinance authorizing such exemption, and provided further, the corporate authorities shall determine the period during which such exemption from the taxes imposed under this Section is in effect, which shall not exceed 20 years.

The Department of Commerce and Community Affairs shall have no power to certify the eligibility of a business enterprise for the exemption from the tax imposed by this Section; nor shall the Department of Commerce and Community Affairs have power to determine the length of the exemption.

Upon adoption of the local ordinance granting the exemption, the municipal clerk shall transmit a certified copy of such ordinance to the Department of Revenue.

Persons subject to any tax imposed pursuant to the authority granted in this Section may reimburse themselves for their seller's tax liability hereunder by separately stating such tax as an additional charge, which charge may be stated in combination, in a single amount, with State tax which sellers are required to collect under the "Use Tax Act",⁷ pursuant to such bracket schedules as the Department may prescribe.

Whenever the Department determines that a refund should be made under this Section to a claimant instead of issuing a credit memorandum, the Department shall notify the State Comptroller, who shall cause the order to be drawn for the amount specified, and to the person named, in such notification from the Department. Such refund shall be paid by the State Treasurer out of the municipal retailers' occupation tax fund.

With respect to amounts paid by users to reimburse Illinois retailers for municipal retailers' occupation tax and refunded by the Department to such users pursuant to the authority granted by "An Act authorizing the Department of Revenue to make certain refunds, and making an appropriation in connection therewith", enacted by the 77th General Assembly,⁸ the Department shall determine how much is chargeable to each municipality and shall deduct the appropriate amount so determined from each such municipality's municipal retailers' occupation tax distribution or distributions from the municipal retailers' occupation tax fund, and shall have all amounts so deducted

500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1963, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979.

The indebtedness limitation set forth in this Section may be inapplicable to indebtedness incurred for the purpose of pumping water from Lake Michigan to one or more municipalities having a population of less than 500,000, whether before or after such indebtedness is incurred, if the majority of voters in such municipality approve such inapplicability at an election on the issue held in accordance with the general election law. The governing authority of any such municipality may, by proper ordinance or resolution, cause the proposition of the inapplicability of the limitation of indebtedness set forth in this Section to the indebtedness incurred for such purpose to be certified to the proper election authorities and submitted to the voters of the municipality at a regularly scheduled election in accordance with the general election law. If a majority of the votes cast on the proposition are in favor thereof, indebtedness incurred for the purpose of pumping water from Lake Michigan to one or more municipalities shall not be subject to the limitation set forth in this Section.

The indebtedness limitation set forth in this Section shall not apply to any indebtedness of any municipality incurred to finance the cost of the acquisition, construction or improvement of water or wastewater treatment facilities mandated by a compliance order issued by the United States Environmental Protection Agency or the Illinois Pollution Control Board.

Any village or incorporated town may provide by resolution, and any city may provide by ordinance, for the taking of a census of the population thereof in order to determine the number of that population for any purpose of this Division 5. The courts in this state shall take judicial notice of the population of any municipality as it appears from the latest municipal census so taken. However, no municipal census shall be taken by the authority of this section, oftener than once in 3 years.

The amendatory Act of 1978 is not a limit upon any municipality which is a home rule unit.

Amended by P.A. 84-1227, § 1, eff. July 24, 1986.

P.A. 84-1227 incorporated the amendments by P.A. 84-708 and P.A. 84-667 (see § 5-5-1, IL Rev. Stat. 1985).

DIVISION 10. PURCHASING AND PUBLIC WORKS CONTRACTS IN CITIES OF MORE THAN 500,000

Par.

8-10-7. Advertisements for bids—Deposits.

8-10-7. Advertisements for bids—Deposits

§ 8-10-7. All proposals to award purchase orders or contracts involving amounts in excess of \$10,000 shall be published at least 10 days, excluding Sundays and legal holidays, in advance of the date announced for the receiving of bids, in a secular English language daily newspaper of general circulation throughout such municipality and shall simultaneously be posted on readily accessible bulletin boards in the office of the purchasing agent. Nothing

contained in this section shall be construed to prohibit the purchasing agent from placing additional announcements in recognized trade journals. Advertisements for bids shall describe the character of the proposed contract or agreement in sufficient detail to enable the bidders thereon to know what their obligations will be, either in the advertisement itself, or by reference to detailed plans and specifications on file at the time of the publication of the first announcement. Such advertisement shall also state the date, time and place assigned for the opening of bids, and no bids shall be received at any time subsequent to the time indicated in the announcement. However, an extension of time may be granted for the opening of such bids upon publication in a secular English newspaper of general circulation throughout such municipality of the date to which the bid opening has been extended. The time of the bid extension opening shall not be less than 5 days after the publication thereof, Sundays and legal holidays excepted.

Cash, cashier's check, a certified check, a comptroller's certificate of moneys owed the particular vendor, or a bid bond with adequate surety approved by the purchasing agent as a deposit of good faith, in a reasonable amount, but not in excess of 10% of the contract amount may be required of each bidder by the purchasing agent on all bids involving amounts in excess of \$10,000 and, if so required, the advertisement for bids shall so specify.

Amended by P.A. 84-1289, § 1, eff. Aug. 11, 1986.

DIVISION 11. CERTAIN REVENUE TAXES

Par.

8-11-1. Municipal Retailers' Occupation Tax Act.

8-11-2. Taxation of occupations or privileges.

8-11-3. Municipal Service Occupation Tax Act.

8-11-4. Municipal Use Tax Act.

8-11-1. Municipal Retailers' Occupation Tax Act

§ 8-11-1. The corporate authorities of a municipality may impose a tax upon all persons engaged in the business of selling tangible personal property at retail to the municipality at the rate of not to exceed ¼ of 1% prior to October 1, 1989, and 1% commencing October 1, 1990, of the gross receipts from such sales made in the course of such business. The tax imposed by a municipality pursuant to this Section and all civil penalties that may be assessed as an incident thereof shall be collected and enforced by the State Department of Revenue. The certificate of registration which is issued by the Department to a retailer under the "Retailers' Occupation Tax Act," approved June 28, 1983, as amended,¹ shall permit such retailer to engage in a business which is taxable under any ordinance or resolution enacted pursuant to this Section without registering separately with the Department under such ordinance or resolution or under this Section. The Department shall have full power to administer and enforce this Section; to collect all taxes and penalties due hereunder; to dispose of taxes and penalties so collected in the manner hereinafter provided, and to determine all rights to credit memoranda, arising on account of the erroneous payment of tax or penalty hereunder. In the administration of, and compliance with, this Section, the Department and persons who are subject to this Section shall have the same rights, remedies, privileges, immunities, powers and duties, and be subject to the same conditions, restrictions, limitations, penalties and definitions of

(Continued from page 5932)

*Exhibit J.**Minimum Assessed Values.*

Year	Estimated Minimum Assessed Valuation	Minimum Equalized Assessed Valuation (1)
1989	\$3,158,972	\$5,713,000
1990	3,158,972	5,713,000
1991	3,158,972	5,713,000
1992	3,158,972	5,713,000
1993	3,158,972	5,713,000
1994	3,158,972	5,713,000
1995	3,158,972	5,713,000
1996	3,158,972	5,713,000
1997	3,158,972	5,713,000
1998	3,158,972	5,713,000
1999	3,158,972	5,713,000
2000	3,158,972	5,713,000
2001	3,158,972	5,713,000
2002	3,158,972	5,713,000
2003	3,158,972	5,713,000
2004	3,158,972	5,713,000
2005	3,158,972	5,713,000
2006	3,158,972	5,713,000

Year	Estimated Minimum Assessed Valuation	Minimum Equalized Assessed Valuation (1)
2007	3,158,972	\$5,713,000

- (1) The multiplier utilized is 1.8085. All figures are estimates. If the completion of the project is delayed, the assessed valued and resulting tax will apply to subsequent years.

Exhibit K.

*City Of Chicago
Chicago First Employment Plan
First Source Agreement.*

The First Source Agreement for recruitment, referral and hiring is between the City of Chicago, Mayor's Office of Employment and Training, Chicago First Office (hereinafter referred to as the "Agency"), and L & O Partnership No. 2, (hereinafter referred to as "Employer"). Under this First Source Agreement, Employer will use the Agency as its first source of recruitment and referral in hiring for "covered positions" as defined in 2A below:

Witnesseth:

Whereas, a primary objective of the City's First Source Hiring Program is to ensure that unemployed Chicago residents are considered first for jobs created through community or economic development projects subsidized with public funds; and

Whereas, Employer is a recipient, directly or indirectly, of the benefits of some form of economic assistance from the City of Chicago given, in part, in consideration for Employer's consent and commitment to negotiate and enter this First Source Agreement;

Now, Therefore, the parties hereto represent and agree as follows:

I. General Items.

- A. The Agency wishes to assure continuing employment opportunities for unemployed City residents with employers within the Chicago Metropolitan area.
- B. The Employer agrees to use the Agency as a first source of recruitment and referral in hiring for employees in covered positions. The terms of this agreement will be accomplished through the cooperation of the Chicago First Office.

- C. The Agency will provide employment recruitment and referral services to the Employer subject to the limitations set out in this agreement.
- D. This Agreement shall take effect when signed by the parties below and shall be in full force and effect so long as any T.I.F. Bonds remain outstanding.

II. Recruitment.

- A. The Agency and Employer agree that for purposes of this agreement, "covered positions" include all of the Employer's negotiated positions. These may include job vacancies made available after internal promotions and terminations or openings created by an expansion of the Employer's work force all of which will be negotiated. Nothing in this agreement will release the Employer from his obligation to interview candidates for covered positions with persons referred by the Agency except as stated below in items III (Referral) and IV (Hiring).
- B. At least twenty (20) working days prior to the anticipated hiring dates, the Employer will notify the Agency of its need for new employees in covered positions by completing a "Job Order Form" (Attachment B) for each job title. This form is to be completed in consultation with a Chicago First representative. Applicants who meet these quantifiable and objective minimum job qualifications will be deemed to be "qualified persons" for purposes of this agreement.
- C. The Employer will also notify the Agency of all position vacancies which are not "covered positions" as described in Sections IIA, B, and C, above as they occur. Notification should include qualifications, the rate of pay and the anticipated hiring dates. The Employer will also notify the Agency of the date by which the Agency must refer qualified applicants to the Employer for management, technical and professional vacancies.
- D. Job openings to be filled by internal promotion from within the Employer's local work force need not be referred to the Agency for referral and hiring. If, however, a job opening is created as a result of an internal promotion, the provisions of Section IIA above shall apply.

III. Referral.

- A. The Agency will refer eligible job applicants to the Employer in response to the notification of need for new employees described in Section II above. It will be the responsibility of the Agency to refer only qualified applicants who meet the profile of the Employer as detailed in the Job Order Form. (Attachment B)
- B. The Agency will screen applicants according to the qualifications agreed upon with the Employer.
- C. The Agency will make all referrals to the Employer no later than ten (10) working days prior to the anticipated hiring date. In the event that no referrals can be made, the employer will be notified no later than five (5) working days

prior to the anticipated hiring date. The Agency will make every reasonable effort to refer at least one qualified person for each job opening.

- D. In the event that the Agency cannot refer the total number of qualified personnel requested, the Employer will be free to directly fill remaining positions for which no qualified applicants have been referred. In this event, the Employer will make a good faith effort to hire unemployed Chicago residents.
- E. In the event the employer does not hire referred personnel the employer should, at a minimum, indicate in writing the reasons for not hiring.

IV. Hiring.

- A. The Employer will make all decisions of hiring new employees. However, the Employer agrees to make a good faith effort to hire from referrals made.
- B. The Agency will track job retention of employees hired under this agreement for 120 days following hiring. The Employer agrees to cooperate in the Agency's follow-up efforts.
- C. The Agency is required to monitor Employer's adherence to this agreement. Employer will cooperate in the Agency's monitoring efforts and will submit Quarterly Hiring Summaries in accordance with Attachment "C".
- D. After the Employer has selected its employees, the Agency will not be responsible for the employees actions, and the Employer hereby releases the Agency of any liability for their actions.

V. Controlling Regulations And Laws.

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

[Signature forms omitted for printing purposes.]

Exhibit L.

Affirmative Action Plan
For The
Chatham Ridge Shopping Center
87th And The Dan Ryan Expressway.

Policy Statement.

The City of Chicago is committed to a policy of providing fair and representative employment and business opportunities for minorities and women in order to remediate the adverse effects of historically exclusionary practices within the society, including the procurement of goods and services and the award of construction findings of past discrimination against minorities and women, and in recognition of this affirmative action policy, on December 9, 1983, the City Council of the City of Chicago adopted an Ordinance (the "Ordinance") requiring affirmative action to promote employment opportunities for minority and female workers and for residents of the City in City projects. In addition, on April 3, 1985, the Mayor of the City of Chicago issued Executive Order 85-2 requiring greater utilization of minority and female-owned business entities in the City's contracting process.

The L & O Partnership, No. 2 (the "Partnership") recognizes the importance of successful Affirmative Action Programs to the continued growth and vitality of the City of Chicago. The Partnership will establish, implement and maintain a continuing Affirmative Action Program designed to promote equal opportunity in every aspect of employment and procurement of goods and services. The program will include 1) a written affirmative action plan committing the developer to provide maximum opportunity for minorities and females in its development project; 2) designation of adequate personnel to administer the program; 3) establishment of goals which are higher than the prevailing levels for minority and female employment during both the construction period and the operation of facilities; 4) formulation of achievable goals for utilization of women/minority business enterprises in the development; 5) creation of a program to provide, in cooperation with the City of Chicago, assistance and advice in the areas of leasing, planning and marketing programs in neighborhood-based projects; 6) implementation of procedures to assure achievement of program goals, including provision of objective standards to determine how goals are being met.

The purposes of this Affirmative Action Plan are to remedy such past discriminatory underutilization of minorities and women and to promote the economic welfare of the people of the City of Chicago by assisting minority and women businesses to actively participate in the Project, and by providing employment opportunities to ensure equitable participation in the Project by minority persons, women and residents of the City of Chicago. In accordance with the guidelines and goals set forth below, the Partnership shall

implement a comprehensive strategy, encouraging and providing for the greatest practicable participation throughout the project by business enterprises owned by minorities and women, and by minority and women employees, which shall apply prospectively from the date of the Agreement. The City agrees to assist the Partnership with the implementation of the Plan as provided herein.

The terms and provisions of this Plan are deemed to satisfy the Ordinance and Executive Order 85-2. Moreover, the requirements and provisions of this Plan do not establish legal or contractual rights for any person or organization other than the City and the Partnership and their successors and assigns.

The City recognizes that it is Partnership's intent to hire qualified, responsible contractors for the construction of the Improvements. The City agrees that it is not the purpose or intent of this Plan to impose upon Partnership or its contractors the obligation or require Partnership or its contractors to take actions which significantly affect the cost of the Improvements or any portion thereof (or the operation or management thereof) or result in a delay in completion of the Improvements, and it is further understood that Partnership or its Contractors (consistent with the obligation to exercise good faith required by this Plan) shall be entitled to judge the qualifications of M.B.E./W.B.E. contractors utilized for the completion of the Improvements or the operation or management thereof.

1. Definitions.

Whenever the following words or terms are used in this Plan, unless otherwise defined, they shall have the meaning ascribed to them in this Section. Capitalized terms not defined herein shall have the meanings defined in the Agreement.

- 1.1 "Agency" shall mean the City of Chicago by its designee, initially the Department of Economic Development for all areas of administration of this Plan with the exception of certification procedures as provided in Section 3.5 hereof. The City may designate in writing any other City agency, or a City employee or consultant, to perform any function or duty required by this Plan:
- 1.2 "Agreement" means the redevelopment agreement between the City of Chicago and the Partnership dated as of _____, 1987, to which this Plan is appended.
- 1.3 "City Residents" or "Residents" shall mean persons domiciled within the City of Chicago.
- 1.4 "Component" means one of the divisions of work described below whereby M.B.E. and W.B.E. participation goals are minority and women employment goals will be applied.
- 1.5 "Contractor" means any person who has a contract with the Partnership (in which the parties do not stand in the relationship of an employer and an employee), which provides for any portion of the Partnership's obligation under the

Agreement to the performed, undertaken or assumed. "Subcontractor" means any person who has such a contract with a contractor or with a subcontractor.

- 1.6 "Controlled" shall be determined by considering the degree to which minority group members or women participate in the possession and management of the partnership, corporation or joint venture, including consideration of their participation in the decisions affecting the day-to-day management and operations of the business, and of their proportionate interest in the capital, assets, profits and losses of the business.
- 1.7 "Construction Component" means, but shall not be limited to, the performance during construction of:
- (1) Earth moving including shoring
 - (2) Demolition
 - (3) Concrete--reinforced
 - a. Forms and fabrication
 - b. Reinforced steel
 - c. Placement of concrete
 - d. Finish concrete
 - (4) Masonry--bricklayers, granite
 - (5) Structural steel
 - (6) Metal decking
 - (7) Miscellaneous metals
 - (8) Ornamental metals
 - (9) Carpentry--rough and finish
 - (10) Moisture protection (roofing, etc.)
 - (11) Fenestration--all exteriors, interiors, which will include hardware, doors, glass, etc.
 - (12) Finish trades (other than tenant improvements)
 - a. Floors
 - b. Walls

- c. Ceilings
 - d. Lath and plaster
 - e. Partitions
 - f. Tile work
 - g. Painting
 - h. Wall coverings
 - i. Carpets
- (13) Vertical transportation
 - (14) Mechanical trades
 - a. Electrical
 - b. Plumbing
 - c. Fire protection
 - d. H.V.A.C.
 - (15) Trash hauling and cleanup
 - (16) Field administration
 - (17) Water service
 - (18) Office supplies
 - (19) Security
 - (20) Janitorial
 - (21) Progress photos
 - (22) Printing
 - (23) Maintenance and mechanics
 - (24) Fencing/scaffolding
 - (25) Final cleanup

(26) Equipment rental

Excluded are: energy and utility costs; taxes; permits and fees; city services; traditionally reimbursable expenses; and tenant improvements undertaken by tenants.

- 1.8 An "Eligible" M.B.E. or W.B.E. Firm including any contractor or subcontractor providing services, products or materials in the Project, who has been certified by the Agency as provided in §3.5 below.
- 1.9 "Goals" means the targets established in this agreement for M.B.E. and W.B.E. participation in the Project, or for minority and women employment in conjunction with the Project. Goals are not quotas, but instead provide a benchmark to measure the success of the affirmative action steps taken to assure the greatest practicable M.B.E. and W.B.E. participation and minority and women employment. The establishment of specific goals herein as to M.B.E. or W.B.E. participation or minority and women employment is not intended, and shall not be used, to discriminate against any business, contractor, subcontractor, applicant or employee. Failure to meet a goal will alert the Partnership that further actions may be necessary, but shall not, by itself, establish that Purchaser has failed to use good faith efforts.
- 1.10 "Local Business" means a business located within the corporate limits of the City of Chicago, and which has the majority of its regular, fulltime work force located within the City.
- 1.11 "Minority" means a person who is a citizen or lawful permanent resident of the United States and who is Black; Hispanic, regardless of race; Asian-American and Pacific Islanders; American Indian or Alaskan native.
- 1.12. "Minority Business Enterprise" ("M.B.E.") means a business that is owned and controlled by one or more minority persons.
- 1.13 "Owned" means a business which is (1) a sole proprietorship legitimately owned by a minority person or woman, (2) a partnership or joint venture in which at least 51 percent of the beneficial ownership interest legitimately are held by minority persons or women, or (3) a corporation or other entity in which a least 51 percent of the beneficial ownership interests legitimately are held by minority persons or women.
- 1.14 "Person" or "Persons" includes any natural person, corporation, partnership, unincorporated association, or joint venture.
- 1.15 "Post-Construction Component" means all of the activities and obligations of the Partnership which may apply in the operation of the Shopping Center.

- 1.16 "Project" or "Development" means all design, construction and development of improvements required by the Agreement with the exception of the following areas of activity or cost to the extent that said areas of activities are performed by independent third party contractors:

- (1) Brokerage
- (2) Financing
- (3) Management
- (4) Syndication
- (5) Accounting
- (6) Legal Services
- (7) Architecture

- 1.17 "Small Business" means a business employing fewer than 100 employees, and which is neither dominant in its field nor the parent, affiliate or subsidiary of a business dominant in its field.

- 1.18 "Women Business Enterprise" ("W.B.E.") means a business that is owned and controlled by one or more women.

2. Administration And Monitoring.

- 2.1 Partnership's obligation under this Plan is to make good faith efforts to comply with all provisions and meet all goals set forth herein. The Agency agrees to act reasonably and not arbitrarily in administering this Plan.

- 2.2 To facilitate and assure that good faith efforts are made, Partnership will assign an Affirmative Action ("A.A.") Officer to assist with the monitoring and implementation of this Plan. Partnership will provide adequate staff and support for its A.A. Officer to administer the Plan and to act as liaison with the Agency.

- 2.3 The Partnership's A.A. Officer shall have responsibility for coordinating all of the affirmative action activities undertaken by the Partnership on the Project. The A.A. Officer's major focus shall be the implementation of the Plan, assuring good faith efforts to meet the established goals, and the documentation and reporting of the efforts and results. The duties of the A.A. Officer shall include responsibility for the following:

- (a) Ensuring that all aspects of the Plan are properly implemented; that all employment and procurement practices of the Partnership are consistent with the Plan; and that all technical or procedural phases of compliance are met.

- (b) Designing, implementing and monitoring internal record-keeping systems to measure the effectiveness of the Plan; making regular reports to management personnel on the effectiveness of the Plan; identifying problem areas and establishing programs to aid in problem solving; informing management of the latest developments in the area of affirmative action; and recommending further policies and programs to implement the Plan.
- (c) Compiling and submitting Affirmative Action Reports required by the Plan; reviewing Agency responses and recommendations; and meeting with Agency representatives when necessary to provide additional information or address problems concerning implementation of the Plan.
- (d) Reviewing and monitoring Contractor Affirmative Action Reports, including, if necessary, making periodic onsite inspections to insure reported numbers on minority and female participation and minority, women and Resident employees are reflected by actual construction work force; and meeting with, assisting and counseling contractors and trade unions as necessary on meeting minority and female hiring goals.
- (e) Developing Affirmative Action program and policy statements; making presentations to business associations, social agencies and other organizations to increase awareness of Partnership's Affirmative Action program and of its commitment to M.B.E. and W.B.E. participation and minority and women employment; and maintaining communications between the Partnership and relevant organizations as necessary.
- (f) Researching the availability of M.B.E. and W.B.E. firms and of minority and women prospective employees for business and employment opportunities.
- (g) Counseling and assisting M.B.E. and W.B.E. contractors and suppliers wishing to qualify for participation in the Development, including with respect to:
 - (1) submission of bids, (2) securing bonding and insurance, (3) formation of joint ventures with majority contractors, and (4) obtaining certification from the City of Chicago.

- 2.4 The Agency shall designate an Affirmative Action ("A.A.") Coordinator operating under the auspices of the Department of Economic Development or the Mayor's Office of Employment and Training. The A.A. Coordinator shall be responsible for the Agency's duties under the Plan, for monitoring the Plan on behalf of the Agency, and for receiving Partnership communications and Reports and transmitting Agency responses and other communications.

- 2.5 The Partnership shall require its contractors and subcontractors to furnish to its A.A. Officer reports and information reasonably requested by the Agency to implement and monitor this Plan.
- 2.6 The A.A. Coordinator shall promptly review the Affirmative Action Reports submitted by the Partnership on a monthly basis during construction and on a quarterly basis during post-construction. The A.A. Coordinator shall forward such reports to the Commissioner of the Department of Economic Development and the Mayor's Office of Employment and Training. The Commissioner and the Mayor's Office of Employment and Training is authorized to review, on behalf of the City, the administration of the Plan. Upon review of the Reports, the A.A. Coordinator may request further information pertinent to evaluation of the Plan implementation. If the Agency has any substantial concerns about the adequacy of implementation of this Plan, the A.A. Coordinator shall provide notice to the A.A. Officer within 30 days after receipt of the A.A. Reports regarding the results of the review and, if necessary, shall contact the A.A. Officer to promptly meet, and discuss and attempt to resolve areas of concern regarding implementation of the Plan. If any substantial concerns are not resolved by such discussions and negotiations, the A.A. Coordinator through the Commissioner of the Department of Economic Development or the Mayor's Office of Employment and Training shall report all negotiations regarding the adequacy of implementation of the Plan to the Contract Compliance Officer of the City of Chicago. Failure of the A.A. Coordinator to provide such notice shall be deemed approval of the Affirmative Action Reports.
- 2.7 The Partnership, through the A.A. Officer, in cooperation with the Agency, will develop two different Reports: (1) a "short form" which provides data on dollar value of total contracts awarded, dollar value of total contracts awarded to M.B.E. and W.B.E. firms, identity of participating M.B.E. and W.B.E. firms, and actual numbers and percentages of minority and women employment in the Project; and (2) a "comprehensive report" containing a narrative description of the efforts undertaken, further analysis of results and problems, if any, and suggested further steps if required. The short form Report will be submitted to the Agency's A.A. Coordinator on a monthly basis, and the Comprehensive Report on a quarterly basis, throughout the pre-construction and construction components.

3. Minority And Women Business Enterprises Participation Plan.

3.1 Introduction.

The following plan and goals are adopted by the Partnership for participation by minority and women business enterprises in the Development. The Partnership shall make good faith efforts to meet the minority and women business enterprise goals established hereunder.

3.2 Methods To Ensure M.B.E. and W.B.E. Participation.

- 3.2.1 In making reasonable good faith efforts to meet the goals for M.B.E. and W.B.E. participation, the Partnership will request the assistance of the Agency's A.A. Coordinator in referring minority and women businesses for contracts, subcontracts and other purchases. The Partnership will make the M.B.E. and W.B.E. provisions and goals set forth in Sections 3.2 and 3.3 of this Plan applicable as appropriate to all contractors and subcontractors in construction components of the Project; including appropriate provisions and goals for M.B.E. and W.B.E. participation in construction contracts let by Partnership, and requiring the inclusion of such provisions and goals in subcontracts entered into by contractors; and providing that all subcontractors must report to contractors and all contractors must report to Partnership on a monthly basis, information necessary for monitoring implementation of the Plan and reporting to the Agency concerning M.B.E. and W.B.E. participation.
- 3.2.2 The methods and procedures to achieve the goals set forth therein, and use of which may be evaluated to determine whether the Partnership has made all good faith efforts, shall include the following:
- (a) Encouragement of joint ventures between majority and M.B.E. and W.B.E. contractors as a bid package.
 - (b) Breaking out contracts into smaller packages to allow for bidding by smaller M.B.E.s and W.B.E.s.
 - (c) Advertising invitations to bid, particularly in minority media, including statements in the advertisements indicating the Partnership intent to encourage M.B.E. and W.B.E. participation in the project.
 - (d) Assisting, other than financially, M.B.E.s and W.B.E.s in obtaining bonding and insurance.
 - (e) Assisting, other than financially, M.B.E.s and W.B.E.s in submitting bids by offering Partnership's consultation.
 - (f) Assisting, other than financially, M.B.E.s and W.B.E.s in obtaining certification.
 - (g) Requesting the assistance of the Agency's A.A. Coordinator in identifying certified, pending and certifiable minority and women businesses for contracts, subcontracts and other purchases.
 - (h) Contracting the organizations listed below, or similar organizations, and soliciting assistance in obtaining M.B.E. and W.B.E. participation:
 - (a) Chicago Urban League;

- (b) Chicago Economic Development Corporation;
- (c) Chicago United;
- (d) Illinois Department of Commerce and Community Affairs Small Business Office;
- (e) Minority Economic Resource Corporation;
- (f) National Association of Women Business Owners;
- (g) Alexander Grant & Company, Minority Business Development Center;
- (h) Association of Asian Construction Enterprises;
- (i) Black Contractors United;
- (j) Hispanic-American Construction Industry Association (H.A.C.I.A.);
- (k) City of Chicago, Department of Purchases, Office of Contract Monitoring and Supplies;
- (l) National Minority Suppliers Development Council, Inc.;
- (m) Chicago Regional Purchasing Council;
- (n) Such other organizations as the City may specify from time to time.

3.2.3 If the Commissioner of the Department of Planning, in consultation with the Purchasing Agent and Contract Compliance Officer, determines that it is impossible or economically unreasonable to obtain M.B.E.'s or W.B.E.'s to perform sufficient work to fulfill the commitment stated in 3.3.2 hereof, a waiver of all or a portion of the goals may be granted.

3.3 M.B.E. and W.B.E. Participation Components and Goals.

3.3.1 The M.B.E. and W.B.E. Participation Components shall be: (1) construction; and (2) post-construction.

3.3.2 The dollar goals for participation by eligible M.B.E.s and W.B.E.s in the Construction Components shall be 50% M.B.E. and 10% for W.B.E. firms of the aggregate costs for such components, and 50% for Local Businesses.

3.3.3 To the extent practicable, the Partnership shall identify contracts requiring the expenditure of funds not exceeding \$10,000 for bids to be submitted solely by M.B.E., W.B.E., Small Business and Local Business firms.

- 3.4 Additional Provisions Concerning Calculating M.B.E. and W.B.E. Participation.
- 3.4.1 In the event that less than 51% of a Joint Venture is owned by a non- M.B.E. or non-W.B.E. partners or owners, the Partnership shall receive proportionate credit towards meeting the M.B.E. and W.B.E. goals. For example, a 25% minority-owned joint venture that receives a \$100,000 contract would entitle the Partnership to a \$25,000 credit.
- 3.4.2 Where an eligible M.B.E. or W.B.E. firm is awarded a contract, and said firm subcontracts the performance of a portion of that contract, the Partnership shall receive credit only for that portion of the contract as actually performed by the eligible M.B.E. or W.B.E. firm and for those amounts subcontracted to another eligible M.B.E. or W.B.E. firm. Partnership shall receive credit or, and there shall not be excluded, dollars spent by an eligible M.B.E. or W.B.E. firm to purchase materials and supplies specific to this project from non-M.B.E. or W.B.E. firms.
- 3.4.3 Where a firm which is not an M.B.E. or W.B.E. is awarded a contract, and said firm subcontracts a portion of that contract to an eligible M.B.E. or W.B.E. firm or Local Business, the Partnership shall receive credit of the portion of the contract subcontracted to the M.B.E. or W.B.E. firm or Local Business. Partnership shall receive credit for dollars spent by a firm which is not an M.B.E. or W.B.E. firm or Local Business to purchase materials and supplies specific to this project from an M.B.E. or W.B.E. firm or Local Business.
- 3.4.4 The Partnership shall be considered to have made a reasonable good faith effort to implement the goals and requirements of the plan if the Partnership demonstrates to the Agency that there are not sufficient M.B.E.s or W.B.E.s reasonably or readily available to fulfill the requirements of this Plan. The reasons for which such determination shall be warranted shall include, without limitation the following:
- (a) Lack of a sufficient supply of Local Businesses and certified, responsible M.B.E.s or W.B.E.s (with respect to such characteristics as financial capacity and capacity to meet the requirements of the work) in the Chicago Metropolitan Area ("S.M.A.S.").
 - (b) Inability to obtain competitive prices from available Local Businesses, M.B.E.s and W.B.E.s in the S.M.S.A., based upon prevailing prices on the open market as determined by Partnership, provided that in all such cases there shall be submitted to the Agency a statement listing the name and bid amount of each person or firm bidding on the same portion or part of the contract as bid by such M.B.E.s or W.B.E.s or Local Businesses.
 - (c) Failure of available Local Businesses, M.B.E.s or W.B.E.s to submit bids with respect to particular aspects of the Project.

- 3.5 Agency Certification Of Eligibility Of Minority And Women Business Enterprises.
- 3.5.1 The Department of Purchases, Contracts and Supplies of the City of Chicago shall develop and maintain a list of certified minority and women business enterprises, and shall be available to review the qualifications of, and certify if appropriate, any firms (identified by the Partnership or otherwise) who represent that they qualify as minority or women business enterprises. In either instance, the Department of Purchases, Contracts and Supplies shall certify each firm's (a) status as an M.B.E. or W.B.E. entity, and (b) area(s) of specialty or expertise determined by the Purchasing Agent to be most reflective of the firm's true specialty or expertise. Certification by the Agency shall be conclusive as to the M.B.E. or W.B.E. eligibility of a firm.
- 3.5.2 All requests for certification and additional information required, if any, should be submitted to the Director of the Office of Contract Monitoring and Compliance of the Department of Purchases, Contracts and Supplies of the City of Chicago with a copy of all materials to the Contract Compliance Officer and the Agency's A.A. Coordinator. Upon request, the Agency shall advise the Partnership whether a proposed or bidding M.B.E. or W.B.E. firm has been previously certified within seven (7) working days by the City and, with respect to other firms, within fourteen (14) days that (a) a firm has been certified as any M.B.E. or W.B.E., or (b) that additional information is required in order to complete the certification process. If additional information is required, such shall be furnished by the applying firm within seven days after notification by the Department of Purchasing, and a final determination shall be made relative to certification within seven days after receipt of such additional information. In all cases, applying firms and Partnership will receive at least preliminary certification or denial--upon which the Partnership may rely for the purpose of this Development and Plan-- within 28 days of initial application. If the Partnership has not received the preliminary determination within 28 days, then the proposed M.B.E. or W.B.E. firm shall be presumed to be an eligible firm for the purposes of this Plan. On request of the Partnership and applying firm the time for submission of additional information and Agency determination of eligibility shall be extended, in which case the presumption of eligibility shall not apply.
- 3.5.3 If at any time it is determined that any M.B.E. or W.B.E. certification has been falsely obtained, the Partnership may seek to cure or correct the defect by whatever remedy is necessary. The Partnership's M.B.E. and W.B.E. contracts shall provide that all such contracts and subcontracts may be terminated if (a) the contractor's or subcontractor's status as M.B.E. or W.B.E. was a factor in the award of such contract or subcontract, and (b) the status of the contractor or subcontractor was misrepresented. In such event, the Partnership shall discharge the disqualified M.B.E. or W.B.E. and, if possible identify a qualified M.B.E. or W.B.E. as its replacement.
- 3.5.4 The Partnership's minority and women business enterprise contracts shall require that all M.B.E.s and W.B.E.s report within 14 days to the Partnership's

A.A. Officer, and justify any changes in the ownership and control of the firm that occur during the duration of that contract. The partnership shall promptly notify the Purchasing Agent and the A.A. Coordinator of any and all changes in the ownership and control of an M.B.E. and W.B.E. firm.

- 3.5.5 Any disputes arising between Partnership and the City concerning the eligibility of M.B.E.s and W.B.E.s shall be resolved in accordance with the Dispute Resolution provisions contained in Section 5. The Agency's certification procedures shall be uniformly applied to all applicants. Such procedures shall not be subject to arbitration.

4. Minority And Women Employment Plan.

- 4.1 The following plan and goals are adopted by the Partnership for employment of minority and women workers in the Construction Component of the Development. During the construction of the improvements provided for in the Agreement, Partnership shall make good faith efforts to achieve the minority and women employment goals set forth hereunder.
- 4.2 The goals for minority and women employment during the Construction Component shall be 50% minority and 10% women employees. The employment goals for residents of the City of Chicago shall be 75%.
- 4.3 The Partnership may submit a written request for a waiver of all or a portion of such goals to the Commissioner of the Department of Planning who may, for good cause shown and following consultation with the Contract Compliance Office of the City, approve such request for modification or reduction of employment goals as specified herein.
- 4.4 The Partnership shall take affirmative actions to eliminate any possible discrimination against any employee or applicant for employment because of race, color, religion, sex or national origin. These affirmative actions shall include, but not be limited to, the following reasons: employment, upgrading, demotion, transfer, recruitment, advertising, layoff, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- 4.5 The Partnership will post in conspicuous places notices setting forth its affirmative action policy, particularly as reflected in Section 4.4.
- 4.6 All solicitations of advertisements for employees by or on behalf of the Partnership shall state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin. The Partnership will cause the foregoing provisions to be inserted in all contracts and subcontracts for any work performed in this Development so that such provisions will be binding upon each contractor or subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.

- 4.7 The Partnership will notify recruitment sources, and minority and women organizations of this affirmative action policy and encourage them to refer minorities and women for employment and to otherwise assist in achieving these affirmative action objectives. In particular, Partnership will contact, or will require contractors to contact, the organizations listed below and similar organizations and solicit assistance in obtaining minorities and women to be employed on the Project and maintain a record of such organization's responses:

- (a) Department of Planning;
- (b) Mayor's Office of Employment and Training;
- (c) Chicago Urban League;
- (d) Chicago Economic Development Corporation;
- (e) such other organizations as may be specified from time to time by the City.

- 4.8 The Partnership will ensure and maintain a working environment free of harassment, intimidation, and coercion at the Development, and in all facilities at which employees are assigned to work, and will specifically ensure that all foremen, superintendents, and other on-site supervisory personnel are aware of affirmative action policy. The Partnership will use its best efforts to ensure that seniority practices, job classifications, work assignments and other personnel practices do not have a discriminatory effect by continually monitoring all personnel employment-related activities to ensure the E.E.O. policy is being implemented.

- 4.9 The Partnership will notify all contractors and use its best efforts to require its contractors to notify all subcontractors in writing of this affirmative action policy and require supportive action on their part in the relevant contracts.

In particular, Partnership will require substantially the following provisions in all construction contracts and subcontracts:

- (a) The Contractor will take affirmative actions to eliminate any possible discrimination against any employee or applicant for employment because of race, sex, religion, color, national origin or ancestry. These affirmative actions shall include, but not be limited to, the following areas: employment, upgrading, demotion, transfer, recruitment, recruitment advertising, layoffs, termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.
- (b) The Contractor agrees to identify and use minority men and women subcontractors for any work subcontracted by it, whenever possible. Further, it is understood and agreed that the contractor shall have a goal of subcontracting twenty-five percent (50%) of the work to M.B.E. enterprises and an additional five percent (10%) of subcontractors to

W.B.E. enterprises. The contractor further agrees that upon the Partnership's request, it shall prepare in written form and send to the Partnership, a minority and women head count for its total work and subcontractors employed.

- (c) The Contractor agrees to post, in conspicuous places available to employees and applicants for employment, notices setting forth the policy reflected in, and meeting the requirements of, these affirmative action provisions.
- (d) The Contractor agrees that all solicitations or advertisements for employees placed on behalf of or by the Contractor in connection with the work will state that all qualified applicants will receive consideration without regard to race, sex, religion, color, national origin or ancestry.
- (e) The Contractor agrees to use its best efforts to insure that all of the work is performed by work forces containing the greatest practicable level of minority and women employees. The Contractor shall report in writing to the Partnership as often as may be required by the Partnership its efforts to secure such minority group and women employees and also any reasons for its being unable to employ minority and women employees.
- (f) The Contractor agrees that, in the execution of its work, it shall use the maximum number of apprentices allowed by the various trade agreements with the labor unions. Should the Contractor be unable to hire the specified maximum number of apprentices for any trade, it shall so report in writing to the Partnership as often as may be required by the Partnership. Such report shall include not only its efforts to secure such maximum allowable apprentices, but also the reasons for its being unable to employ apprentices.
- (g) The Contractor agrees to identify and use minority and women subcontractors for any work subcontracted by it whenever practicable. Reports documenting such efforts will be submitted to the Partnership as often as may be required by the Partnership.
- (h) The Contractor agrees to make and submit to the Partnership manpower utilization reports including the hours worked on the Project by minority and women employees and by City residents as often as may be required by Partnership.
- (i) Meetings of Partnership's and Contractor's supervisory and personnel office employees will be conducted as required by Partnership, at which time affirmative action policy and its implementation will be reviewed and explained.
- (j) The Contractor agrees to comply with all applicable federal, state, and local requirements governing minority and women business enterprise utilization and minority and women employment.

- (k) During the contract period, the Contractor will maintain and make available to the Partnership documentation regarding minority and women business enterprise utilization and employment affirmative action. Documentation shall contain at a minimum, names and addresses of subcontracting minority and women business enterprises, extent of minority or women ownership, and actual dollar amount of contract award.
- (l) The Contractor agrees that these affirmative action provisions are to be inserted in each contract for any of the work subcontracted by the Contractor to others, and that the Contractor will be responsible for enforcing such provisions. The Contractor will report such enforcement efforts to the Partnership as often as may be required by the Partnership.
- (m) The Contractor agrees, unless precluded by a valid bargaining agreement, that, in addition to union halls, other sources will be used to solicit minority and women employees.
- (n) The Contractor agrees that the following steps shall be taken in relation to all trade unions with which it has bargaining agreements and/or whose members shall perform any of the work:
 - (1) The Contractor will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding a notice advising the labor or union or worker's representative of the Contractor's commitments made in this contract and shall deliver copies of such notices of Partnership.
 - (2) Prior to the beginning of the work, the Contractor will notify all trade unions of its desire to receive referrals of qualified minority and women individuals.

5. Dispute Resolution.

- 5.1 If any time during the existence of this Plan the Agency believes that the Partnership is substantially failing to comply with the terms of this Plan, the Agency's A.A. Coordinator shall provide a written report to the Partnership's A.A. officer explicitly invoking this section of the Plan, explaining the alleged non-compliance, describing the grounds for such belief, and proposing the further implementation steps the Agency believes should be taken.
- 5.2 If the Partnership disagrees with the Agency's evaluation, the A.A. Coordinator and A.A. officer shall meet within fifteen (15) days and make every good faith effort to resolve the differences. If resolution is still not obtained, senior representatives of the Department of Planning and the Partnership shall meet and consult and attempt in good faith to resolve their differences as to the proper and adequate method of implementing the Plan.

- 5.3 If the Agency and the Partnership have consulted pursuant to Section 5.2 but been unable to resolve their differences within forty-five (45) days following the Notice of the City invoking this section, the matter shall be submitted to binding arbitration. The Agency shall be given the opportunity to demonstrate in arbitration that the Project is required by the Plan. The sole issues which may be presented and decided in arbitration are whether such proposed steps are required to comply with the Plan and issues concerning the financial capability of M.B.E.s and W.B.E.s as described in Section 3.5.5. The Arbitrators shall only have the authority to direct the Purchasers to undertake specific actions in order to demonstrate good faith efforts as required by this Plan. Such arbitration shall be the sole method of final dispute resolution concerning Section 17 of the Agreement and the implementation of this Plan, in lieu of any other remedies. The arbitration shall be conducted in accordance with the Federal Rules of Evidence.
- 5.4 Such arbitration shall be conducted by a panel of three persons, one designated by the Partnership, one by the Agency and the third selected by agreement of the first two arbitrators. The Partnership and the Agency shall designate their respective arbitrators within thirty (30) days after the submission of the dispute to arbitration, and the third arbitrator shall be selected within thirty (30) days thereafter. In other respects the arbitration shall be conducted pursuant to the rules and procedures of the American Arbitration Association, except as modified by agreement of the parties.

The determination of the arbitration panel shall be in writing and based upon the hearing record, and shall include a statement of findings and reasons therefor. The determination of the arbitrators shall be final and binding on the parties, and shall be judicially enforceable. Notwithstanding any other provision contained herein, it is understood that the arbitrators shall have no authority to award damages.

6. Resident Employment And Post-Construction Provisions.

6.1 General Provisions.

- 6.1.1 During the time that tax increment financing obligations are outstanding for the Project, the Partnership shall make good faith efforts, in accordance with the provisions of this Part 6, to achieve certain affirmative action goals in the following areas:
- (a) With regard to the direct employees of the Partnership, the employment of city resident workers in the post-construction component of the Project; and
 - (b) Participation of M.B.E.s and W.B.E.s and of minority and women employees in the post-construction operations of the Partnership with respect to the Project.
 - (c) Participation of M.B.E.s and W.B.E.s in the leasing of the shopping center as set forth in 6.4.

- 6.1.2 The Partnership's obligations in these areas are to make good faith efforts and to report to the Agency about its activities and the results. The nature of the good faith efforts shall be consistent with the efforts described in Parts 2--4, as relevant to the respective M./W.B.E. or employment activities described in Part 6.
- 6.2 Employment of City Residents in the Post-Construction Component.
 - 6.2.1 With regard to direct employees of the Partnership, the Partnership will make good faith efforts, consistent with those described in Part 4, to achieve an employment goal of 75% for City resident workers in the post-construction component of the Project.
 - 6.2.2 The Partnership will seek to incorporate into the reports described in Section 2.7 information on its efforts and results with respect to resident employment. In any event, Partnership will report at least quarterly to the Agency the level of resident employment achieved.
- 6.3 M.B.E. and W.B.E. Participation and Minority and Female Employment During Post-Construction Operations.
 - 6.3.1 During post-construction operations, the Partnership will make good faith efforts, consistent with those described in Parts 3 and 4, to achieve the levels of M.B.E. and W.B.E. participation and minority and women employment described below.
 - 6.3.2 Employment goals will be applicable to direct employees (those employed full-time specifically for the operation of this development). The goals shall apply to such direct employees whether they are employed by the Partnership, a property management firm affiliated with the Partnership or a contractor.
 - 6.3.3 The M.B.E. and W.B.E. goals shall apply to contracts for the procurement of direct commodities and services (those which are purchased or provided specifically for the operation of this development).
 - 6.3.4 With respect to any overlap in the activities identified in Sections 6.3.2 and 6.3.3, either employment or M.B.E./W.B.E. goals shall be applicable at the election of the developer.
 - 6.3.5 The M.B.E./W.B.E. goals for the Post-Construction Component shall be 50% for M.B.E. firms, 10% for W.B.E. firms and 75% for local businesses.
 - 6.3.6 The Partnership is responsible for collecting employment and M.B.E./W.B.E. utilization statistics. This data, and a narrative describing the good faith efforts by the responsible entities to achieve compliance with Section 6.3, will be submitted to the City on a quarterly basis, beginning with the construction completion date.

- 6.3.7 The Partnership will include provisions in all relevant contracts specifying employment or M.B.E./W.B.E. obligations, as applicable, and encouraging contractors to make all good faith efforts to achieve those goals.
- 6.4 The Partnership shall make good faith efforts in accordance with this Agreement to achieve certain affirmative action goals in respect to the rental of space in the Project in the following areas:
- (a) the Partnership shall invite M.B.E.s and W.B.E.s to submit proposals in respect to rental space. In order to have a viable development, it is necessary to anchor the development with stores which have names which are recognized on a national or regional basis. To the extent that these stores are operated on a franchise or distributorship basis, the Partnership will encourage the establishment of franchises and distributorships which are M.B.E.s and W.B.E.s and use those good faith efforts consistent with those described in Parts 3 and 4 to establish local M.B.E.s and W.B.E.s. In addition, the Partnership will cooperate and work with local community and business organizations to achieve the goals.
 - (b) The vitality and success of the Project is also dependent on local businesses being a part of the tenant mix. A portion of the rentable space to be determined by the City and the Partnership with the input of local community and business organizations shall be offered to qualified local businesses which are M.B.E.s and W.B.E.s.
 - (c) The Partnership shall advise all tenants of the employment goals of this Agreement and shall use its good efforts to achieve these goals.
- 6.4.1 All Partnership efforts shall be consistent with the good faith efforts described in Parts 3 and 4 and other applicable provisions of this Agreement
7. No Third Party Benefit.
- 7.1 This Plan shall be construed as an agreement between the Partnership and the City and no third-party shall be entitled to enforce any of the provisions hereof.
- 7.2 The Partnership and the City of Chicago agree that actions for the enforcement of this Plan pursuant to Section 5 hereof may be brought only by the City and by no other party, whether or not the provisions hereof may be construed as benefitting any third party and no party shall be construed as or have the rights of a third-party beneficiary under this Plan.

[Exhibit M attached to this Redevelopment Agreement
printed on page 5962 of this Journal.]

CORPORATION COUNSEL AUTHORIZED TO EXECUTE CERTAIN
SETTLEMENT AGREEMENT OR ENTER INTO
CONSENT ORDER.

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

Ordered, That the Corporation Counsel is hereby authorized and directed to enter into and execute a settlement agreement or consent order in a lawsuit entitled *Graves v. City of Chicago*, 82 L 9397, in the amount of \$424,586.00.

On motion of Alderman T. Evans, the foregoing proposed order was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Huels, Fary, Madrzyk, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Laurino, O'Connor, Pucinski, Eisendrath, Hansen, Levar, Shiller, Schuler, Osterman -- 38.

Nays -- Aldermen Vrdolyak, Krystyniak -- 2.

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

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

The Committee on Finance to which had been referred (September 30, October 15 and 28, 1987) sundry proposed ordinances and orders transmitted therewith to authorize the issuance of free permits, cancellation of existing water rates, refund of fee and waiver of 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 T. Evans, each of the said proposed ordinances and orders was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Laurino, O'Connor, Pucinski, Eisendrath, Hansen, Levar, Shiller, Schuler, Osterman -- 40.

Nays -- None.

Alderman Beavers 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.

Immaculate Conception 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 Immaculate Conception Church, for the installation of a boiler, on the premises known as 7211 West Talcott 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.

Oak Street Council.

Ordered. That the Commissioner of Public Works is hereby authorized and directed to issue the necessary permits to the Oak Street Council, 110 East Oak Street, Chicago, Illinois 60611, to remove the streetlights on the public way in front of the following locations: 26 East Oak Street; 27 East Oak Street; 32 East Oak Street; 34 East Oak Street; 36 East Oak Street; 39 East Oak Street; 40 East Oak Street; 41 East Oak Street; 42 East Oak Street; 46 East Oak Street; 48 East Oak Street; 50 East Oak Street; 51 East Oak Street; 52 East Oak Street; 54 East Oak Street; 55 East Oak Street; 57 East Oak Street; 59 East Oak Street; 65 East Oak Street; 67 East Oak Street; 68 East Oak Street; 70 East Oak Street; 101 East Oak Street; 102 East Oak Street; 103 East Oak Street; 104 East Oak Street; 106 East Oak Street; 107 East Oak Street; 108 East Oak Street; 109 East Oak Street; 110 East Oak Street; 111 East Oak Street; 112 East Oak Street; 113 East Oak Street; 114 East Oak Street; 116 East Oak Street; 118 East Oak Street; and 120 East Oak Street, subject to the approval of plans without fees, without compensation and on the condition that the Oak Street Council shall indemnify, insure and hold harmless the City of Chicago from all liability.

CANCELLATION OF EXISTING WATER RATES.

Christ Family Methodist Baptist Church.

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

SECTION 1. Pursuant to Section 185-147 of the Municipal Code of Chicago, the Commissioner of Water is hereby authorized and directed to cancel existing water rates in the amount of \$1,557.55, charged to the Christ Family Methodist Baptist Church, 10540--10546 South Halsted Street.

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

Congregation Ezras.

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

SECTION 1. Pursuant to Section 185-147 of the Municipal Code of Chicago, the Commissioner of Water is hereby authorized and directed to cancel existing water rates in the amount of \$148.12, charged to the Congregation Ezras, 2746--2756 West Lunt Avenue (Account No. 8-0094-03-3930-3).

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

*Greater Saint Paul African Methodist
Episcopal Church.*

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 water rates in the total amount of \$534.18 charged against Greater Saint Paul African Methodist Episcopal Church, 4236--4240 West Cermak Road.

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

Guardian Angel Orphanage.

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

SECTION 1. Pursuant to Section 185-47 of the Municipal Code of Chicago, the Commissioner of Water is hereby authorized and directed to cancel existing rates in the amount of \$79.15, charged to the Guardian Angel Orphanage, 6364--6368 North Ridge Avenue.

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

Misericordia Heart Of Mercy Home.

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

SECTION 1. Pursuant to Section 185-47 of the Municipal Code of Chicago, the Commissioner of Water is hereby authorized and directed to cancel existing water rates in the amount of \$38,661.32, charged to the Misericordia Heart of Mercy Home, 6300 North Ridge Avenue (Account No. 8-0011-90-4591-9).

SECTION 2. This ordinance shall take effect and be in force upon its passage and publication.

Northwest Home For The Aged.

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

SECTION 1. Pursuant to Section 185-47 of the Municipal Code of Chicago, the Commissioner of Water is hereby authorized and directed to cancel existing water rates in the amount of \$12,974.93, charged to the Northwest Home for the Aged, 6300 North California Avenue (Account No. 8-0074-03-0560-9).

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

REFUND OF FEE.

True Rock Methodist Baptist Church.

Ordered, That the City Comptroller is hereby authorized and directed to refund the amount of \$250.00 to Heudy J. Carlisle, Pastor and Alma Carlisle, True Solid Rock Methodist Baptist Church, 1805 South Kedzie Avenue, representing payment of fee for filing application for an amendment to the Chicago Zoning Ordinance for the premises located at 2812--2814 West Roosevelt Road.

WAIVER OF FEES.

*Chicago Housing Authority
(Dearborn Homes.)*

Ordered, That the Commissioner of Public Works is hereby authorized and directed to waive all fees and install "No Stopping, Standing or Parking-- Emergency Use Only" and "No Parking--Tow-Away Zone" signs at various locations at the Chicago Housing Authority Dearborn Homes, 2960 South Federal Street.

*Chicago Housing Authority
(Stateway Gardens.)*

Ordered, That the Commissioner of Public Works is hereby authorized and directed to waive all fees and install "No Parking" and "Emergency Vehicles Only" signs at various locations at the Chicago Housing Authority Stateway Gardens, 3640 South State Street.

**RUSH-PRESBYTERIAN-SAINT LUKE'S MEDICAL CENTER
EXEMPTED FROM PAYMENT OF PERMIT AND
LICENSE FEES FOR YEAR 1988.**

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

WHEREAS, Rush-Presbyterian-St. Luke's Medical Center, an Illinois not-for-profit corporation, has in the past and continues to provide outstanding health care services to the citizens of Chicago; and

WHEREAS, Rush-Presbyterian-St. Luke's Medical Center, is nationally renowned for its medical training facilities; and

WHEREAS, Rush-Presbyterian-St. Luke's Medical Center employs over 6,300 persons, most of whom are Chicago residents, with an annual budget in excess of \$300,000,000; and

WHEREAS, Rush-Presbyterian-St. Luke's Medical Center, has expended over \$100,000,000 in the last decade in the expansion and rehabilitation of its physical facilities; and

WHEREAS, Historically, charitable, religious and educational institutions not conducted for private gain or profit have been exempt from the payment of City fees associated with, but not limited to, building permits, inspections, permits, licenses, warrants for collection and water rates by orders and ordinances adopted by the City Council of Chicago, executive orders and pursuant to various provisions of the Municipal Code of Chicago; and

WHEREAS, Due to the size and scope of its activities, Rush-Presbyterian-St. Luke's Medical Center incurs numerous City fees associated with, but not limited to, building permits, inspections, permits, licenses, warrants for collection and water rates from which it is exempt under the aforementioned orders and ordinances of the Municipal Code of Chicago; and

WHEREAS, Rush-Presbyterian-St. Luke's Medical Center, is required to submit to the City Council individual orders for each City fee to which it is entitled to an exemption; and

WHEREAS, There is a significant cost and expenditure of time incurred by Rush-Presbyterian-St. Luke's Medical Center and the City in processing individual City Council orders exempting the payment of each City fee and the processing of refund checks when a City Council order is not approved prior to the date payment is due and Rush-Presbyterian-St. Luke's Medical Center is required to pay the City fee; and

WHEREAS, Rush-Presbyterian-St. Luke's Medical Center, is uniquely located in the Medical Center District, which district was created by "An Act in relation to the establishment of the Medical District in the City of Chicago, and for the control and management thereof," approved June 4, 1941, as amended, Illinois Revised Statutes (1983), Chapter 111 1/2, Section 5001, *et seq.* (the "Act"); and

WHEREAS, The State of Illinois Medical Center Commission was created by the Act for the purpose of managing and operating the Illinois Medical Center District pursuant to the Act; and

WHEREAS, The State of Illinois Medical Center Commission has passed a resolution recommending that the City Council exempt Rush-Presbyterian-St. Luke's Medical Center from the payment of City fees as provided for in this ordinance; now, therefore,

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

SECTION 1. That Rush-Presbyterian-St. Luke's Medical Center, as an Illinois not-for-profit corporation engaged in medical, educational and related activities, shall be exempt for the calendar year 1988 from the payment of all City fees including, but not limited to, fees associated with building permits, inspection permits, licenses, warrants for collection and water rates to which it is entitled to an exemption pursuant to previously adopted City Council orders and ordinances, executive orders and provisions of the Municipal Code of Chicago, which exempt charities, religious or educational institutions not conducted for private gain or profit.

SECTION 2. That Rush-Presbyterian-St. Luke's Medical Center shall be entitled to refunds for any City imposed fees which it may inadvertently or erroneously pay and to which it is exempt pursuant to Section 1 of this ordinance without the need for an additional City Council ordinance or order.

SECTION 3. That the Commissioner of Inspectional Services, the Commissioner of Streets and Sanitation, the Commissioner of Public Works, the Commissioner of Consumer Services and the Commissioners of all other City departments are hereby directed to issue all necessary permits and licenses and provide other City services as described in Section 1 of this ordinance, free of charge, to Rush-Presbyterian-St. Luke's Medical Center; provided, however, that Rush-Presbyterian-St. Luke's Medical Center shall remain an Illinois not-for-profit corporation engaged in medical, educational and related activities.

SECTION 4. This ordinance shall be in force from and after its passage.

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

Yeas -- Aldermen Roti, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Laurino, O'Connor, Pucinski, Eisendrath, Hansen, Levar, Shiller, Schulter, Osterman -- 40.

Nays -- None.

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

EDGEWATER HOSPITAL, INCORPORATED EXEMPTED FROM
PAYMENT OF PERMIT AND LICENSE FEES
FOR YEAR 1988.

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

WHEREAS, The Edgewater Hospital, Incorporated, an Illinois not-for-profit corporation, has in the past and continues to provide outstanding health care services to the citizens of Chicago; and

WHEREAS, The Edgewater Hospital, Incorporated is renowned for its medical training facilities; and

WHEREAS, Historically, charitable, religious, and educational institutions not conducted for private gain or profit have been exempt from the payment of City fees associated with, but not limited to, building permits, inspections, permits, licenses, warrants for collection and water rates by orders and ordinances adopted by the City Council of Chicago, executive order and pursuant to various provisions of the Municipal Code of Chicago; and

WHEREAS, Due to the size and scope of its activities, the Edgewater Hospital, Incorporated incurs numerous city fees associated with but not limited to building permits, inspections, permits, licenses, warrants for collection and water rates from which it is exempt under the aforementioned orders, ordinances and provisions of the Municipal Code of Chicago; and

WHEREAS, The Edgewater Hospital, Incorporated is required to submit to the City Council individual orders for each City fee to which it is entitled to an exemption; and

WHEREAS, There is a significant cost and expenditure of time incurred by the Edgewater Hospital, Incorporated and the City in processing individual City Council orders exempting the payment of each City fee and the processing of refund checks when a

City Council order is not approved prior to the date payment is due and the Edgewater Hospital, Incorporated is required to pay the City fee; now, therefore,

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

SECTION 1. That the Edgewater Hospital, Incorporated as an Illinois not-for-profit corporation engaged in medical, educational and related activities, shall be exempt from the payment of all City fees including, but not limited to, fees associated with building permits, inspections, permits, licenses, warrants for collection, and water rates as well as other fees for which it is entitled to an exemption pursuant to previously adopted City Council orders and ordinances, executive orders and provisions of the Municipal Code of Chicago, which exempt charities, religious and/or educational institutions not conducted for private gain or profit. Said exemption shall be effective both prospectively and retroactively without the necessity of any further application or governmental action.

SECTION 2. That the Edgewater Hospital, Incorporated, shall be entitled to refunds for any City imposed fees which it has paid prior to the effective date of this ordinance, and to which it is exempt pursuant to Section 1 of this ordinance.

SECTION 3. That the Commissioner of Inspectional Services, the Commissioner of Streets and Sanitation, the Commissioner of Public Works, the Commissioner of Sewers, the Commissioner of Water, the Commissioner of Health and the Commissioner of Consumer Services and the Commissioners of all other City Departments are hereby directed to issue all necessary permits and licenses and provide other City services as described in Section 1 of this ordinance, free of charge, to The Edgewater Hospital, Incorporated; provided, however, that The Edgewater Hospital, Incorporated, shall remain an Illinois not-for-profit corporation engaged in medical, educational and related activities.

SECTION 4. This ordinance shall be in force from and after its passage.

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

Yeas -- Aldermen Roti, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Laurino, O'Connor, Pucinski, Eisendrath, Hansen, Levar, Shiller, Schulter, Osterman -- 40.

Nays -- None.

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

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

The Committee on Finance, to which had been referred on October 28, 1987, sundry proposed orders for cancellation of specified warrants for collection issued against certain charitable, educational and religious institutions, submitted reports recommending that the City Council pass the following proposed substitute order:

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

Name and Address	Warrant No. and Type of Inspection	Amount
Action Community Coalition 5251 West North Avenue	F4-323408	\$17.00
	F4-442603	17.50
	F4-521565	19.00
	F4-622031 (Mech. Vent.)	19.00
Ada S. McKinley Community Services (sundry locations)	A1-504116	30.00
	A1-511386	30.00
	A1-606610 (Elev.)	-----
	B1-604980 (Bldg.)	34.50
	P1-407677	40.00
	P1-1504750 (Fuel Burn. Equip.)	58.00
Lutheran General Hospital 2035 North Lincoln Avenue	R1-702351 (Drwy. and Maintenance)	25.00
	Number 3 B & W Water Tube Boiler	30.00

Name and Address	Warrant No. and Type of Inspection	Amount
Lutheran School of Theology (sundry locations)	B1-720306	\$34.50
	B1-720326 (Bldg.)	46.00
Moody Church 1609 North LaSalle Street	D3-787648 (Sign)	40.00
Northwest Home for the Aged 6300 North California Avenue	A1-707431 (Elev.)	60.00
Redemptorist Fathers 2936 North Southport Avenue	B3-702836 (Pub. Place of Assembly)	34.00

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

Yeas -- Aldermen Roti, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Laurino, O'Connor, Pucinski, Eisendrath, Hansen, Levar, Shiller, Schulter, Osterman -- 40.

Nays -- None.

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

AUTHORITY GRANTED FOR INSTALLATION OF ALLEY/STREET
LIGHT AT SPECIFIED LOCATIONS.

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

Ordered, That the Commissioner of Public Works give consideration to the installation of a light under the viaduct located at West Cermak Road between South Rockwell Street and South Western Avenue.

Ordered, That the Commissioner of Public Works is hereby authorized and directed to give consideration to the installation of an alley light in back of the premises located at 11739 South Eggleston Avenue.

On motion of Alderman T. Evans, the foregoing proposed orders were *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Laurino, O'Connor, Pucinski, Eisendrath, Hansen, Levar, Shiller, Schulter, Osterman -- 40.

Nays -- None.

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

AUTHORITY GRANTED FOR CONSTRUCTION OF SEWER AT
SPECIFIED LOCATION.

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

Ordered, That the Commissioner of Sewers is hereby authorized and directed to give consideration to the construction of a sewer on South Nottingham Avenue alongside the premises located at 7101 West 63rd Place.

On motion of Alderman T. Evans, the foregoing proposed order was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Carter, Langford, Streeter, Kellam, Jones, J. Evans, Garcia, Krystyniak, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Laurino, O'Connor, Pucinski, Eisendrath, Hansen, Levar, Shiller, Schulter, Osterman -- 40.

Nays -- None.

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

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

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

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

Yeas -- Aldermen Roti, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, Osterman, Orr -- 47.

Nays -- None.

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

The following is said order as passed:

Ordered, That the City Comptroller is authorized and directed to issue vouchers, in conformity with schedule herein set forth, to physicians, hospitals, nurses or other individuals, in settlement for hospital, medical and nursing services rendered to the injured members of the Police Department and/or Fire Department herein named. The payment of any of these bills shall not be construed as an approval of any previous claims pending or future claims for expenses or benefits on account of any alleged injury to the individuals named. The total amount of said claims is set opposite the names of the injured members of the Police Department and/or the Fire Department, and vouchers are to be drawn in the favor of the proper claimants and charged to Account No. 100.9112.937:

[Regular orders printed on page 5976 of this Journal.]

and

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

any of these bills shall not be construed as approval of any previous claims pending or future claims for expenses or benefits on account of any alleged injury to the individuals named. The total amount of such claims, as allowed, is set opposite the names of the injured members of the Police Department and/or Fire Department, and warrants are to be drawn in favor of the proper claimants and charged to Account No. 100.9112.937:

[Third party order printed on page 5977 of this Journal.]

COMMITTEE ON CAPITAL DEVELOPMENT.

ACTIONS TAKEN BY COMMITTEE ON CAPITAL DEVELOPMENT.

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

CHICAGO, November 4, 1987.

To the President and Members of the City Council:

Your Committee on Capital Development, having had under consideration a proposed resolution directing that the minutes from previous research meetings be printed in the Journal of the Proceedings, begs leave to recommend that Your Honorable Body *Adopt* said proposed resolution.

This recommendation was heard and concurred in by six (6) members of said committee with no dissenting vote.

Respectfully submitted,
(Signed) ED H. SMITH,
Chairman.

On motion of Alderman Smith, the said proposed resolution transmitted with the foregoing committee report was *Adopted* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schuler, Osterman, Orr -- 47.

Nays -- None.

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

(Continued on page 5978)

CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 11/04/87

REGULAR ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
HEIDEMANN	FRED G	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/02/87 20.59
MARTINEK	RICHARD J	POLICE OFFICER	TWENTIETH DISTRICT	6/19/87 136.97
PIEK	RICHARD	POLICE OFFICER	THIRTEENTH DISTRICT	7/28/87 148.00
PITTACORA	JAMES T	POLICE OFFICER	EIGHTEENTH DISTRICT	7/03/87 98.00
POCHIE	EDGAR J	POLICE OFFICER	PUBLIC TRANSPORTATION M.T.S.	7/30/87 1857.00
PORTER	DENNIS	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/01/87 158.00
PRICE	EDGAR	POLICE OFFICER	FIFTEENTH DISTRICT	7/21/87 180.00
RAMIREZ	RAY	POLICE OFFICER	SEVENTH DISTRICT	7/24/87 44.00
RAMSEY	ANDERSON	POLICE OFFICER	SIXTH DISTRICT	7/29/87 129.05
REUM	DARRELL R	POLICE OFFICER	THIRTEENTH DISTRICT	7/31/87 59.00
RHYNE	TEELY	POLICE OFFICER	TWENTIETH DISTRICT	7/18/87 35.00
RICE	MICHAEL P	POLICE OFFICER	SEVENTEENTH DISTRICT	7/18/87 31.25
ROBARTS	JANICE M	POLICE OFFICER	SIXTEENTH DISTRICT	7/19/87 40.50
ROBINSON	HUGH J	POLICE OFFICER	SIXTH DISTRICT	7/03/87 110.90
ROBLES	LEOPOLDO	POLICE OFFICER	TWENTY-THIRD DISTRICT	7/26/87 73.50
ROSINSKI	DENNIS L	POLICE OFFICER	TWENTY-SECOND DISTRICT	7/27/87 138.20
ROSS JR	PRESTON	POLICE OFFICER	FIFTH DISTRICT	7/06/87 162.20
RUBEL	JOHN J	POLICE OFFICER	THIRTEENTH DISTRICT	7/07/87 55.00
RYAN	KEVIN G	POLICE OFFICER	TENTH DISTRICT	7/03/87 62.00
SAENZ	FRANCIS F	POLICE OFFICER	FOURTEENTH DISTRICT	6/16/87 915.00
SAGE	TIMOTHY M	POLICE OFFICER	PUBLIC TRANSPORTATION M.T.S.	7/17/87 50.00
SALUSTRO	LINDA F	POLICE OFFICER	THIRTEENTH DISTRICT	7/13/87 37.00
SANCHEZ	DANIEL JR	POLICE OFFICER	TWELFTH DISTRICT	6/14/87 46.00
SANCHEZ	NOEL	POLICE OFFICER	FIFTH DISTRICT	7/04/87 192.70
SPAGNOLD	RICHARD J	POLICE OFFICER	MARINE UNIT	6/17/87 53.00
SPEROS	CHRISTINE M	POLICE OFFICER	TWENTY-FIFTH DISTRICT	6/03/87 212.00
STANEK	MARY ANN	POLICE OFFICER	FIFTH DISTRICT	6/16/87 319.70
STATHER	MICHAEL A	POLICE OFFICER	NINETEENTH DISTRICT	7/24/87 297.00
STICH	MARTIN	POLICE OFFICER	SEVENTEENTH DISTRICT	7/03/87 34.75
TAYLOR	THOMAS C	POLICE OFFICER	TENTH DISTRICT	7/22/87 44.00
THOMAS	JOHN C	POLICE OFFICER	OHARE LAW ENFORCEMENT	7/29/87 124.00
TURNER	THOMAS L	POLICE OFFICER	FIFTH DISTRICT	7/13/87 362.00
ULLRICH	WHALEN T	POLICE OFFICER	EIGHTEENTH DISTRICT	7/09/87 188.50
WAGNER	DENNIS	POLICE OFFICER	ENFORCEMENT SECTION	6/23/87 94.83
AUGUSTINE	CURT W	PARAMEDIC	DISTRICT RELIEF 5	1/08/87 230.00

11/4/87

REPORTS OF COMMITTEES

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CITY OF CHICAGO

CITY COUNCIL ORDERS

COUNCIL MEETING OF 11/04/87

THIRD PARTY ORDERS

***** EMPLOYEE NAME *****	***** RANK *****	***** UNIT OF ASSIGNMENT *****	DATE INJURED	VOUCHER TOTAL
LEGITTINO	THOMAS E	POLICE OFFICER	3/15/87	550.00
PINNA	JAMES A	POLICE OFFICER	3/27/87	631.75
SEGARITIS	FRANK J	POLICE OFFICER	2/06/87	456.00
TRIBE	JOHN M	POLICE OFFICER	1/12/87	1622.00

(Continued from page 5975)

The following is said resolution as adopted:

WHEREAS, The Committee on Capital Development has been charged with producing a comprehensive capital development and improvement document; and

WHEREAS, In furtherance of this objective, the Committee has engaged in a series of research meetings; and

WHEREAS, The committee has currently generated a planning document (Exhibit A), review of meetings previously engaged in (Exhibit B) and a program/funding listing (Exhibit C); now, therefore,

Be It Resolved, That the above mentioned documents be made a part of the official record by being printed in the Journal of the Proceedings of the City Council.

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

Exhibit A.

Capital Development Committee.

Objective.

The objective of the Capital Development Committee is to produce a comprehensive capital development and improvement document. Based on Long Range Planning, 3 to 5 years as it relates to projects. This document will be a consolidation of the capital development plans for all municipal institutions and intergovernmental agencies. Upon completion the document will be presented to the City Council for Adoption.

Concept.

After thorough research and careful consideration, it was agreed that the above stated objective could be accomplished utilizing a three (3) Phase Approach with built-in timetables to reach our objective.

Phase I: Municipal Institutions.

To contact the responsible individuals of the various Municipal Institutions charged with the responsibility of formulating and managing the institutions Capital Development Plan, Improvement Plan, Economic Development and long range planning three (3) to five (5) years.

To discuss Long Range Planning in an exploratory fashion, with a mutual sharing of ideas and information. Realizing that a number of Municipal Institutions function under

Executive Boards or Commissions the Capital Development Committee explains in detail that we will not attempt to circumvent the individual boards nor set Policy administratively.

Each institution will submit their Capital Development and Improvement Budget Summary and all related material for inclusion in the Capital Development document.

Phase I: Meetings.

	Municipal Institutions	Date	Contact
1.	Chicago Park District	7-7-87	Thomas Elzey Assistant General Superintendent
2.	Board of Education	7-6-87	Dr. Vernon Feiock Administrative Director of New Development
3.	Chicago Transit Authority	7-9-87	Ernest Sawyer Deputy Executive Director of Planning & Development
4.	Cook County Board	7-7-87	Jackie Harder Coordinator of Economic Development & New Development
5.	Metropolitan Sanitary District		
6.	Regional Transit Authority		

Timetable 6 to 8 Weeks For Completion.

Phase II: Intergovernmental Agencies.

By definition intergovernmental agencies are Departments within the Administration that are funded under the Corporate Budget administered through the Office of Budget and

Management. Capital development and improvement projects of the various Departments have two (2) funding sources, federal which is Community Development Block Grant Fund and city sponsored General Obligations Bonds.

In the past the Capital Development or Improvement Program consisted of the Department of Planning and the Department of Budget and Management, submitting a cursory summary Budget Program Form to the various intergovernmental agencies for their project recommendations, as it relates to capital development, with a greater emphasis being placed on projects as they directly relate to the targeted communities. A more adhesive partnership has to be developed between the departments making the project recommendation and the public to prioritize the communities needs.

Phase II: Intergovernmental Agencies.

	Agency	Date	Contact
1.	Chicago Housing	7-12-87	George Kramer Deputy Director of Planning and Development
2.	Department of Housing	7-9-87	Loucienne Watson Deputy Commissioner of Development
3.	Office of Budget and Management	8-19-87	John Maiorca 1st Deputy Director Capital Budget Development
4.	Department of Public Works	8-19-87	Daniel Majewski City Architect
5.	Department of Planning	8-6-87	Elizabeth Hollander Commissioner of Planning

Community forums and town hall type meetings should be utilized, for the proper dissemination of information, also having the opportunity to question those individuals charged with the responsibility of making project recommendations should ensure greater public input. If executed properly, funds should be allocated according to the needs of people, not places.

There will always be a gap between what the city would like to fund and what can actually be funded. Projects with the highest priority should be those based on needs, those that preserve health, welfare and safety.

Phase III: Public Participation.

Realizing that capital resources are generally not sufficient to fully implement all capital proposals. The need for community input and participation becomes greater.

The capital development committee shall initiate contact or work in tandem with other intergovernmental agencies, i.e., Budget and Management, and the Department of Planning to communicate with groups and individuals within the geographical boundaries of the city and describe to them the citizen participation process and its relationship to community development activities and other programs with the slashing of Federal dollars in the form of Community Development Block Grant Funds that are not reaching our cities. Every effort should be made to target and prioritize projects, to ensure a greater bang for our buck.

Exhibit B.

Capital Development Committee.

November 3, 1987.

Dear Committee Member:

The Capital Development Committee has held a series of meetings with the various municipal agencies, and all major departments within City Government. All meetings were held at the respective agency, and were attended by the agency's commissioner or individuals charged with the responsibility of developing their capital development program.

Aside from a mutual exchange of ideas as it relates to formulating a five (5) year capital development plan, other subjects discussed were:

1. The role of the Capital Development and Improvement Committee.
2. The purpose of a five year Capital Development Improvement Plan.
3. Agencies and departments involved in shaping the plan.
4. The approach and plan of action toward development.
5. Community participation and input.

Please find below a complete listing of all meetings, with locations, time, dates and contact persons.

1. Chicago Park District 294-4541
Mr. Thomas Elzey, Assistant General Superintendent
425 East McFetridge Drive
July 7th--1:30 P.M.
2. Chicago Board of Education 890-8224
Dr. Vernon Feiock
Administrative Director of New Development
1819 West Pershing, West Building
July 6th--10:30 A.M.
3. Chicago Transit Authority 664-7200
Mr. Ernest Sawyer
Deputy Executive Director of Planning Development
Merchandise Mart
July 9th--10:00 A.M.
4. Cook County Board 443-4886
Ms. Jacquelyn K. Harder
Coordinator, Economic Development and Planning
County Building--8th Floor
July 7th--10:00 A.M.
5. Chicago Housing Authority 791-4850
Mr. George Kramer
1st Deputy Director of Planning and Development
22 West Madison
July 22nd--10:00 A.M.
6. Department of Housing 922-7922
Mr. Loucienne Watson
Deputy Commissioner of Development
Mr. Darius Garyson
Deputy Commissioner of Rehabilitation
318 South Michigan Avenue
July 9th--10:00 A.M.
7. Office of Budget and Management 744-3323
Mr. John Maiorca, 1st Deputy Director
Capital Development Budget
Mr. Russell Carson, Asst. Budget Director
121 North LaSalle--6th Floor
August 9th--10:00 A.M.

8. Department of Public Works 744-3636
Mr. Daniel Majewski, City Architect
Mr. Kendal Flemming, Asst. City Architect
320 North Clark--6th Floor
August 19th--11:30 A.M.
9. Department of Planning 744-4171
Ms. Elizabeth Hollander, Commissioner
Mr. James Turner, 1st Deputy Commissioner
Mr. Dave Mosen, Deputy Commissioner, Planning
Mr. G. A. Finch, Deputy Commissioner, Development
121 North LaSalle--10th Floor
August 6th--10:00 A.M.
10. Department of Sewers 744-0412
Ms. Therasita Sagun, Commissioner
Mr. Charles Beard, Deputy Commissioner of Development
121 North LaSalle--4th Floor
September 22nd--10:00 A.M.
11. Department of Water 744-7001
Mr. Samuel Hurley, Commissioner
1000 East Ohio
September 24th--11:30 A.M.
12. Deputy of Aging and Disability 744-5770
Mr. Robert Ahrens, Commissioner of Development
Kraft Building--3rd Floor
September 22nd--12:00 P.M.
13. Department of Human Services 744-8138
Mr. William Todhunter, 1st Deputy Commissioner
Mr. Harold Reid, Deputy Commissioner of Finance
Mr. Leon Duminie, Director of Facility and Material
Management
Kraft Building--8th Floor
October 6th--10:00 A.M.
14. Ms. Romelle Moore 491-3395
Project Coordinator
Chicago Innovations Forum
Center for Urban Affairs
Northwestern University
October 7th--10:00 A.M.
15. Department of Economic Development 744-3881
Mr. Rodrigo del Canto, Deputy Commissioner
20 North Clark--24th Floor
October 6th--1:00 P.M.

16. Chicago Public Library 269-3001
Dr. John B. Duff, Commissioner
425 North Michigan Avenue--Board of Presidents--13th Floor
September 6th--10:30 A.M.
17. Mr. Lew Klienberg 278-4800
Coordinator for Public Issues
Center for Neighborhood Technology
2125 West North Avenue
October 7th--10:00 A.M.

In closing, I would like to ask that these meetings become a part of the Official Record.

Respectfully,
(Signed) ED H. SMITH,
Chairman.

cc: Alderman Tim Evans, Chairman, Finance Committee
John Maiorca, 1st Deputy Budget Director, Capital Development
Ernest Barefield, Chief of Staff
Municipal Reference Library
Alderman William Krystyniak, Co-Chairman, Capital Development Committee

Exhibit C.

Capital Projects: What It Costs The City.

Project	Typical Cost
Alley Construction	\$30,000 per block--City share
	\$25,000 per block--Property owner's share
Arterial Street Resurfacing	\$1,000,000 per mile
Arterial Street Renovation	\$2,000,000 per mile
Residential Street Resurfacing	\$200,000 per mile

Business Area Improvements	\$125,000 per block
Branch Library (new)	\$2,100,000
50/50 Sidewalk Program	\$180 per house (30 foot lot) --City share
	\$180 per house (30 foot lot) --Owner's share
Traffic Signal	\$125,000 per intersection
Model Block	\$30,000 per block
Bridge Replacement (movable)	\$20,000,000
Industrial Street Improvement	\$175,000 per block
Sewer Replacement	\$1,800,000 per mile
Water Main Replacement	\$500,000 per mile

Capital Programs And Their Funding Sources.

Program Funding Sources

Alley Construction	Vehicle Tax/Property Owner Assessment General Obligation Bond/Property Owner Motor Fuel Tax/Property Owner Assessment
Aviation	Federal--Airport Development Aid* City Enterprise Fund (Landing Fees)* Airport Revenue Bonds*
City Facilities --City Office Buildings --Aging and Disability Centers --Police and Fire Stations --Health and Human Service Centers	Federal--Community Development Block Grants City--Public Building Commission City--General Obligation Bonds

Economic Development
--Business Area Improvements
--Industrial Street Improvements

Federal--Community
Development Block Grants
City--General Obligation Bonds
State--Build Illinois Grants

Housing--Urban Renewal

Federal--Community
Development Block Grants

Libraries

City--General Obligation Bonds
State--Capital Development
Board
City--Public Building
Commission

Model Blocks

Federal--Community
Development Block Grants

New Street Construction (W.P.A.)

Motor Fuel Tax/Property Owners
General Obligation Bonds/
Property Owners

Residential Street Resurfacing

City--General Obligation Bonds
State--Illinois Department
of Transportation*

50/50 Sidewalk Replacement Program

Motor Fuel Tax/Property Owners
General Obligation Bonds/
Property Owners

Sewer System

Sewer Revenue Bond*
Sewer Enterprise Fund*

Transportation Improvements
--Arterial Street Improvements
--Bridges/Viaducts
--Traffic Signals
--Transit Capital Improvements

Federal--Interstate Transfer
Program*
Federal--Federal Aid Urban*
Federal--Urban Mass Transit
Administration*
State--Motor Fuel Tax
City--General Obligation Bonds

Water System

Water Revenue Bonds*
Water Enterprise Funds*

*Designates Funds which can only be
spent on specific programs.

COMMITTEE ON HOUSING.

SALE OF PARCEL C-3 IN CENTRAL-WEST URBAN RENEWAL PROJECT.

The Committee on Housing submitted the following report:

CHICAGO, November 4, 1987.

To the President and Members of the City Council:

Your Committee on Housing having had under consideration a proposed ordinance transmitted with a communication signed by Honorable Harold Washington, Mayor (which was referred on September 9, 1987) authorizing the Mayor to approve:

The sale of Parcel C-3 in the Central-West Urban Renewal Project; consisting of Tracts A and B, located at 322--338 South Racine Avenue.

We recommend that Your Honorable Body *Pass* the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 4 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) DOROTHY TILLMAN,
Chairman.

On motion of Alderman Shiller, the said proposed ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schuler, Osterman, Orr -- 46.

Nays -- None.

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

Alderman Vrdolyak was excused from voting under the provisions of Rule 14 of the Council's Rules of Order.

The following is said ordinance as passed:

WHEREAS, The Redevelopment Plan, as amended, for the Central West Redevelopment Project heretofore has been approved by the Department of Urban Renewal and by the City Council of the City of Chicago; and

WHEREAS, Parcel C-3, Tracts A and B, is located at 322--338 South Racine Avenue and contains a total area of 14,713.9 square feet; and

WHEREAS, The Department of Urban Renewal proposes to accept an offer to purchase said parcel of property, as identified by a plat of survey on file at the offices of the Department of Housing, and as set forth in Resolution No. 87- DUR-30, adopted by the Department of Urban Renewal on July 21, 1987, and, further, has submitted herewith the said proposed offer to the City Council of the City of Chicago for its approval; and

WHEREAS, The Redeveloper has proposed to redevelop the property with commercial off-street parking and related use in accordance with the Central West Redevelopment Plan, as amended; and

WHEREAS, Section 26 of the Urban Renewal Consolidation Act of 1961 provides that the sale of any real property by a Department of Urban Renewal, where required to be for a monetary consideration, except public sales as provided in Section 18, shall be subject to the approval of the governing body of the municipality in which the real property is located; and

WHEREAS, The City Council has considered said Resolution and the proposed sale of said parcel of property as provided therein, and it is the sense of the City Council that the sale is satisfactory and should be approved; now, therefore,

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

SECTION 1. The sale proposed by the Department of Urban Renewal of a certain parcel of property in the Central West Redevelopment Project is hereby approved as follows:

Purchaser	Parcel	Sq. Ft.	Sq. Ft. Price	Total Price
Oxford Clothes, Inc., on behalf of A. Charles Scala of Restaurant Raffael, Inc. and Oxford Clothes, Inc., jointly	C-3 (Tracts A and B)	14,713.9	\$10.87	\$160,000.00

SECTION 2. The Mayor is authorized to execute, and the City Clerk to attest a deed of conveyance for the property described in Section 1 above.

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

DEPARTMENT OF HOUSING AUTHORIZED TO ALLOCATE
HOUSING TAX CREDITS AVAILABLE UNDER
TAX REFORM ACT OF 1986.

The Committee on Housing submitted the following report:

CHICAGO, November 4, 1987.

To the President and Members of the City Council:

Your Committee on Housing having had under consideration a proposed ordinance transmitted with a communication signed by Honorable Harold Washington, Mayor (which was referred on October 15, 1987) authorizing the Mayor to approve:

An ordinance authorizing the Department of Housing to allocate housing tax credits made available under the Tax Reform Act of 1986.

We recommend that Your Honorable Body *Pass* the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 4 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) DOROTHY TILLMAN,
Chairman.

Said proposed ordinance, transmitted with the foregoing committee report, reads as follows:

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

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

WHEREAS, The Department of Housing (the "Department") was established on December 20, 1979, pursuant to Chapter XVIII of the Municipal Code of the City for the purpose of supervising and coordinating the formation and execution of projects and programs affecting housing within the City; and

WHEREAS, The Congress of the United States, pursuant to the Tax Reform Act of 1986 (the "Act"), has authorized local governments, such as the City, to allocate low-income housing credits to housing developments designed to address this shortage of rental housing for persons of low and moderate income and has specifically designated the

Department as a housing credit agency for the allocation of certain low-income housing credits within the City; and

WHEREAS, It is in the best interests of the City to implement a program for the allocation and use of low-income housing credits in the City; now, therefore,

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

SECTION 1. The Commissioner of the Department of Housing (the "Commissioner") is hereby authorized to allocate low-income housing tax credits to eligible building owners, investors or developers, as may be appropriate, who sign and submit a formal application and who meet the Department's established criteria for such allocation.

SECTION 2. The Commissioner is hereby authorized to enter into, negotiate and execute such agreements or documents and to promulgate such rules and regulations as are necessary to maximize the use of low-income housing tax credits allocated to the City for expanding affordable housing within the City, all consistent with the requirements of the Act and any regulations promulgated thereunder.

SECTION 3. The Commissioner is also authorized to impose fees in connection with the allocation of low-income housing credits. Such fees shall be in an amount not to exceed \$500 as a non-refundable application fee and a departmental administrative/service fee not to exceed 3% of any credit amount actually allocated to an applicant for such credit; provided, however, that any fees imposed by the Department shall comply with the Act and any rules and regulations promulgated thereunder. All fees received by the City in connection with the allocation of low-income housing credits shall be applied first to the payment/reimbursement of City costs and expenses incurred in the administration of the low-income housing tax credit program and then to the Department's emergency housing assistance programs.

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

Alderman Bloom presented a proposed amendment to Section 3 of said ordinance by inserting the language in italics, as follows:

SECTION 3. The Commissioner is also authorized to impose fees in connection with the allocation of low-income housing credits. Such fees *shall be uniform with respect to all applications for and allocations of low-income housing credits* and shall be in an amount not to exceed \$500 as a non-refundable application fee and a departmental administrative/service fee not to exceed 3% of any credit amount actually allocated to an applicant for such credit; provided, however, that any fees imposed by the Department shall comply with the Act and any rules and regulations promulgated thereunder. All fees received by the City in connection with the allocation of low-income housing credits shall be applied first to the payment/reimbursement of City costs and expenses incurred in the administration of the low-income housing tax credit program and then to the Department's emergency housing assistance program.

On motion of Alderman Bloom, the foregoing proposed amendment was *Adopted* by a *viva voce* vote.

Thereupon, on motion of Alderman Shiller, the said proposed ordinance, as amended, was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, Osterman, Orr -- 47.

Nays -- None.

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

The following is said amended ordinance as passed:

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

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

WHEREAS The Department of Housing (the "Department") was established on December 20, 1979 pursuant to Chapter XVIII of the Municipal Code of the City for the purpose of supervising and coordinating the formation and execution of projects and programs affecting housing within the City; and

WHEREAS, The Congress of the United States, pursuant to the Tax Reform Act of 1986 (the "Act"), has authorized local governments, such as the City, to allocate low-income housing credits to housing developments designed to address this shortage of rental housing for persons of low and moderate income and has specifically designated the Department as a housing credit agency for the allocation of certain low-income credits within the City; and

WHEREAS, It is in the best interests of the City to implement a program for the allocation and use of low-income housing credits in the City; now, therefore,

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

SECTION 1. The Commissioner of the Department of Housing (the "Commissioner") is hereby authorized to allocate low-income housing tax credits to eligible building owners, investors or developers, as may be appropriate, who sign and submit a formal application and who meet the Department's established criteria for such allocation.

SECTION 2. The Commissioner is hereby authorized to enter into, negotiate and execute such agreements or documents and to promulgate such rules and regulations as are necessary to maximize the use of low-income housing tax credits allocated to the City for expanding affordable housing within the City, all consistent with the requirements of the Act and any regulations promulgated thereunder.

SECTION 3. The Commissioner is also authorized to impose fees in connection with the allocation of low-income housing credits. Such fees shall be uniform with respect to all applications for and allocations of low-income housing credits and shall be in an amount not to exceed \$500 as a non-refundable application fee and a departmental administrative/service fee not to exceed 3% of any credit amount actually allocated to an applicant for such credit; provided, however, that any fees imposed by the Department shall comply with the Act and any rules and regulations promulgated thereunder. All fees received by the City in connection with the allocation of low-income housing credits shall be applied first to the payment/reimbursement of City costs and expenses incurred in the administration of the low-income housing tax credit program and then to the Department's emergency housing assistance programs.

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

EXECUTION OF AMENDMENT TO LEASE WITH SENIOR
CITIZENS HOUSING DEVELOPMENT
CORPORATION OF CHICAGO.

The Committee on Housing submitted the following report:

CHICAGO, November 4, 1987.

To the President and Members of the City Council:

Your Committee on Housing having had under consideration a proposed substitute ordinance (which was referred on October 29, 1987) authorizing the Mayor to approve:

A proposed substitute ordinance (replacing an original ordinance submitted September 23, 1987) authorizing execution of the lease amendment to the lease executed by the City, as lessor, and Senior Citizens Housing Development Corporation of Chicago, as lessee.

We recommend that Your Honorable Body *Pass* the said proposed substitute ordinance, which is transmitted herewith.

This recommendation was concurred in by 4 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) DOROTHY TILLMAN,
Chairman.

On motion of Alderman Shiller, the said proposed substitute ordinance transmitted with the foregoing committee report was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, Osterman, Orr -- 47.

Nays -- None.

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

The following is said ordinance as passed.

WHEREAS, The City Council of the City of Chicago authorized the execution of the Lease between the City of Chicago, as lessor, and Senior Citizens Housing Development Corporation of Chicago, as lessee, on August 10, 1979, Council Journal pages 598--604; and

WHEREAS, Pursuant to the terms of the lease, lessee has constructed and operated a 240 unit residential living complex on the premises providing for low income senior citizen housing; and

WHEREAS, The Department of Planning and the Department of Finance have neogtiated with lessee in order that lease terms concerning fixed rent and the lease term may be amended in order to further the interests of the City of Chicago and lessee; and

WHEREAS, Lessee has proposed to construct an additional four story, 75 unit residential complex devoted to the provision of low income senior citizen housing to be located on the premises; and

WHEREAS, In order for lessee to participate in the Mutual Mortgage Insurance Fund as administered by the Department of Housing and Urban Development under Section 202 of the Federal Housing Act of 1959, as amended, lessee must have a leasehold estate affecting the premises for a period of seventy-five (75) years; and

WHEREAS, The City and lessee agree that the construction and operation of the additional senior citizen housing on the premises will be beneficial to the interests of both parties and to the general public; and

WHEREAS, The City Council has considered the proposed amendment to the lease and it is the sense of the City Council that the amendment is satisfactory and should be approved; now, therefore,

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

Lease Amendment.

This lease amendment (the "Amendment"), made this _____ day of _____, 1987, by and between the City of Chicago, a municipal corporation (hereinafter referred to as "Lessor") and Senior Citizens Housing Development Corporation of Chicago, a District of Columbia not-for-profit corporation registered to do business in the State of Illinois (hereinafter referred to as "Lessee").

Recitals.

Whereas, by a Lease executed by the parties dated September 9, 1979 (the "Lease"), Lessor leased to Lessee certain real estate located in the City of Chicago, Illinois (hereinafter referred to as the "Premises") and legally described as follows:

The North 600 feet of the South 633 feet of the Southwest 1/4 of Section 2, Township 40 North, Range 13, East of the Third Principal Meridian (excepting therefrom the East 933 feet and the West 883 feet, respectively, of said Southwest 1/4 of Section 2), in Cook County, Illinois

; and

Whereas, pursuant to the terms of the Lease, Lessee has constructed and operated a 240 unit residential living complex on the Premises providing for low income senior citizen housing; and

Whereas, funds were obtained by Lessee for the construction and operation of the above-mentioned residential living complex from the United States Department of Housing and Urban Development (hereinafter referred to as "H.U.D.") under a federally insured mortgage program authorized by the Federal Housing Act of 1959, as amended (12 U.S.C. 1701 *et seq.*) (hereinafter referred to as the "Act"); and

Whereas, Lessee has proposed to construct an additional four story, 75 unit residential complex with adjacent parking facilities providing approximately 21 parking spaces (the residential complex and parking facility being hereinafter collectively referred to as the "Addition") devoted to the provision of low income senior citizen housing to be located on the Premises; and

Whereas, in order for Lessee to participate in the Mutual Mortgage Insurance Fund as administered by H.U.D. under Section 202 of the Act, Lessee must have a leasehold estate affecting the Premises for a period of seventy-five (75) years; and

Whereas, Lessee shall obtain that certain mortgage loan (the "Mortgage Loan") from a reputable financial institution (hereinafter referred to as "Lender") in accordance with the requirements of H.U.D. and consistent with federal guidelines, including, but not limited to, Sections 202 and 207 of the Act; and

Whereas, the proceeds of the Mortgage Loan shall be utilized for the construction of the Addition; and

Whereas, Lessor and Lessee agree that the construction and operation of the Addition on the Premises will be beneficial to the interests of both parties and to the general public; and

Whereas, in order to promote the above-described objectives, Lessor and Lessee seek to amend the Lease.

Now, Therefore, for and in consideration of the Premises, and for other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the parties hereby agree as follows:

- (1) The fourth paragraph of Page 1 of the Lease is amended to read as follows:

Lessee shall have and hold the Premises for a term of _____ years to commence upon September 9, 1979, and to terminate at midnight on the date seventy-five (75) years after the date of closing of the Mortgage Loan by Lessee and Lender (such term of years being hereinafter referred to as the "Lease Term") unless sooner terminated or extended, as the case may be, by the parties under the terms of the Amendment or the Lease.

- (2) Paragraph 1 of the Lease is amended to read as follows:

Fixed Rent

Lessee shall pay to Lessor, at such place and in such manner as Lessor may designate in writing, rent for the Premises during the Lease Term in the rate of:

Five Thousand Dollars (\$5,000.00) per year as rent during the first 25 years of the Lease Term;

Seven Thousand Five Hundred Dollars (\$7,500.00) per year as rent during the years 26-50 inclusive of the Lease Term; and

Ten Thousand Dollars (\$10,000.00) per year as rent during the years 51-75 inclusive of the Lease Term.

Rent shall be due and payable by Lessee to Lessor on the execution date of this Amendment and thereafter payable by Lessee on each anniversary of the execution date of this Amendment.

Additionally, Lessee shall be obligated to pay to Lessor the Sum of Thirty- seven Thousand Five Hundred Dollars (\$37,500.00) within twenty (20) days of the date of closing of the Mortgage Loan by Lessee and Lender. Lessee hereby agrees to provide Lessor with copies of all documentation provided to Lender, H.U.D. and to any additional financial institution involved with the obtaining of the Mortgage Loan by Lessee.

- (3) The Lease is amended to include the following additional provisions:

Additional Covenants

- (1) The Recitals contained in the Amendment constitute an integral part of this Amendment and are hereby incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.
- (2) Lessee agrees to devote the Premises to uses consistent with the Act, the Municipal Code of the City of Chicago, the laws of the State of Illinois and of the United States, and the provisions of the Amendment and the Lease.
- (3) Lessee shall obtain its Mortgage Loan from a reputable financial or lending institution within nine months of the date of execution of the Amendment.
- (4) Lessee agrees to not discriminate upon the basis of race, color, religion, sex or national origin in the lease of any dwelling unit located on the Premises.
- (5) Lessee agrees that during the construction of the addition as described in this Amendment:
 - A. Lessee shall not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin. Lessee shall take affirmative action to ensure that applicants are hired and employed without regard to race, religion, color, sex or national origin, including, without limitation, in the following areas: 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. Notices setting forth the provisions of this nondiscrimination clause shall be provided by Lessor. Lessee agrees to post the notices in conspicuous places on the Premises available to all employees and applicants for employment.
 - B. To the greatest extent feasible, Lessee is required to present opportunities for training and employment that are to be given to lower income residents of the project area, such area being hereby defined as the City of Chicago. Contracts for Work in connection with the project shall be awarded to business concerns which are located in, or owned in substantial part, by persons residing in the project area.
 - C. In order to promote equality of opportunity for minority and female personnel on this project, the following percentage goals of construction aggregated work hours in each of the categories of construction journeymen and apprentices shall apply:
 - a. At least 25% by minorities;
 - b. At least 7% by women.
 - D. All construction workers covered by the Amendment shall mean skilled construction workers which include all worksite (working)

foremen, journeymen, apprentices, trainees, and helpers where applicable.

- E. Salaried superintendents are excluded from the coverage of this Section as well as clerical workers and security guards. Lessee, in order to demonstrate compliance with the terms of the Lease and the Amendment, shall cooperate with the City of Chicago, which has the responsibility to observe and report compliance with equal opportunity regulations of federal, state and municipal agencies.
 - F. Lessee shall, in all solicitation or advertisements for employees placed by or on behalf of Lessee, state that all qualified applicants shall receive consideration for employment without regard to race, religion, color, sex or national origin.
- (6) Except as amended by this Amendment, the parties hereby ratify and confirm the Lease in all respects and acknowledge the applicability of all Lease provisions to the construction and operation of the Addition, including, without limitation, Paragraphs 2-32 inclusive of the Lease, particularly, Paragraph 2 (Construction), Paragraph 5 (Lien), Paragraph 7 (Taxes), Paragraph 9 (Maintenance), Paragraph 11 (Insurance), Paragraph 12 (Liability), Paragraph 13 (Fire), Paragraph 15 (Inspection), Paragraph 16 (Default) and Paragraph 17 (Surrender).

In Witness Whereof, the parties hereunto have set their hands and seals on the date first written.

[Signature forms omitted for printing purposes.]

STATE OF ILLINOIS)

) SS.

COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Harold Washington personally known to me to be the Mayor of the City of Chicago, a municipal corporation, and Walter S. Kozubowski, personally known to me to be the Clerk of the City of Chicago, a municipal corporation, and 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 being first duly sworn by me severally acknowledge that as such Mayor and Clerk, they signed and delivered that said instrument and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the City of Chicago, as their free and voluntary act and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of _____,
1987.

Notary Public

(SEAL)

My commission expires _____, 19____.

STATE OF ILLINOIS)

) SS.

COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in
the State aforesaid, do hereby certify that _____
personally known to me to be the President of Senior Citizens Housing Development
Corporation of Chicago and 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 being
first duly sworn by me acknowledged that he signed and delivered that said instrument as
his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of _____,
1987.

Notary Public

(SEAL)

My commission expires _____, 19____.

STATE OF ILLINOIS)

) SS.

COUNTY OF COOK)

I, _____, a Notary Public in and for said County, in
the State aforesaid, do hereby certify that _____
personally known to me to be the Secretary of Senior Citizens Housing Development

Corporation of Chicago and 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 being first duly sworn by me acknowledged that he signed and delivered that said instrument and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this _____ day of _____, 1987.

Notary Public

(SEAL)

My commission expires _____, 19____.

SECTION 2. This ordinance shall be effective from and after the date of its passage.

Action Deferred-- AMENDMENT NUMBER 2 TO MOHAWK-NORTH
REDEVELOPMENT PLAN.

The Committee on Housing submitted the following report, which was, on motion of Alderman Natarus and Alderman Pucinski, *Deferred* and ordered published:

CHICAGO, November 4, 1987.

To the President and Members of the City Council:

Your Committee on Housing having had under consideration a proposed ordinance transmitted with a communication signed by Honorable Harold Washington, Mayor (which was referred on May 20, 1987) authorizing the Mayor to approve:

Amendment No. 2 to the Mohawk-North Redevelopment Plan; which would exempt the property at 1422--1424 North Mohawk Street from acquisition by the City of Chicago.

We recommend that Your Honorable Body pass the said proposed ordinance, which is transmitted herewith.

This recommendation was concurred in by 4 members of the committee, with no dissenting vote.

Respectfully submitted,
(Signed) DOROTHY TILLMAN,
Chairman.

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

WHEREAS, The Department of Urban Renewal and the City Council heretofore approved the Mohawk-North Redevelopment Plan; and

WHEREAS, The Department of Urban Renewal Board, by Resolution No. 87- DUR-13, adopted on April 29, 1987, approved Plan Amendment No. 2 to said Plan, which Amendment is attached hereto and incorporated in this ordinance; and

WHEREAS, Said Amendment will change the Acquisition Map for the redevelopment project to delete the property at 1422--1424 North Mohawk Street from the properties to be acquired; and

WHEREAS, Said Amendment also changes the text of the Redevelopment Plan to add the property at 1422--1424 North Mohawk Street to the list of properties to be excluded from acquisition (Section IV. B. 1. b); and

WHEREAS, The City Council has reviewed the foregoing submittal, and it is the sense of the City Council that said Plan Amendment No. 2, together with the Plan, as amended, constitutes a Redevelopment Plan within the meaning of the Urban Renewal Consolidation Act of 1961, and that the Plan, as amended, is in accord with the modern principles of urban planning and within the general recommendations of the Chicago Plan Commission for the area covered thereby, and the City Council desires to evidence its approval of the Plan, as amended; now, therefore,

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

SECTION 1. That Amendment No. 2 to the Mohawk-North Redevelopment Plan, dated April, 1987, incorporated herein by reference, having been duly considered, is hereby approved.

SECTION 2. This ordinance shall be effective upon its passage.

Amendment No. 2 to Mohawk-North Redevelopment Plan attached to this ordinance reads as follows:

Department Of Housing

City Of Chicago

Mohawk-North Redevelopment Plan

Amendment No. 2.

The Mohawk-North Redevelopment Plan, as approved by the City Council in March, 1986, together with Amendment No. 1, approved by the City Council on March 11, 1987, is hereby amended as follows:

Item I: Acquisition And Land Use Plan Maps.

1. Delete the Acquisition and Land Use Plan maps dated December, 1986, and substitute those dated April, 1987.

Item II: Acquisition Plan.

1. The property at 1422--1424 North Mohawk Street shall be deleted from the list of properties to be acquired.
2. The text of the Redevelopment Plan (Section IV. B. 1. b.) shall be revised to add the property at 1422--1424 North Mohawk Street to the list of properties to be excluded from acquisition.

Maps attached to this Amendment No. 2 printed on
pages 6002 through 6004 of this Journal.]

COMMITTEE ON LAND ACQUISITION, DISPOSITION
AND LEASES.

EXECUTION OF RELEASES OF EASEMENT FOR PROPERTY
LOCATED IN VICINITY OF EAST NORTH WATER
STREET AND COLUMBUS DRIVE

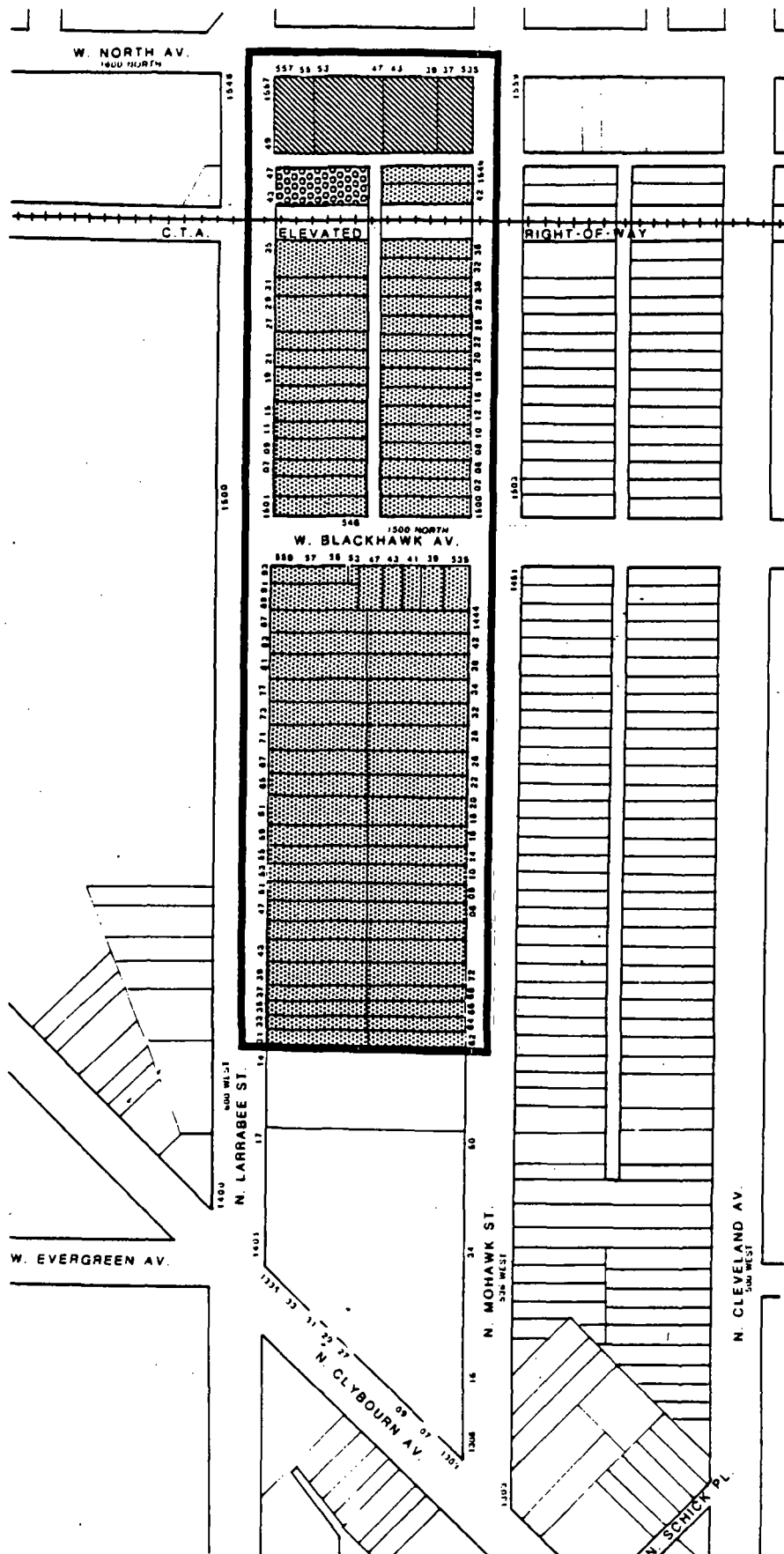
The Committee on Land Acquisition, Disposition and Leases submitted a report recommending that the City Council pass a proposed ordinance transmitted therewith, authorizing two releases of easement in favor of The Chicago Dock and Canal Trust and Equitable Life Assurance Society of the United States for property located in the vicinity of East North Water Street and Columbus Drive.

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

Yeas -- Aldermen Roti, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, Osterman, Orr -- 47.

Nays -- None.

(Continued on page 6005)



LAND USE PLAN

SLUM AND BLIGHTED AREA
REDEVELOPMENT PROJECT

MOHAWK - NORTH

AMENDMENT NO. 2

APRIL, 1987

— PROJECT BOUNDARY

RESIDENTIAL:
LOW DENSITY

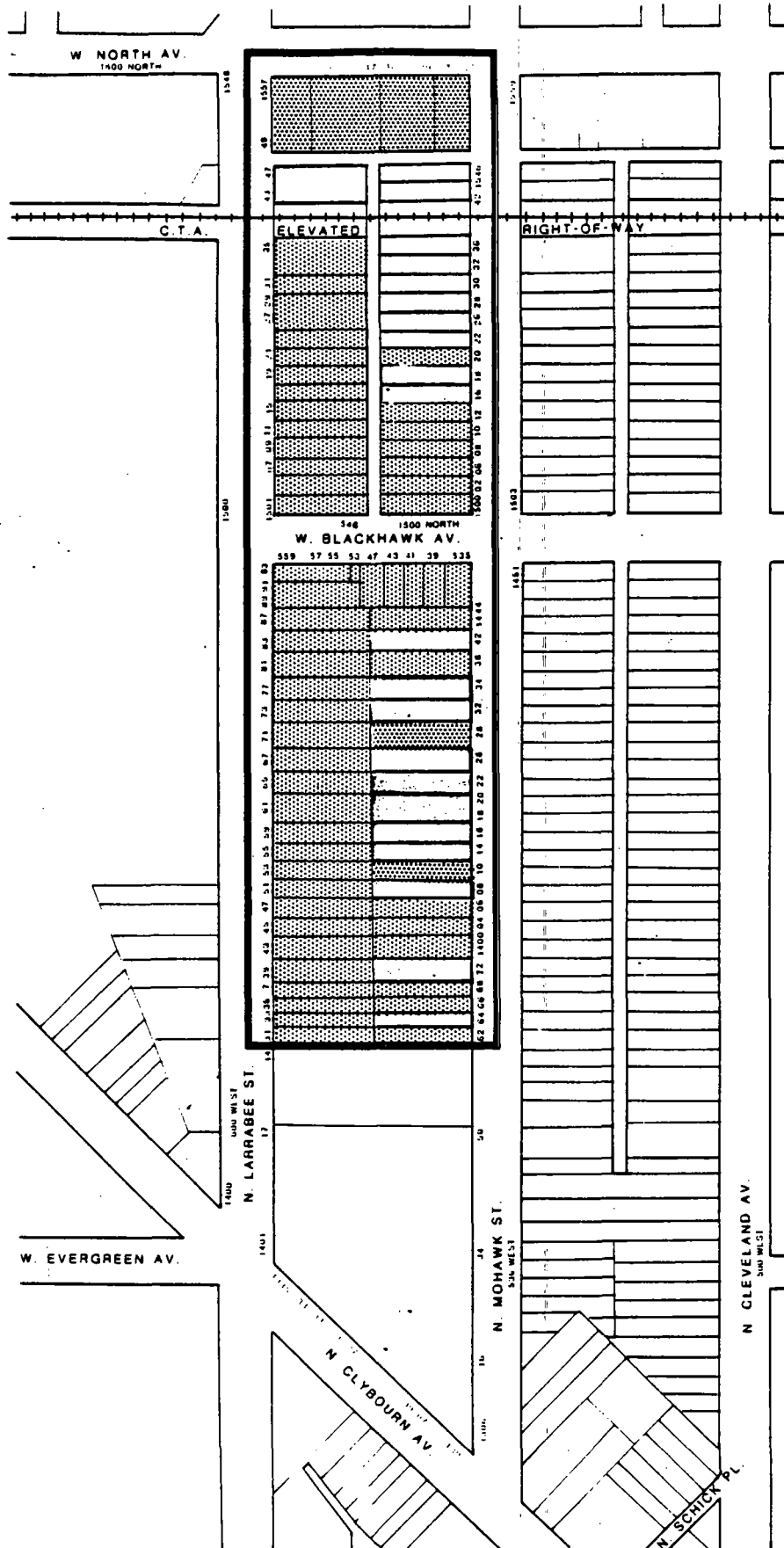
INSTITUTIONAL/
COMMERCIAL

RETAIL/BUSINESS

DEPARTMENT OF HOUSING
CITY OF CHICAGO



200 100 0 200 400
SCALE IN FEET



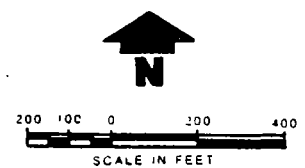
ACQUISITION MAP

SLUM AND BLIGHTED AREA
REDEVELOPMENT PROJECT

MOHAWK - NORTH
AMENDMENT NO. 2
APRIL, 1987

-  PROJECT BOUNDARY
-  PROPERTY TO BE ACQUIRED
-  PROPERTY NOT TO BE ACQUIRED

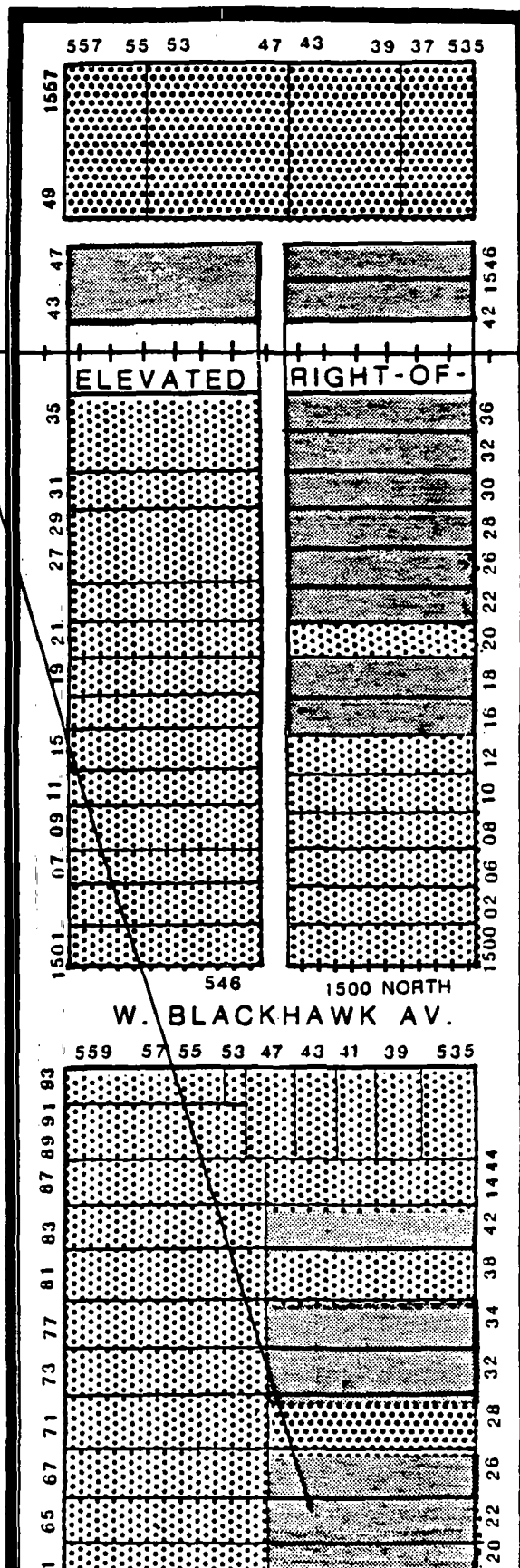
DEPARTMENT OF HOUSING
CITY OF CHICAGO



AMENDMENT NO. 2
APRIL, 1987



PROPERTY
NOT TO BE
ACQUIRED



N. MOHAWK ST.

(Continued from page 6001)

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

The following is said ordinance as passed:

WHEREAS, The City of Chicago has reserved certain easements for itself in a vacating ordinance passed by the City Council of the City of Chicago on November 26, 1986, and printed in the Journal of Proceedings of the City Council of the City of Chicago on said date, pages 37513 through 37520, a copy of which was recorded as Document No. 87-106319 on February 23, 1987 in the Recorder's Office of Cook County, Illinois; and

WHEREAS, The Departments of Water, Sewers, and Streets and Sanitation, at whose request said easements were reserved by the City of Chicago in the November 26, 1986 ordinance, no longer require an easement in that portion of East North Water Street between North St. Clair Street and Columbus Drive; and

WHEREAS, The City of Chicago has granted easements to construct and maintain a brick sewer through and under certain real estate located in the vicinity of North Water Street and Columbus Drive legally described in Documents Nos. 4414337 and 4414338 recorded on July 30, 1909 in the Recorder's Office of Cook County, Illinois; and

WHEREAS, The Department of Sewers no longer requires the easements granted to the City of Chicago in Document Nos. 4414337 and 4414338; now, therefore,

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

SECTION 1. The Mayor, the Commissioner of Water, the Commissioner of Sewers, and the Commissioner of Streets and Sanitation are hereby authorized to execute Releases of Easement, said Releases to be substantially in the following form:

Release Of Easement.

This instrument dated _____, 1987, is made by the City of Chicago, a municipal corporation of the State of Illinois, in favor of The Chicago Dock and Canal Trust, an Illinois business trust (hereinafter called "Chicago Dock"), and The Equitable Life Assurance Society of the United States, a New York corporation (hereinafter called "Equitable").

Witnesseth:

By instrument dated May 26, 1908 and recorded in the Office of the Recorder of Deeds of Cook County, Illinois on July 30, 1909 as Document No. 4414337, The Chicago Dock and Canal Company, an Illinois corporation; the predecessor in title to Chicago Dock, granted

to the City of Chicago an easement to construct and maintain a brick sewer through and under the real estate more particularly described in the easement grant, a copy of which is attached hereto as Exhibit A.

By instrument dated April 16, 1908 and recorded in the Office of the Recorder of Deeds of Cook County, Illinois on July 30, 1909 as Document No. 4414338 (herein called the "I. C. Grant"), the Illinois Central Railroad Company granted to the City of Chicago an easement to construct and maintain over and under the real estate therein described a brick sewer 5-1/2 feet in diameter, a copy of which is attached hereto as Exhibit B.

Equitable and Chicago Dock have constructed at their expense a sewer acceptable to the City of Chicago to replace the sewer described in the above two easement grants. The City of Chicago desires to release all rights and easements which were granted to the City of Chicago by the above described easement grants.

Now, Therefore, in consideration of Ten Dollars (\$10.00) and other good and valuable considerations in hand paid by Equitable and Chicago Dock the City of Chicago hereby releases and forever discharges all rights and easements which the City acquired or may now have to construct, operate and maintain a 5-1/2 foot sewer in the real estate described in the documents recorded in the Office of the Recorder of Deeds of Cook County, Illinois, as Documents No. 4414337 and No. 4414338.

In Witness Hereof, the City of Chicago has executed this instrument the day and year above written.

The City Of Chicago, Illinois

By: _____
Harold Washington, Mayor

By: _____
Terecita B. Sagun
Commissioner of Sewers

ATTEST:

City Clerk

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

Exhibit A.

Whereas, The Chicago Dock and Canal Company is the owner of certain tracts of land hereinafter described; and

Whereas, The City of Chicago is desirous of constructing a brick sewer five and one-half feet in diameter across and under said tracts of land for the purpose of forming an outlet for the proposed sewer in Fairbanks Court extending north from Indiana Street.

Now, Therefore, in consideration of the sum of One Dollar and other valuable considerations, the said The Chicago Dock and Canal Company does hereby give and grant to the said City of Chicago the right and privilege to construct a brick sewer five and one-half feet in diameter upon and under the following described lands, viz; Lots 3 and 4 in The Chicago Dock and Canal Company's resubdivision of its subdivision of Original Water lot Thirty-five and accretions thereto all of Block 8 and accretions, and that part of Block 19 lying east of Sub Block 2, all in Kinzie's Addition to Chicago, also Sub Lot 3 of the resubdivision of Lots 44 and 45 of the aforesaid The Chicago Dock and Canal Company's resubdivision, also Lot 5, Sub Lot 10, Sub Lot 11 and Sub Lot 12 in the resubdivision of Lots 4 to 9 inclusive, the east one-half of Lot 3 and the west seventy-one feet of Lot 10 in Block 8 and accretions thereto in the said The Chicago Dock & Canal Company's resubdivision, also Lot 1 in Sub Block 3 of Block 19, Kinzie's Addition to Chicago; the center line of the said sewer to be located along a line to be described as follows: Beginning at a point on the north bank of the Chicago River ten feet east of the east line of Lot 3 extended from the north, in The Chicago Dock and Canal Company's resubdivision of its subdivision of Original Water Lot 35 and accretions thereto, all of Block 8 and accretions, and that part of Block 19 lying east of sub Block 2, all in Kinzie's Addition to Chicago, hereafter to be called the point of beginning, thence to a point one hundred feet north of the "point of beginning" and ten feet east of the east line of said Lot 3 in The Chicago Dock & Canal Company's resubdivision, thence northwesterly to a point two hundred feet north of the "point of beginning" and sixteen feet west of the east line of said Lot 3 in The Chicago Dock & Canal Company's resubdivision, thence northwesterly to a point in the northerly line of said Lot 3 in The Chicago Dock & Canal Company's resubdivision, sixty feet distant from the north west corner of said Lot 3 thence northwestely to the intersection of a line twenty feet northeasterly from and parallel with the northeasterly line of Lot 1 of the said The Chicago Dock & Canal Company's resubdivision with a line ten feet west of and parallel with the west line of Sub Lot 3 in the resubdivision of Lots 44 and 45 of the said The Chicago Dock and Canal Company's resubdivision, thence north to a point ten feet west of the west line and fifteen feet north of the south line extended from the east of the said Sub Lot 3 in the resubdivision of Lots 44 and 45 in The Chicago Dock & Canal Company's resubdivision, thence northeasterly to a point twenty feet north of the south line of Illinois Street and in the east line extended from the south of Sub Lot 5 in the resubdivision of Lots 4 to 9 inclusive, the east one-half of Lot 3 and the west seventy-one feet of Lot 10 in Block 8 and accretions thereto in the said The Chicago Dock & Canal Company's resubdivision, thence northeasterly to a point sixteen feet south of the north line of Illinois Street and three hundred and twelve feet east of the east line of Seneca Street, thence northerly to a point sixteen feet north of the south line of Indiana Street and three hundred and twelve feet east of the east line of Seneca Street.

The said The Chicago Dock & Canal Company grants to the City of Chicago the right to enter upon said property at all reasonable times to construct, repair, clean and operate the said sewer, and to regulate the connections therewith for and during such time as said sewer shall be so used across said tracts of land, but no other rights or privileges shall accrue to said City by virtue of these present than is herein contained; and the said The Chicago Dock & Canal Company reserves the right to make connections with said sewer under the rules and regulations of the Sewer Department of said City, and further reserves the right to use the said tracts of land for any purpose not inconsistent with the rights and privileges hereby granted to the City of Chicago as above set forth, and particularly reserves the right to construct buildings on said tracts of land, provided that such construction shall in no manner interfere with the operation of said sewer, and all rights and privileges hereby granted to the City shall cease and determine in case said sewer is permanently abandoned by said City.

Provided, that no work shall be done under the terms of this easement until the contractor for the City of Chicago shall indemnify The Chicago Dock & Canal Company against any damage or expense caused in any manner by the construction of said sewer; and

Provided Further, that the City of Chicago is to build or cause to be built said sewer within five years from the date hereof, or failing so to do, all rights granted under this contract are to cease and determine.

In Witness Whereof, the said The Chicago Dock & Canal Company has caused this instrument to be signed by its President and its corporate seal to be hereto attached, attested by its Secretary, this 26th day of May, A.D. Nineteen Hundred and Eight.

The Chicago Dock and Canal Company

The Chicago Dock and Canal Company

Chartered Feb. 12, 1857

By: Eugene H. Fishturn,
President.

Attest: John Q.A. Rugg,
Secretary.

The foregoing instrument is executed by the President and secretary of The Chicago Dock and Canal Company in pursuance of a resolution passed by its Board of Directors at a special meeting held Tuesday, May 26, 1908, pursuant to notice given in accordance with the bylaws of said company, at which meeting a majority of the Board of Directors of said Company were present.

The Chicago Dock and Canal Company

John Q.A. Rugg,
Secretary.

Chartered Feb. 12, 1857

14--No. 4414337 Filed for Record Jul 30 A.D. 1909 at 2:51 P.M.

Abel Davis,
Recorder.

Exhibit B.

Whereas, it is desired by the City of Chicago that a sewer be laid across the property of the Illinois Central Railroad Company, said property being a parcel fifty (50) feet square in the southwest corner of Lot Four (4) of Chicago Dock & Canal Company's sub-division of original water lot Thirty-five (35) and the accretions thereto, all of Block Eight (8) and the accretions, and that part of Block Nineteen (19) lying east of Sub-Block Two (2) all in Kinzie's Addition to Chicago:

Now, Therefore, in consideration of the sum of One Dollar (\$1.00) in hand paid, the receipt of which is hereby acknowledged and other valuable considerations hereinafter arranged for, the Illinois Central Railroad Company, its successors and assigns, hereto grants to the City of Chicago an easement, under which the right is given to the City of Chicago to construct and maintain a brick sewer five and one-half (5-1/2) feet in internal diameter, the top of which will be about four (4) feet below the present surface of the ground, across said property as above described.

And the said Railroad Company further grants to the City of Chicago the right of access at all reasonable times, for the purpose of constructing, cleaning, repairing or regulating the use of said sewer.

Provided, that the said Railroad Company shall be put to no expense or damage in any way, because of the construction of said sewer across said property, and said sewer shall be constructed in such manner as not to interfere with the use of said property for railroad purposes.

Provided, Further, that before any work is done under the terms of this easement, the City of Chicago shall furnish to the said Railroad Company, a sufficient surety that the terms of this agreement will be complied with, and that the Railroad Company shall be put to no expense or damage in any way.

Witness the hand and seal of the grantor, this sixteenth day of April A.D. 1908.

Illinois Central Railroad Company

Illinois Central R.Rd.Co.

By I. G. Rawn,
Vice President.

Attest: Burt A. Beck,
Assistant Secretary.

O.K.

George A. Mason

Execution Approved. W.S.K.

5. No. 4414338

File for Record Jul 30 A.D. 1909 at 2:51 P.M.

Abel Davis,
Recorder.

Release Of Easement.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City of Chicago, an Illinois municipal corporation, hereby releases, remises, aliens and conveys unto The Equitable Life Assurance Society of the United States, a New York corporation, its successors and assigns, all of its right, title and interest in and to the following described property, vacated by an Ordinance passed by the Mayor and the City Council of Chicago on November 26, 1986, and recorded as Document Number 87-106319 on February 23, 1987 in the Recorder's Office of Cook County, Illinois, To Wit: that part of E. North Water Street lying southerly of the southerly line of lots 2 and 3 in Block 8 in Chicago Dock and Canal Company's Resubdivision of their Subdivision of Original Water Lot 35 and accretion thereto and all of Block 8 and accretion and that part of Block 19 lying East of the Sub-Block 2 all in Kinzie's Addition to Chicago aforementioned (Document No. 610129); lying southerly of the southerly line of lots 9 and 10 in Resubdivision of lots 4 to 9, the east 1/2 of lot 3 and the west 71 feet of lot 10 in Block 8 and accretion thereto in the Chicago Dock and Canal Company's Resubdivision in Kinzie's Addition to Chicago aforementioned, (Document No. 2006102); lying southerly, west and south of the southerly, west and south lines of lots 3, 4 and 5 in the Chicago Dock and Canal Company's Resubdivision in Section 10, Township 39 North, Range 14 East of the Third Principal Meridian, (Document No. 15834685); lying northeasterly of the northeasterly line of lots 1 and 2 in Water Lot 35 in Chicago Dock and Canal Company's Resubdivision (Document No. 610129) aforementioned; lying northwesterly of the northwesterly line of lots 33 and 34 in Kinzie's Addition to Chicago aforementioned; lying east of the southwardly extension of east line of the west 66 feet of the east 80.05 feet of lot 2 in Block 8

of Chicago Dock and Canal Company's Resubdivision (Document No. 610129) aforementioned; and lying west of a line drawn from a point on the northerly line of lot 2 in Water Lot 35 in Chicago Dock and Canal Company's Resubdivision (Document No. 610129) aforementioned, said point being 100.20 feet northwesterly of the northeast corner of lot 2 (as measured along the northerly line of said lot 2) to a point on the southerly line of lot 3 in Chicago Dock and Canal Resubdivision (Document No. 15834685) aforementioned, said point being 88.07 feet northwesterly of the southeast corner of lot 3 (as measured along the southerly line of said lot 3); all in the north fraction of Section 10, Township 39 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois.

In Witness Whereof, the corporate officers of the City of Chicago have caused this document to be executed and delivered this _____ day of _____, 1987.

The City of Chicago, Illinois
an Illinois Municipal Corporation

By: _____
Harold Washington, Mayor

By: _____
Samuel W. Hurley, Jr.
Commissioner, City of Chicago
Department of Water

By: _____
Teresita B. Sagun
Commissioner, City of Chicago
Department of Sewers

By: _____
John J. Halpin
Commissioner, City of Chicago
Department of Streets and
Sanitation

ATTEST:

Walter S. Kozubowski
City Clerk

Reviewed as to form and legality:

Chicago Assistant Corporation Counsel

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this _____ day of _____, 1987, by Harold Washington, Mayor of the City of Chicago, an Illinois municipal corporation, on behalf of the City of Chicago.

Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this _____ day of _____, 1987, by Lester S. Dickenson, Commissioner, City of Chicago Department of Water, on behalf of that Department.

Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this _____ day of _____, 1987, by Samuel W. Hurley, Commissioner, City of Chicago Department of Sewers, on behalf of that Department.

Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this _____ day of _____, 1987, by John J. Halpin, Commissioner, City of Chicago Department of Streets and Sanitation, on behalf of that Department.

Notary Public

My Commission Expires: _____

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

COMMISSIONER OF PUBLIC WORKS AUTHORIZED TO
NEGOTIATE FOR ACQUISITION OF PROPERTY
NECESSARY FOR SOUTHWEST RAPID
TRANSIT PROJECT.

The Committee on Land Acquisition, Disposition and Leases submitted a report recommending that the City Council pass the following proposed ordinance transmitted therewith:

WHEREAS, The City Council of the City of Chicago by ordinances dated October 1, 1984, (pages 9803 to 9807 of the Council Journal) and April 1, 1987, (pages 40763 to 40871 of the Council Journal) found it necessary and advantageous to acquire such rights-of-way, easements and such other property interests which are necessary for the construction, operation and maintenance of the Southwest Transit Project; and

WHEREAS, Said ordinances further granted to the Commissioner of Public Works the authority to acquire the rights-of-way, easements and such other property interests which are necessary for the construction, operation and maintenance of the Southwest Rapid Transit Project in accordance with Federal and State Regulations; and

WHEREAS, Said ordinances described with particularity the property to be acquired by the Commissioner of the Department of Public Works for the construction, operation and maintenance of the Southwest Rapid Transit Project and to ratify the authority vested in the Commissioner of the Department of Public Works to acquire the described rights-of-way, easements and such other property interests which are necessary for the construction, operation and maintenance of the Southwest Rapid Transit Project; and

WHEREAS, It has been determined that it is useful, necessary and advantageous to acquire additional parcels for the construction, operation and maintenance of the Southwest Rapid Transit Project; and

WHEREAS, The General Assembly in Chapter 110, Paragraph 7-103 of the Illinois Revised Statutes has authorized the use of Quick Take Proceedings by the City of Chicago for the purposes set forth in Chapter 24, Paragraph 11-61-1a of the Illinois Municipal Code as now hereafter amended for the extension of rapid transit lines; and

WHEREAS, It is the intent of the City Council to describe with particularity the additional parcel of real property that is useful, necessary and advantageous to the construction, operation and maintenance of the Southwest Rapid Transit Project, now, therefore,

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

SECTION 1. It is useful, necessary and advantageous and in the public interest to acquire the property legally described herein for the Southwest Transit Project.

SECTION 2. The necessary property to be acquired for the Southwest Transit Project which has been identified as parcel PR-099A is legally described in Exhibit "A" attached hereto and made a part hereof.

SECTION 3. The Commissioner of Public Works is hereby authorized to negotiate with the owners of the above described property to acquire the property for the Southwest Transit Project. In the event a settlement is reached with an owner, the Commissioner is further authorized to acquire the parcel at the agreed price, subject to the approval of the federal and state funding agencies.

SECTION 4. In the event the Commissioner is unable to negotiate or agree with the owner of the parcel, or the owner is unable to clear title to the parcel, the Commissioner shall report such facts to the Corporation Counsel and the Corporation Counsel is hereby authorized to institute Eminent Domain proceedings to acquire said parcel in accordance with the laws of the State of Illinois.

SECTION 5. It is further determined that it is necessary to expeditiously acquire the above described property to comply with the Southwest Rapid Transit Right of Way Acquisition Schedule adopted by ordinance dated April 1, 1987 (pages 40763 to 40871 of the Council Journal).

SECTION 6. The Corporation Counsel is hereby authorized and directed to exercise "Quick Take Powers" pursuant to the provisions of Illinois Revised Statutes Chapter 110, Section 7-103 through 7-112.

SECTION 7. This ordinance shall be in full force and effect immediately upon and after its passage.

Exhibit "A" attached to this ordinance reads as follows:

Exhibit A.

*Legal Description
Southwest Transit Project
Parcel Pr-099A
5829--5859 South Cicero Avenue.*

Lot 10 In Block 13 Of Bartlett's First Addition To City Addition In The West 1/2 Of The Northwest 1/4 Of Section 15, Township 38 North, Range 13 East Of The Third Principal Meridian In Cook County, Illinois; Also, A Parcel Of Land In The Southwest 1/4 Of The Northwest 1/4 Of Section 15, Township 38 North, Range 13 East Of Third Principal Meridian, Described As Follows, To Wit: Commencing At The Southwest Corner Of Said Northwest 1/4; Thence North 171 Feet Along The West Line Of Said Northwest 1/4 To A Point; Thence Northeasterly From The Last Described Point On A Curved Line Convex To The Southeast Having A Radius Of 5,667.15 Feet And Which Curved Line Is The Westerly Line Of A Tract Of Land Conveyed By E. Sturges And Wife To Chicago Title And Trust

Company, As Trustee, By Deed Dated May 19, 1914 And Recorded June 4, 1914 As Document 5430425, The Distance Along The Arc Being 205.9 Feet (Long Chord 205.89 Feet) To A Point Which Is 199.1 Feet East Of The West Line Of Said Northwest 1/4 And 225.5 Feet North Of The South Line Of Said Northwest 1/4; Thence Northeasterly From Last Described Point On A Curved Line Convex To The Southeast Having A Radius Of 1,370.19 Feet And Which Curved Line Is Westerly Line Of A Tract Of Land Conveyed By F. Sturges, A Distance Of 142.24 Feet (Long Chord 142.18 Feet) Said Point Being 333.73 Feet East Of The West Line Of Said Northwest 1/4 Measured At Right Angles Thereto; Thence Southerly From Last Described Point, A Distance Of 272.62 Feet More Or Less, To A Point In The South Line Of Said Northwest 1/4, Which Point Is 333.78 Feet East Of The Southwest Corner Of Said Northwest 1/4; Thence West From Last Described Point 333.78 Feet To The Point Of Beginning, (Excepting From Said Premises Those Portion Falling Within Streets Or Highways, And Except That Part Falling Within The East 110.00 Feet Of The West 160 Feet Of Said Southwest 1/4 Of The Northwest 1/4 Of Section 15, All In Cook County, Illinois.

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

Yeas -- Aldermen Roti, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schuler, Osterman, Orr -- 47.

Nays -- None.

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

MATTERS PRESENTED BY THE ALDERMEN

(Presented By Wards, In Order, Beginning With The Fiftieth Ward).

Arranged under the following subheadings:

1. Traffic Regulations, Traffic Signs and Traffic-Control Devices.
2. Zoning Ordinance Amendments.
3. Claims.
4. Unclassified Matters (arranged in order according to Ward numbers).
5. Free Permits, License Fee Exemptions, Cancellation of Warrants for Collection and Water Rate Exemptions, Etc.

1. TRAFFIC REGULATIONS, TRAFFIC SIGNS AND TRAFFIC-CONTROL DEVICES.

Referred -- ESTABLISHMENT OF LOADING ZONES
AT SUNDRY LOCATIONS.

The aldermen named below presented proposed ordinances to establish loading zones at the locations designated, for the distances and times specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location, Distance And Time
ROTI (1st Ward)	North Wacker Drive (west side) from a point 107 feet south of West Lake Street to a point 25 feet south thereof--at all times;
STREETER (17th Ward)	West 69th Street (south side) from a point 108 feet west of South Wentworth Avenue to a point 158 feet thereof--at all times.

Referred -- AMENDMENT OF ONE-WAY TRAFFIC
RESTRICTION ON PORTION OF NORTH
FRANCISCO AVENUE.

Alderman Mell (33rd Ward) presented a proposed ordinance which would amend an ordinance passed on May 6, 1959 (C.J. p. 165) by striking "West Irving Park Road" relative to the restriction on the movement of vehicular traffic on North Francisco Avenue and inserting in lieu thereof "West Grace Street", which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- AMENDMENT OF ONE-WAY TRAFFIC
RESTRICTION ON PORTION OF NORTH
MOZART STREET.

Alderman Mell (33rd Ward) presented a proposed ordinance which would amend an ordinance passed on May 6, 1959 (C.J. p. 165) by striking the words "From West Addison Street to West Irving Park Road, northerly" relative to the restriction on the movement of vehicular traffic on North Mozart Street and inserting in lieu thereof "From West Addison Street to the first alley south of West Irving Park Road, northerly", which was *Referred to the Committee on Traffic Control and Safety*.

Referred -- AMENDMENT OF ONE-WAY TRAFFIC
RESTRICTION ON PORTION OF NORTH
RICHMOND STREET.

Alderman Mell (33rd Ward) presented a proposed ordinance which would amend an ordinance passed on May 6, 1959 (C.J. p. 165) by striking the words "From West Addison Street to West Irving Park Road, northerly" relative to the restriction on the movement of vehicular traffic on North Richmond Street and inserting in lieu thereof "From West Waveland Avenue to the first alley south of West Irving Park Road, northerly", which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- AMENDMENT OF ONE-WAY TRAFFIC
RESTRICTION ON PORTION OF NORTH
RICHMOND STREET.

Alderman Mell (33rd Ward) presented a proposed ordinance which would amend an ordinance passed by the City Council by striking the words "From West Irving Park Road to West Belle Plaine Avenue, northerly" relative to the restriction on the movement of vehicular traffic on North Richmond Street and inserting in lieu thereof "From West Belle Plaine Avenue to West Irving Park Road, southerly", which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- REPEAL OF ONE-WAY TRAFFIC RESTRICTION
ON PORTION OF EAST CHESTNUT STREET.

Alderman Natarus (42nd Ward) presented a proposed ordinance to repeal a previously passed ordinance which restricted the movement of vehicular traffic to a westerly direction on East Chestnut Street, between North Michigan Avenue and North Rush Street, which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- REMOVAL OF PARKING METERS 11705 AND
11686 AT EAST 79TH STREET AND SOUTH
COTTAGE GROVE AVENUE.

Alderman Sawyer (6th Ward) presented a proposed order to remove parking meters 11705 and 11686 located on the northwest corner of East 79th Street and South Cottage Grove Avenue, which was *Referred to the Committee on Traffic Control and Safety.*

Referred -- LIMITATION OF PARKING AT
SPECIFIED LOCATIONS.

The aldermen named below presented proposed ordinances to limit the parking of vehicles to the periods specified, during the hours designated and at the locations specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman

Location, Distance And Time

SAWYER (6th Ward)

South Cottage Grove Avenue, at 79th Street (northwest corner)--30 minutes--at all times;

HAGOPIAN (30th Ward)

North Cicero Avenue (east side) from a point 390 feet north of West School Street to a point 110 feet north thereof--1 hour--9:00 A.M. to 9:00 P.M.;

North Cicero Avenue (east side) from a point 85 feet south of West School Street to a point 160 feet south thereof--1 hour--9:00 A.M. to 9:00 P.M.

West School Street (both sides) from North Cicero Avenue to the first alley east thereof--1 hour--9:00 A.M. to 9:00 P.M.

*Referred -- AMENDMENT OF PARKING LIMITATION
ON PORTION OF NORTH CICERO AVENUE.*

Alderman Hagopian (30th Ward) presented a proposed ordinance which would amend a previously passed ordinance by adding three hours to the period during which a one hour parking restriction is applicable to vehicles on the east side of North Cicero Avenue, which was *Referred to the Committee on Traffic Control and Safety.*

*Referred -- ESTABLISHMENT OF RESIDENTIAL PERMIT PARKING
ZONE IN 7900 BLOCK OF SOUTH CONSTANCE AVENUE.*

Alderman Caldwell (8th Ward) presented a proposed order to establish a residential permit parking zone along both sides of the 7900 block of South Constance Avenue at all times, which was *Referred to the Committee on Traffic Control and Safety.*

*Referred -- ESTABLISHMENT OF DIAGONAL PARKING AT
SPECIFIED LOCATIONS.*

Alderman Mell (33rd Ward) presented two proposed orders to establish diagonal parking at the locations specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

West Irving Park Road at 2933, along South Richmond Street;

West Irving Park Road at 2925, along South Richmond Street.

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 and for the distances specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location And Distance
T. EVANS (4th Ward)	East 55th Street, at 1464--no exceptions;
CALDWELL (8th Ward)	South Dobson Avenue, at 8122 (except for handicapped);
MADRZYK (13th Ward)	South Homan Avenue, at 5409 (except for handicapped);
HAGOPIAN (30th Ward)	North Laramie Avenue at 2625, from the corner to a point 30 feet south thereof--no exceptions;
CULLERTON (38th Ward)	North New England Avenue, at 3609 (except for handicapped).

Referred -- INSTALLATION OF TRAFFIC SIGNS AT
SUNDRY LOCATIONS.

The aldermen named below presented proposed orders for the installation of traffic signs, of the nature indicated and at the locations specified, which were *Referred to the Committee on Traffic Control and Safety*, as follows:

Alderman	Location And Type Of Sign
T. EVANS (4th Ward)	East 55th Street, at 1464--"No Outlet";
CALDWELL (8th Ward)	Intersection of East 80th Street and South Constance Avenue (one-way southerly)--"Stop".

Referred -- REMOVAL OF CERTAIN "NO PARKING" SIGNS
ON PORTION OF NORTH CICERO AVENUE.

Alderman Hagopian (30th Ward) presented a proposed ordinance to remove unauthorized "No Parking--4:00 P.M. to 6:00 P.M.--Monday through Friday" signs along the east side of North Cicero Avenue, between West Henderson Street and West Roscoe Street, which was *Referred to the Committee on Traffic Control and Safety*.

2. ZONING ORDINANCE AMENDMENT.

Referred -- ZONING RECLASSIFICATION OF PARTICULAR AREA.

Alderman Langford (16th Ward) presented a proposed ordinance amending the Chicago Zoning Ordinance by reclassifying a particular area, which was *Referred to the Committee on Zoning*, as follows:

To classify as an R3 General Residence District instead of a C1-2 Restricted Commercial District the area shown on Map No. 14-G bounded by

the alley next north of and parallel to West 63rd Street; a line 90 feet east of and parallel to South Ada Street; West 63rd Street; and a line 50 feet east of and parallel to South Ada Street.

3. CLAIMS.

Referred -- CLAIMS AGAINST CITY OF CHICAGO.

The aldermen named below presented five 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

CULLERTON (38th Ward)

Roscoe Woods Condominium;

EISENDRATH (43rd Ward)351--353 West Dickens Condominium
Association;*SHILLER* (46th Ward)3618 North Fremont Condominium
Association;*OSTERMAN* (48th Ward)1319--1321 West Ardmore
Condominium Association;*ROTI* for *STONE* (50th Ward)

Ridge Park Condominium 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):

Referred -- PERMISSION FOR OPERATION OF NEWSSTAND
AT INTERSECTION OF WEST ROOSEVELT ROAD
AND SOUTH HALSTED STREET.

A proposed order directing the Commissioner of Public Works to grant permission to Mr. Leroy Haynes for the operation of a newsstand on the southeast corner of West Roosevelt Road and South Halsted Street, on a daily basis, in accordance with the provisions of the Chicago Municipal Code, which was *Referred to the Committee on Streets and Alleys*.

Presented By

ALDERMAN BLOOM (5th Ward):

DRAFTING OF ORDINANCE DIRECTED FOR VACATION OF
PORTION OF EAST 71ST STREET.

A proposed order reading as follows:

Ordered, That the Commissioner of Public Works is hereby directed to prepare an ordinance for the vacation of East 71st Street lying between the intersection of East 71st Street with 72nd Street and Lake Michigan for Jackie B. and Eva Breckenridge (No. 19/30-5-87-1196); said ordinance to be transmitted to the Committee on Streets and Alleys for consideration and recommendation to the City Council.

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

On motion of Alderman Bloom, the foregoing proposed order was *Passed*.

Referred -- EXEMPTION OF HYDE PARK COMMUNITY HOSPITAL
AND UNIVERSITY OF CHICAGO HOSPITALS FROM
PAYMENT OF ALL CITY PERMIT AND
LICENSE FEES FOR YEAR 1988.

Also, two proposed ordinances to exempt the hospitals specified below from the payment of all city permit and license fees for 1988, which were *Referred to the Committee on Finance*, as follows:

Hyde Park Community Hospital; and

University of Chicago Hospitals.

Referred -- EXEMPTION OF UNIVERSITY OF CHICAGO FROM
PHYSICAL BARRIER REQUIREMENT PERTAINING
TO ALLEY ACCESSIBILITY.

Also, a proposed ordinance to exempt the University of Chicago, a commercial driveway permit holder, from the physical barrier requirement pertaining to alley accessibility pursuant to the provisions of Municipal Code Chapter 33, Section 33- 19.1, for its location at 5700 South Stony Island Avenue, which was *Referred to the Committee on Streets and Alleys*.

Presented By

ALDERMAN VRDOLYAK (10th Ward):

DRAFTING OF ORDINANCE DIRECTED FOR VACATION OF
SPECIFIED PUBLIC ALLEY.

A proposed order reading as follows:

Ordered, That the Commissioner of Public Works is hereby directed to prepare an ordinance for the vacation of all of the north-south 14-foot public alley in the block bounded by vacated South Avenue C, South Avenue B, East 105th Street and East 106th Street for Burger King *et al.* (No. 8-10-87-1194); said ordinance to be transmitted to the Committee on Streets and alleys for consideration and recommendation to the City Council.

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

On motion of Alderman Vrdolyak, the foregoing proposed order was *Passed*.

Presented By

ALDERMAN HUELS (11th Ward):

TRIBUTE TO LATE MR. JOHN FERRO.

A proposed resolution reading as follows:

WHEREAS, John Ferro has passed away on September 29, 1987; and

WHEREAS, John Ferro, dearly beloved husband of Kay, loving father of Peter, Mary Ann (Angelo "Packy" Ciaravino), Disa (Lewis Borsellino) and John Jr., loving grandpa of John and Lewis John; and

WHEREAS, John was loved and respected by all who knew him for his compassion for people and his sincere love and devotion to his family and friends; now, therefore,

Be It Resolved, That we, the Mayor and members of the City Council of the City of Chicago, gathered on this 4th day of November in 1987, do hereby mourn the death of John Ferro and may we also extend our deepest sympathy to the many family members and friends of John Ferro; and

Be It Further Resolved, That a suitable copy of this resolution be made available for the family of John Ferro.

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

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

Yeas -- Aldermen Roti, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schuler, Osterman, Orr -- 47.

Nays -- None.

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

Referred -- PROPOSED CORRECTIONS OF OR REVISIONS
TO 1988 ANNUAL APPROPRIATION ORDINANCE
BUDGET RECOMMENDATIONS.

Also, a proposed amendment submitting two corrections of or revisions to the 1988 Annual Appropriation Ordinance mayoral budget recommendations, which was *Referred to the Committee on the Budget and Government Operations*.

Presented By

ALDERMAN HAGOPIAN (30th Ward):

Referred -- ISSUANCE OF SIGN PERMIT FOR ERECTION OF
SIGN/SIGNBOARD AT 4801 WEST BELMONT AVENUE.

A proposed order directing the Commissioner of Inspectional Services to issue a sign permit to Doyle Signs, Incorporated for the erection of a sign/signboard at 4801 West Belmont Avenue for Community Savings and Loan, which was *Referred to the Committee on Zoning*.

Presented By

ALDERMAN GABINSKI (32nd Ward):

Referred -- ISSUANCE OF SIGN PERMIT FOR ERECTION OF
SIGN/SIGNBOARD AT 865 NORTH
SANGAMON STREET.

A proposed order directing the Commissioner of Inspectional Services to issue a sign permit to Chicago Rite-Lite Signs for the erection of a sign/signboard at 865 North Sangamon Street for Chestnut Lofts, which was *Referred to the Committee on Zoning*.

Presented By

ALDERMAN AUSTIN (34th Ward) And Others:

Referred -- COMMISSIONER OF STREETS AND SANITATION AND
BUDGET DIRECTOR REQUESTED TO REPORT ON
FEASIBILITY OF HIRING ALL PREVAILING
RATE EMPLOYEES BY APRIL 1.

A proposed resolution, presented by Aldermen Austin, Hansen, Shaw, Smith, Langford and Carter, requesting the Commissioner of the Department of Streets and Sanitation and the Budget Director to report to the City Council Committee on the Budget and Government Operations on the feasibility of hiring all prevailing rate employees by April 1 to ensure their availability during peak periods, which was *Referred to the Committee on the Budget and Government Operations*.

Presented By

ALDERMAN CULLERTON (38th Ward):

Referred -- ISSUANCE OF SIGN PERMIT FOR ERECTION OF
SIGN/SIGNBOARD AT 5200 WEST IRVING
PARK ROAD.

A proposed order directing the Commissioner of Inspectional Services to issue a sign permit to M-K Signs, Incorporated for the erection of a sign/signboard at 5200 West Irving Park Road for Lynch Buick, which was *Referred to the Committee on Zoning*.

Presented By

**ALDERMAN LAURINO (39th Ward) And
ALDERMAN O'CONNOR (40th Ward):**

Referred -- REPEAL OF THREE YEAR TAX LEVY AUTHORIZATION,
IMPLEMENTATION AND APPROPRIATION FOR SPECIAL
SERVICE AREA NUMBER 6.

A proposed ordinance to repeal the ordinances passed by the City Council on September 9, 1987, C.J. pp. 3115--3125, which authorized the continuation of a three year tax levy for Special Service Area Number 6 as well as the appropriation and tax levy for Special Service Area Number 6, which was *Referred to the Committee on Finance*.

Presented By

ALDERMAN NATARUS (42nd Ward):

Referred -- DEED OF DEDICATION FOR CONVEYANCE OF
ADDITIONAL PROPERTY FROM THE CHICAGO
DOCK AND CANAL TRUST TO CITY FOR
PEDESTRIAN SIDEWALK
PURPOSES.

A proposed ordinance to convey a deed of dedication from the Chicago Dock and Canal Trust providing for the opening of part of East Illinois Street and part of East North Water Street for additional pedestrian sidewalk purposes, which was *Referred to the Committee on Streets and Alleys*.

Referred -- PERMISSION TO CLOSE TO TRAFFIC PORTION OF
WEST HUBBARD STREET FOR 65TH ANNIVERSARY
OF FEINSTEIN JEWELRY FIRM.

Also, a proposed order directing the Commissioner of Public Works to grant permission to Steven Feinstein/Dori Wilson and Associates, Incorporated, to close to traffic West Hubbard Street, between North Clark and North LaSalle Streets, on Thursday, November 19, 1987 for the erection of a tent to house a celebration of the 65th Anniversary of the Feinstein Jewelry Firm, which was *Referred to the Committee on Beautification and Recreation*.

Presented By

**ALDERMAN EISENDRATH (43rd Ward),
ALDERMAN HANSEN (44th Ward)
And OTHERS:**

Referred -- AMENDMENT OF MUNICIPAL CODE CHAPTER 27 BY
ADDITION OF NEW SECTION 27-424.1 CONCERNING
DEVELOPMENT OF DUAL PRIVATE/PUBLIC
TOWING PROGRAM.

A proposed ordinance, presented by Aldermen Eisendrath, Hansen, Schuler, Osterman and Orr, to amend Chapter 27 of the Municipal Code by adding a new section to be known as Section 27-424.1, which would establish a dual private/public towing program within the City of Chicago by granting the Purchasing Agent the authority to contract with qualified firms and individuals for the towing of abandoned vehicles as designated by the Superintendent of Police, which was *Referred to the Committee on Traffic Control and Safety*.

Presented By

ALDERMAN SCHULTER (47th Ward):

INTERSECTION OF NORTH LINCOLN AVENUE, NORTH DAMEN
AVENUE AND WEST IRVING PARK ROAD CLOSED
TO TRAFFIC ON VETERAN'S DAY,
NOVEMBER 11, 1987.

A proposed order reading as follows:

Ordered, That the Commissioner of Public Works is hereby authorized and directed to grant permission to the North Center Memorial Association, 2157 West Irving Park Road, to close to traffic the intersection of North Lincoln Avenue, North Damen Avenue and West Irving Park Road on Wednesday, November 11, 1987, during the hours of 10:30 A.M. and 11:30 A.M., for the purpose of holding a "Memorial For The Veterans".

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

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

Yeas -- Aldermen Roti, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schuler, Osterman, Orr -- 47.

Nays -- None.

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

Presented By

**ALDERMAN ORR (49th Ward),
ALDERMAN EISENDRATH (43rd Ward)
And ALDERMAN FIGUEROA (31st Ward):**

Referred -- COMMITTEE ON HUMAN RIGHTS AND CONSUMER
PROTECTION DIRECTED TO HOLD HEARINGS AND
DEVELOP LEGISLATION ON "PRIVATIZATION"
OF VEHICLE TOWING.

A proposed resolution, presented by Aldermen Orr, Eisendrath and Figueroa, urging the Committee on Human Rights and Consumer Protection to hold hearings and develop legislation on the possibility of "privatizing" vehicle towing in Chicago, which was *Referred to the Committee on Human Rights and Consumer Protection*.

**5. FREE PERMITS, LICENSE FEE EXEMPTIONS, CANCELLATION
OF WARRANTS FOR COLLECTION, AND
WATER RATE EXEMPTIONS, ETC.**

Proposed ordinances, orders, etc. described below, were presented by the aldermen named, and were *Referred to the Committee on Finance*, as follows:

FREE PERMIT:

BY ALDERMEN HANSEN (44th Ward):

Broadway United Methodist Church--for the construction of a driveway, disconnection of two water services, water service and remote meter head and electrical installations on the premises known as 3344 North Broadway.

LICENSE FEE EXEMPTIONS:

BY ALDERMAN BLOOM (5th Ward):

LaRabida Children's Hospital and Research Center, East 65th Street at Lake Michigan.

BY ALDERMAN OSTERMAN (48th Ward):

Selfhelp Home for the Aged, 908 West Argyle Street.

BY ALDERMAN ROTI for **ALDERMAN STONE** (50th Ward):

Jewish Peoples Convalescent Home, 6512 North California Avenue.

CANCELLATION OF WARRANTS FOR COLLECTION:

BY ALDERMAN EISENDRATH (43rd Ward):

Chicago Historical Society, 4853 North Ravenswood Avenue--for semi-annual elevator inspection fee.

BY ALDERMAN LEVAR (45th Ward):

Copernicus Civic Center, 5216 West Lawrence Avenue--for elevator inspection fee.

WATER RATE EXEMPTIONS.

BY ALDERMAN EISENDRATH (43rd Ward):

Chicago Historical Society, 4853 North Ravenswood Avenue and 1601 North Clark Street. (2)

REFUND OF FEE:

BY ALDERMAN ROTI (1st Ward):

Chicago Hilton and Towers, 720 South Michigan Avenue.

BY ALDERMAN HANSEN (44th Ward):

Broadway United Methodist Church, 620 West Buckingham Place--for electrical installations and construction.

**APPROVAL OF JOURNAL OF
PROCEEDINGS.**

JOURNAL (October 30, 1987).

The City Clerk submitted the printed Official Journal of the Proceedings of the regular meeting held on October 30, 1987 at 10:00 A.M., signed by him as such City Clerk.

Alderman T. Evans moved to *Approve* said printed Official Journal and to dispense with the reading thereof. The question being put, the motion *Prevailed*.

UNFINISHED BUSINESS.

None.

MISCELLANEOUS BUSINESS.

OFFICIAL JOURNAL OF REGULAR MEETING HELD ON
OCTOBER 31, 1984 CORRECTED.

Alderman Davis moved to *Correct* the printed Official Journal of the Proceedings of the regular meeting held on Wednesday, October 31, 1984, as follows:

Page 10773--by deleting "145.71 feet north of East 129th Street" as it appears in the tenth line from the bottom of the page and inserting in lieu thereof "1,451.71 feet north of East 130th Street".

The motion to correct *Prevailed*.

CONGRATULATIONS EXTENDED TO ALDERMAN
GEORGE HAGOPIAN ON HIS BIRTHDAY.

At this point in the proceedings, Alderman Jones noted that November 4th was Alderman Hagopian's birthday. Thereupon, all present warmly applauded Alderman Hagopian.

PRESENCE OF VISITORS NOTED.

Alderman Eugene Sawyer, President Pro Tem., called the Council's attention to the presence of the following visitor:

Ms. Janifer J. Mayden, employee of N.A.S.A. and former Chicagoan.

Time Fixed For Next Succeeding Regular Meeting.

By unanimous consent, Alderman T. Evans 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 Wednesday, the fourth (4th) day of November, 1987, at 10:00 A.M., be and the same is hereby fixed to be held on Tuesday, the tenth (10th) day of November, 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 T. Evans, the foregoing proposed ordinance was *Passed* by yeas and nays as follows:

Yeas -- Aldermen Roti, Tillman, T. Evans, Bloom, Sawyer, Beavers, Caldwell, Shaw, Vrdolyak, Huels, Fary, Madrzyk, Burke, Carter, Langford, Streeter, Kellam, Sheahan, Jones, J. Evans, Garcia, Krystyniak, Soliz, Gutierrez, Butler, Smith, Davis, Hagopian, Figueroa, Gabinski, Mell, Austin, Kotlarz, Banks, Giles, Cullerton, Laurino, O'Connor, Pucinski, Natarus, Eisendrath, Hansen, Levar, Shiller, Schulter, Osterman, Orr -- 47.

Nays -- None.

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

BUDGET YEAR 1988 AND TRUTH IN TAXATION ACT
PUBLIC HEARINGS.

At 11:14 A.M., Alderman T. Evans moved that the City Council recess for five minutes. The motion *Prevailed*.

At the conclusion of the recess, Alderman T. Evans moved to reconvene the City Council for the purpose of conducting a public hearing on the 1988 Budget, and a Truth in Taxation Act hearing for the Levy of Taxes for the City of Chicago, pursuant to the Illinois Revised Statutes. Alderman T. Evans further moved that the members of the public who wished to be heard with regard to the Budget and Truth in Taxation Act hearings be afforded the opportunity to make their statements at the Clerk's rostrum.

The motion *Prevailed*.

Alderman Natarus raised a point of order, holding that a court reporter should be present to transcribe the hearing proceedings.

President Pro Tem. Sawyer ruled the point of order *Not Well Taken*.

President Pro Tem. Alderman Eugene Sawyer, then presented the following speakers who addressed the City Council:

Sharon Gist Gilliam	City of Chicago Budget Director
Hank Scheff	A.F.S.C.M.E. Council 3
Toni Hartrich	The Civic Federation
Geraldine Norwood	A.F.S.C.M.E. (Health Department)
Jan Flapan	League of Women Voters
Ron Vander Kool	Chicago Coalition for the Homeless
Lois Weber	95th Street Beverly Hills Business Association
Katherine Brewin	Beverly Area Planning Association
Lee Langster	GAP Community Organization
Merlene Aubert	A.F.S.C.M.E. Local 1215/Chicago Public Library
Linda Anne Dougherty	Chicago Public Library
Raquel Guerrero	Pilsen Community Library
David Truitt	Friends of the Chicago Public Library

Delmar J. Stauffer	Chicago Dental Society
Leutie Lawrence	Tri-West Community Service Network and 1400 South Kostner Block Club
Dr. Egon Tulke	Department of Health, Dental Division
William G. Bradna	Chicago Property Owners Association
Jessie A. Woods	Department of Cultural Affairs
Charles Stowe Myers	Concerned citizen
George Shippard	Concerned citizen
Virginia Beckett	House Staff Association, Cook County Hospital
Marilyn J. Isabell	Garfield Alternative High School of Catholic Charities of Chicago
Douglas C. Gills	Kenwood Oakland Community Organization
David Hunt	Howard Area Community Center.

The following were registered with the Council and/or provided written statements:

Dr. Bapu Arekapudi	Indo-American Democratic Organization and Lake Shore Medical Associates, Limited
Urselean Boone	Hamilton Park Civic Improvement Council
Greg Kouach	Concerned citizen
Bernice R. McAfee	Auburn Branch Library
Rhoda McGee	Concerned citizen
Dr. Miguel A. Fernandez	H.E.L.O.
Loemaster Petty	14th and 15th Block Club
Joan E. Willingham	Dental Assistants of the Chicago Department of Health
Larry F. Pusateri	Statewide Housing Action Coalition

Barbara Shaw	Campaign for Responsible Ownership
George Morley	Organization of Palmer Square
Tamiye Meehan	Dover Street Neighbors Association
Arlene Valkanas	Illinois Arts Alliance
Mona Delgado	Department of Aging and Disability Advisory Council on Aging
Frankie Knibb	Chicago 1992 Committee
Denise Mahaney	Chicago Library System Affiliates
Dr. Margaret T. Burroughs	The DuSable Museum of African American History, Incorporated
Arthur Drechney	Concerned Citizen
Elida Medrano	Concerned Citizens of Little Village
Olga Ortiz	Little Village Chamber of Commerce
Cynthia Acosta	Little Village Community Council
Lillana Drechney	The Austin Weekly News

At this point in the proceedings, President Pro Tem. Sawyer asked if any others wished to address the Council and/or present statements. There was no response.

Thereupon, Alderman T. Evans moved to conclude the public hearing and resume the regular order of business.

The motion *Prevailed*.

REGULAR ORDER OF BUSINESS RESUMED.

Adjournment.

Thereupon, Alderman T. Evans moved that the City Council do *Adjourn*. The motion *Prevailed* and the City Council *Stood Adjourned* to meet in regular meeting on Tuesday, November 10, 1987, at 10:00 A.M. in the Council Chamber in City Hall.

A handwritten signature in cursive script, reading "Walter S. Kozubowski".

WALTER S. KOZUBOWSKI,
City Clerk.